

NATIONAL SECURITY COUNCIL

July 24, 1975

MEMORANDUM FOR: BRENT SCOWCROFT

FROM: JOHN MARCUM 

Attached is a revised memorandum concerning a proposed effort to dissuade South Korea from purchasing a French-built reprocessing plant. The memorandum has been rewritten to reflect recent South Korean assurances

In addition to the calls you have received, George Vest has asked that we expedite this decision to the extent possible. He is scheduled to testify on Tuesday in restricted session before Senator Symington on US initiatives with regard to this and other proliferation problems.

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By Authority Of General Scowcroft

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EXEMPT FROM GDS (1/5)

MR 95-144 #11 NSC Att. 4/25/95

By KBH Date 6/12/95

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NATIONAL SECURITY COUNCIL

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ACTION

July 24, 1975

Handwritten notes:
10/24/75
w/ Elliott
PER FACTO

MEMORANDUM FOR: SECRETARY KISSINGER
FROM: JAN M. LODAL *by JM*
DAVE ELLIOTT *by JM*
SUBJECT: Approach to South Korea on Reprocessing

As a result of growing concerns over South Korea's nuclear weapons intentions and specifically over their intention to purchase a pilot reprocessing plant from France, there is a bureaucratic concurrence at the staff level on a guidance cable (Tab A) that would authorize the Embassy in Seoul to approach the Koreans directly and:

- Point out that the Korean reprocessing plans could jeopardize US peaceful nuclear assistance, particularly a pending Export-Import Bank loan for the KORI-II, their second US-built power reactor;
- Ask them not to proceed with their planned reprocessing plant; and
- Offer support for ROK participation in an eventual multi-national regional reprocessing plant in East Asia.

Ambassador Sneider supports such an approach (Tab C).

Bureaucratic Factors

Recognizing the inevitable potential for leaks and for resulting difficulties with the French and Koreans, as in the case of the FRG-Brazil affair, and the intimate relationship between the ROK's nuclear weapons plan and our security commitment there; we tasked State/ACDA to prepare an options paper for use in obtaining a policy-level decision on this problem. Unfortunately, they prepared a lengthy advocacy memorandum

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DATE 10/20/00 BY SP-10 (2) (5)

NR 94-144 #12 NSC dt. 4/25/95

By KAH:ARA, Date 6/13/95

(Tab B) instead which State only reluctantly submitted to the NSC process (Scowcroft called Eagleburger). This paper does not deal with the basic problem of the ROK's perceived need for long term nuclear guarantees and our inability to provide them or with the problem of French involvement and consistency with our non-proliferation policy.

Regional Factors

If Korea begins to build a reprocessing plant in addition to the essential nuclear reactors we have agreed to supply, it will be widely assumed that it is seriously working on a nuclear weapons program. This perception would be potentially destabilizing in all of Northeast Asia. North Korea would certainly press its allies for a similar capability, and both China and the Soviet Union might see potential nuclear threats to their own territory. Perhaps most important, development of nuclear weapons in Korea could tip the balance on proliferation in Japan.

Korean Intentions

Korea's policy towards future development of a nuclear weapons capability seems fairly clear their armament program plans and from Park's statement indicating that exercise of the nuclear option would depend on the continuation of U.S. security guarantees. Unfortunately, this Korean attitude is well-known in Congress and in the international arms control community. It will make it very difficult for the U.S. to continue normal civil nuclear commerce with Korea unless some specific protective measures are taken.

Reprocessing will not be necessary for South Korea's nuclear power economy for several years and, in view of current controversy over the dangers of plutonium recycle, perhaps not for the foreseeable future. Both officials concerned with civil power development and those in favor of weapons production could probably be persuaded to defer the reprocessing effort, if necessary, to avoid jeopardizing acquisition of essential nuclear power reactors. We are pessimistic about longer term prospects, however, since the basic incentives for ROK nuclear weapons development will remain and they could either approach another supplier or eventually build their own reprocessing plant.

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Korean Assurances

Korea has taken some steps recently in order to reassure us and others that its civil program is for peaceful purposes. They ratified the NPT when Canada made it a condition of acquisition of Canadian reactors, they recently accepted our tortured interpretation of our bilateral nuclear agreement that gives the U. S. veto rights on reprocessing of spent fuel from U.S. supplied reactors, and have provided similar assurances to Canada.

The Koreans undoubtedly have their limits, though, and the request from the U.S. for them to forego a planned reprocessing plant may approach that limit. Compounding this is the fact that they might also have to pay certain termination costs as discussed below.

The French Connection

The reprocessing plant that the Koreans are planning to acquire is of French origin.
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Implications for Non-Proliferation Policy

In reaching your decision on this issue, you should also consider its implications for our overall non-proliferation policy. As a result of FRG and French opposition, it is now clear that the Nuclear Suppliers Conference will result in controls on reprocessing that are less stringent than those in the FRG-Brazil nuclear accord and considerably less stringent than those we would impose on South Korea. In a recent bilateral discussion, the FRG informed us that they would wait until after the conclusion of the Suppliers Conference to finalize their umbrella agreement with Iran probably with the expectation that we would not oppose exports which were in accordance with the Suppliers' agreement. Similarly, following the conclusion of a Suppliers' agreement, it is conceivable that the ROK would approach another supplier such as the FRG and purchase a reprocessing plant under the agreed guidelines and we would then find it more difficult to interfere.

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The real question as we work toward the goals of conclusion of a Suppliers Agreement, of strengthened IAEA safeguards and of increased NPT ratification is whether we will be willing to accept these as adequate controls both in terms of permitting U.S. exports on this basis and not objecting to bilateral arrangements between other suppliers and client states. In this regard, a comprehensive review of our non-proliferation policy is in progress in the VPWG and may serve as a useful basis for determining the extent to which we should continue to play an activist role in bilateral approaches rather than being content with the international regulatory mechanisms we are developing. However, this study will not be completed in time to serve as a basis for your decision on the Korean approach.

Options

The State proposal would have the advantage of closely following the Canadian demarche and would utilize our special leverage to exert maximum pressure on the ROK to abandon its plans. It would also be timely, and if the ROK agrees, would improve the prospects for pending Congressional approval of the Export-Import Bank loan and Nuclear Regulatory Commission licensing of fuel shipment for the KORI-I reactor. The approach would have some risk, however, of antagonizing the Koreans and, through public disclosure, irritating the French who have already complained about publicity on the Suppliers Conference.

If successful, the question would also remain of who would reimburse the French for their four million dollars in development costs. On the basis of a preliminary examination, we have not identified any reasonable method of paying the French directly -- which would be interpreted in Congress as "buying them off", or of compensating the Koreans through our AID or Military Assistance (they are already unhappy over reduced amounts in the latter program).
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Alternatively, we could rely on Korea's NPT obligations -- including safeguards in its facilities and nuclear explosive deployment prohibitions, their assurances that they will not reprocess fuel from Canadian or U.S. reactors, and additional barriers coming out of the Suppliers' Agreement, to satisfy our concerns. Unfortunately, such undertakings can be considered as mere "paper assurances" and some elements of Congress see it in these terms. In addition, if the ROK proceeds with this reprocessing plant, its neighbors would assume it is seriously working towards a nuclear weapons capability.

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Your Decision

- _____ That we continue bilateral efforts to deter ROK acquisition of a reprocessing plant (and forward the instruction cable to Seoul as the next step).

- _____ That we make no further effort to deter their acquisition of a reprocessing plant, and rely instead on the ROK's NPT obligations, IAEA safeguards and Suppliers Conference controls to ensure that they do not develop nuclear weapons.

Jack Froebe concurs.

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