



DEPARTMENT OF STATE
ACTION MEMORANDUM

File

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TO: The Acting Secretary
FROM: AF - William C. Harrop, Acting

South African Nuclear Issue

The Problem

We need to move forward with action on the various decisions taken in the August 25 Policy Review Committee meeting on the South African nuclear issue. The attached paper outlines for your approval the strategy which we propose to follow. We will, of course, be clearing individual telegrams to the field with you, as appropriate.

Background

Following recent indications that South Africa had made substantial progress in the development of a nuclear weapons capability, and might be preparing to test a nuclear device, we consulted urgently with other concerned governments and raised the issue with the South African government. As a first step, we requested and later received assurances from the South African Government that they do not have and do not intend to develop nuclear explosive devices for any purpose, peaceful or otherwise. Because of our doubts as to these assurances, and because of the broader implications of this development, the Policy Review Committee met on August 25 to consider what additional steps would be needed to defuse the situation and address our vital African and non-proliferation interests. Since that meeting, the concerned bureaus have consulted extensively and devised

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a general plan of action, including next steps to be taken with the South Africans and others.

Recommendation

That you approve the attached strategy paper as guidance for further action on this question.

Approve _____ Disapprove _____

Discuss _____

Attachment:

Strategy Paper

Drafted: ^{PL} PM:ALocke:S/P:JKahan:sba ^{Kfa}
8/26/77

Clearances: AF:WBEEdmondson ^{WBE}
AF/I:LRMacfarlane ^{LM}
T/D:JNye (subs) ^{JN}
S/P:PKreisberg ^{PK}
ACDA/NP:RWilliamson ^{RM}
IO:GHelman ^{GH}
EUR:RVine ^{RV}
NEA:NVeliotis ^{NV}
OES/NET:JBoright ^{JB}
INR/STA:RCowey (info) ^{RC}

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STRATEGY PAPER: NEXT STEPS ON SOUTH AFRICAN NUCLEAR ISSUE

1. In a further demarche at the Ambassadorial level next week, we should urge the South African Government (SAG) to take two additional actions to complement its nuclear assurances.

-- Immediate action unequivocally demonstrating an explicit South African intent to adhere to the NPT. This would be portrayed as an essential first step to provide credibility for South Africa and those nations continuing a nuclear relationship with it, as well as an important South African contribution to world non-proliferation objectives. As a practical matter, the SAG will be unable to adhere to the NPT until necessary Parliamentary action has been completed, which probably cannot be done until sometime in the first half of 1978. To assure ourselves and others of the SAG's good faith, two prerequisites would have to be met: 1) issuance of a formal statement, publicly putting the SAG on record as having decided to adhere to the NPT as soon as possible and 2) evidence that the SAG was indeed moving as rapidly as legal and constitutional constraints permitted.

-- As an immediate interim measure, pending NPT adherence and implementation of comprehensive safeguards pursuant to the NPT, South Africa should unilaterally submit the Valindaba pilot enrichment plant to IAEA safeguards by means of an urgent request addressed to the IAEA. Following this additional public documentation of South Africa's commitment to the peaceful uses of nuclear technology, the U.S. would be prepared to send to South Africa qualified technical personnel to work with the SAG and, as soon as possible, appropriate IAEA personnel, to develop and implement safeguards procedures that would meet their objective and at the same time respond to South Africa's legitimate desire to protect proprietary information relating to its unique enrichment process. These further steps would serve to bridge the anticipated delay of perhaps as much as 18 to 24 months before comprehensive NPT safeguards could be implemented, and ensure that no unsafeguarded production and stockpiling of highly-enriched uranium takes place during that period (which

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could be seen as contravening the intent of South Africa's assurances).

-- We should also make clear to the SAG that the U.S. will continue to monitor the situation, including developments at the Kalahari site. We would stress that any actions which could be interpreted as inconsistent with South Africa's three previous assurances would be viewed with the utmost gravity not only by the U.S. but in all probability by the Soviets, who might seek additional propaganda mileage.

2. In elaboration of our package, we would emphasize that a firm and public commitment to NPT adherence alone, in the absence of agreement to permit immediate inspections, would clearly be insufficient for further U.S. nuclear cooperation or for resolving the international credibility problem regarding South Africa's nuclear intentions.

-- If South Africa wishes to consider further the specific question of interim safeguards on Valindaba, before giving us a final decision, we would respond that the gravity of the situation permits no delay, but that we will seek to respond as fully as possible to the SAG's technical concerns once they have taken the initial steps and are moving toward resolution of the problem.

3. We should also inform the SAG that, if the above conditions are met, we would be in a position to recommend issuance of the necessary export licenses to permit the U.S. to supply low-enriched uranium fuel for the two nuclear reactors South Africa is purchasing from France, and would also be prepared at an appropriate time to modify our existing agreement to permit supply of LEU for a third power reactor (a point the SAG has previously raised with us).

-- This position would need to be coordinated with a corresponding French position on supply of the Koeberg reactors to South Africa (see paragraph 5 below).

Will we have this done by Friday?

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-- If the subject is raised by the SAG, we would explain that we could not, at this time, agree to supply South Africa with highly-enriched uranium. *Does Zbrg's Supercede*

Note: Given Vorster's public emphasis on U.S. failure to fulfill contractual obligations to supply fuel for the Safari reactor, it is quite possible that the SAG will ultimately insist on shipment of HEU as a quid pro quo for SAG commitments to NPT adherence and immediate inspections. If the HEU question proves to be the only obstacle to an otherwise satisfactory arrangement, we would have to examine our position in the light of the overall political situation at the time. Unless political considerations dictate otherwise, we would tell the SAG that we would be prepared to recommend licensing of a sufficient quantity of HEU to permit continued efficient operation of the Safari reactor for an interim period on two conditions: first, that all Safari spent fuel be returned to the U.S. after the necessary cooling period and, second, that the U.S. and SAG begin immediately to explore possibilities for converting Safari to operate on 20 percent enriched fuel. ✓

-- If raised by the SAG, we should remain non-committal on revising our present restrictions on exports of equipment for South Africa's enrichment plant, consistent with our general policy of not contributing to the spread of sensitive nuclear technologies. If pressed, we should indicate our readiness to consider on a case-by-case basis certain non-sensitive transfers.

4. It is highly desirable that any interim safeguards arrangements for Valindaba be conducted by the IAEA. Once SAG agrees to the principle of interim safeguards, agency experts would be brought in urgently to design detailed modalities and to implement safeguards arrangements. If the SAG rejects any IAEA role for interim safeguards (as opposed to official NPT safeguards) or if IAEA is unwilling or unable to meet this requirement rapidly or effectively, we should be prepared to propose either a mixed IAEA-multinational team or a non-IAEA international team, with or without U.S. participants.

Low fast, if at all can one get IAEA to act

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Because of the political liabilities of appearing as sole guarantor of South Africa's nuclear intentions, the U.S. should not provide an exclusively American safeguards team unless clearly satisfied that arrangements for implementing international safeguards will soon follow. (We are querying Ambassador Stone on issues relating to early and effective IAEA involvement.)

*What
said
he ?*

5. We would contact the French as soon as possible, in advance of our proposed approach, and suggest a parallel approach to South Africa.

-- We would note the special urgency and priority of beginning Valindaba inspection immediately.

-- We would explain carefully our intention to continue monitoring the Kalahari site so as to be able to take appropriate further action if there is any change that appears to be inconsistent with South Africa's assurances.

-- We would seek from the French their support for our tactics, preferably by their indicating to South Africa the difficulty of fulfilling the contract for supply of the Koeberg reactors (or of serving as a back-up supplier of fuel) if South Africa fails to accept and implement all elements of our package. We would stress that French parallel action in this respect could make the difference in achieving South African acceptance of the kind of safeguards that would protect both France and the U.S. France, not itself a party to the NPT, may find it difficult to explicitly associate itself with the NPT aspect of our demands, but given their own concerns on this issue, we can reasonably hope that they will support our overall approach.

6. We would also inform London and Bonn of our proposed approach before we approach the SAG. We would specifically seek to have them reiterate their demarches to the SAG regarding NPT adherence and the need for immediate safeguards on Valindaba, and we would inform them of our intent to monitor closely the situation at Kalahari.

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(We could also consult a limited number of other capitals, such as Ottawa and Tokyo, to apprise them of our general approach.)

7. We would contact Moscow about the time we approach the South Africans with a general statement to the effect that we are seeking further actions from South Africa, including a commitment to NPT adherence on an urgent basis, and that we are monitoring the situation very closely.
8. Once we have presented our package to South Africa, and if the prognosis for SAG acceptance of it is favorable, we would consult with selected Congressmen to seek their support, specifically to ensure that further nuclear cooperation with South Africa would be acceptable on the Hill if the SAG agreed to all our conditions.
9. At some point in the near future we may conclude that a further approach to Israel is needed. We should base any further approach to the GOI on a careful review of available technical information and the political climate.
10. Since we have already raised the issue of the NPT with South Africa, it is possible that they will approach us within the next few days along the lines of Vorster's speech of August 24; i.e., they may offer to adhere to the NPT if we would assure South Africa that this would put the recent nuclear issue to rest, guarantee U.S. supply of HEU as well as LEU, and remove our restrictions on exports of equipment useful for their enrichment plant. In this event, we would simply present the package, ignoring in the first instance those aspects of the South African offer that we do not wish to deal with.

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