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NUCLEAR POLICY

A STATEMENT BY PRESIDENT GERALD R. FORD

We have known since the age of nuclear energy began more than 30 years ago that this marvelous source of energy presented both the potential for tremendous benefits for all mankind and the potential for great destruction.

During the past 30 years, the U.S. has been the unquestioned leader in worldwide efforts to assure that the benefits of nuclear energy are made available widely while its destructive uses are prevented. I have given special attention to these objectives during the past two years and we have made important new progress, particularly in efforts to control the proliferation of nuclear weapon capability among the nations of the world.

Last summer, I directed that a thorough review be undertaken of all our nuclear policies and options to see whether new steps should be taken. I have considered carefully the results of that review, held discussions with Congressional leaders, and benefited from consultations with leaders of other nations. I have decided that new steps are needed, building upon the progress of the past two years, and I am announcing today a number of actions and proposals to:

- strengthen commitment of the nations of the world to the goal of non-proliferation and build an effective system of international controls to prevent proliferation.



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- change and strengthen U.S. domestic nuclear policies and programs to contribute to our non-proliferation goals.
- By these actions, pave the way for increased use of nuclear energy in the U.S. and in the world in a safe and economic manner.

As the use of nuclear energy increases worldwide, we are being faced with a growing problem of preventing the spread of capability to develop nuclear explosives. The problem can be handled as long as we understand it clearly and act wisely in concert with other nations to deal with it. But we are faced with a threat that could bring tragedy if we fail to comprehend it or fail to take effective measures.

The potential for proliferation stems from an intrinsic characteristic of nuclear energy. On the one hand, this energy source represents one of the best hopes for satisfying the rising world demand for energy with minimum environmental impact and with the potential for reducing dependence on uncertain and diminishing world supplies of oil.

On the other hand nuclear fuel, as it produces power also produces plutonium, which can be chemically separated from the spent fuel. This plutonium can then be recycled and used as fuel to generate additional nuclear power without the need for additional energy resources. Unfortunately -- and this is the root of the problem -- the same plutonium, when chemically separated is also a key ingredient of nuclear explosives.

The world community cannot afford to let dangerous nuclear materials that can be used for explosives or the technology to produce them spread uncontrolled over the globe or permit them to be produced and utilized by any nation or group unless the most stringent security conditions and arrangements for avoiding proliferation are adhered to.

Developing the means to prevent proliferation while preserving the enormous benefits of nuclear energy is one of the major challenges facing all nations of the world today. The policies and programs we need cannot be judged by standards applied to most domestic and international activities. They cannot be partially successful. They will either work, in which case we shall stop proliferation, or they will fail and nuclear proliferation will accelerate as nations initially having no intention of acquiring nuclear weapons conclude that they are forced to do so by the actions of others.

The seriousness and the complexity of the problem places a special burden on those who propose ways to control proliferation. They must avoid the temptation for rhetorical gestures, empty threats or righteous posturing. They must offer policies and programs which deal with the world as it is, not as we might wish it. The goal is to prevent proliferation, not that which merely sounds as if we deplore it.

The first task in dealing with the problem of proliferation is to understand the outlook for nuclear power. Briefly:

- More than 30 nations have or plan to build nuclear power plants to reap the benefits of nuclear energy.
- But several nations also have all the technology needed to produce both the benefits and the destructive potential of nuclear energy, and they have the capability to supply such technology and facilities to any nation willing to pay for it.

In short, the U.S. no longer has a monopoly on nuclear technology. Although our role is large, we are not able to control worldwide nuclear development. Action to control proliferation must be an international cooperative effort involving many nations, including both nuclear suppliers and customers. Common standards must be developed and accepted by all parties. If this is not done, unrestrained trade in sensitive nuclear technology and materials will develop -- with no one in a position to stop it.

As we move forward, we must recognize that interests in nuclear energy vary widely among nations. We must recognize that some look to nuclear energy because they have no acceptable energy alternative. We must be sure that our efforts to control proliferation are not viewed by such nations as an act to prevent them from enjoying the benefits of nuclear energy. We must be sure that all nations recognize that the U.S. believes that non-proliferation objectives must take precedence over economic and energy benefits if a choice must be made.

The task we face calls for an international cooperative venture of unprecedented dimensions. The U.S. is prepared to work with all others.

Principal Policy Decisions

On the basis of our recent review, I have decided on a number of policy decisions that are necessary and appropriate to meet our non-proliferation and energy objectives.

- First, I have concluded that it is neither necessary nor desirable to proceed at this time with commercial scale chemical reprocessing of nuclear fuel which results in the separation of plutonium. Those responsible for nuclear development here and abroad have long assumed that reprocessing and recycle of plutonium would occur. However, our recent review has led me to conclude that there are uncertainties that should be resolved before a final decision is made here or abroad to proceeding with commercial reprocessing.
- Second, I have concluded that major new actions are needed worldwide to reduce the threat of proliferation, particularly from the spread of technology and facilities for reprocessing and for producing certain nuclear materials.

Accordingly, I am calling upon all nations to agree to a three-year moratorium on the export or acquisition of reprocessing or uranium enrichment facilities and technologies.

- Third, I have concluded that new steps are needed on an international cooperative basis to help assure that all nations have an adequate and reliable supply of energy for their needs. I believe, most importantly, that nuclear supplier nations have a special obligation to assure that customer nations have an adequate supply of fuel for their nuclear power plants, if those customer nations forego the acquisition of reprocessing and uranium enrichment capability and accept effective proliferation controls.
- Fourth, I have concluded that new efforts must be made to urge all nations to join in a full-scale international cooperative effort -- which I shall outline in detail -- to develop a total system of effective controls to prevent proliferation.
- Fifth, I have concluded that the U.S. will take new steps with respect to its own exports to control proliferation.
- Sixth, I have concluded that the U.S. must maintain its role as a major and reliable world supplier of nuclear reactors and fuel for peaceful purposes. Our strong position as a competitive supplier has provided the principal basis for our influence and leadership in worldwide non-proliferation efforts. A strong position will be equally important in the future. While reaffirming this U.S. intent, however, I want to make clear to all

nations that the U.S. seeks no competitive advantage by virtue of the worldwide system of effective non-proliferation controls that I am calling for today.

--Seventh, I have concluded that the U.S. should continue to increase its use of nuclear energy in the years ahead. Even with strong efforts to conserve, we will have increasing demands for energy for a growing economy. To satisfy these needs, we must rely on increased use of both nuclear energy and coal until more acceptable alternatives are developed. We will push ahead with work on all promising alternative technologies but it is clear that we cannot expect a major contribution to our energy supply from any of these alternatives until late in this century.

-- Finally, I have concluded that new steps are needed to assure that we have in place when needed, both in the U.S. and around the world, the facilities for the long-term storage or disposal of nuclear wastes.



Actions to Implement our Nuclear Policies

In order to implement the nuclear policies that I have outlined, a major effort will be required within the United States and by the many nations around the world with an interest in nuclear energy. To move forward with that effort I am today announcing a number of actions that I am taking and a number of proposals that I am making to other nations.

Change in U.S. Policy on Nuclear Fuel Reprocessing

First, with respect to nuclear fuel reprocessing, I am directing agencies of the Executive Branch to undertake a number of actions to implement my decision to delay commercial-scale reprocessing activities in the U.S. until significant economic uncertainties are resolved: Specifically:

- I am directing the Administrator of the Energy Research and Development Administration (ERDA) to:
    - ° change his agency's policies and programs which, heretofore have been based on the assumption that reprocessing would proceed;
    - ° begin immediately to define a program of reprocessing and recycle experiments and evaluations to resolve economic uncertainties.
- This program should be developed in consultation

with the Nuclear Regulatory Commission (NRC) and complement that agency's work on safety, safeguards and environmental requirements for reprocessing and recycling activities, particularly its Generic Environmental Statement on Mixed Oxide Fuels.

- ° encourage industry to proceed immediately with the expansion of spent fuel storage facilities, thus assuring utilities that they need not be concerned about shut down of nuclear reactors because of delays.
- ° identify the research and development efforts needed to investigate alternatives to reprocessing to include means of recovering the energy value from used nuclear fuel without separating out plutonium.

-- I am directing the Secretary of State to invite other nations and the International Atomic Energy Agency (IAEA) to participate in designing and carrying out the reprocessing and recycle experiments and evaluations that are needed to resolve uncertainties, and to make clear that any demonstration activities carried out in the U.S. will be subject to full IAEA safeguards and inspections.

Previous Accomplishments in Controlling Proliferation

Reducing the worldwide risks associated with plutonium will require the support and cooperation of both supplier and consumer countries. Such support and cooperation will come only if other nations are confident that the initiatives I am launching today will respect their legitimate economic interests and enhance the future safety of all nations and peoples. I can assure all those nations that join us in giving precedence to non-proliferation and environmental goals that we will stand ready to cooperate with them on any economic problems which arise from that effort.

During the past two years, I have vigorously pursued non-proliferation through multilateral cooperation with other nations. In a world of several potential supplier nations, highly publicized or unilateral approaches would be futile; they could as well easily alienate both supplier and consumer nations whose cooperation is essential to our efforts. I therefore have rejected such approaches.

My most immediate concern has been to improve international cooperation to strengthen safeguards and controls.

In 1974, soon after I assumed office, I proposed strengthening and standardizing non-proliferation measures at the United Nations General Assembly. In the fall of that year, I became concerned that some nuclear supplier countries, in order to achieve competitive advantage, were prepared to offer nuclear exports under conditions

less rigorous than we believed prudent. I expressed this concern directly to my counterparts in key supplier and recipient nations. I directed the Secretary of State to emphasize multilateral action to limit this dangerous form of competition.

At our initiative, the first meeting of major nuclear suppliers was convened in London in April, 1975. And a series of meetings and intensive bilateral consultations followed.

As a result of these meetings, we have significantly raised international standards through progressive new guidelines to govern nuclear exports, which are now being applied. These involve both improved safeguards and controls to prevent diversion, and physical protection against theft and sabotage. The United States has adopted these guidelines as policy for nuclear exports.

In addition, we have acted to deal with the special dangers associated with plutonium. Even prior to today's decisions, the United States took the following steps:

- We have prohibited export of reprocessing and other nuclear technologies that could contribute to proliferation.
- We have firmly opposed reprocessing in Korea and Taiwan. We welcome the decisions of those nations to forego such activities; we will continue to discourage national reprocessing in other locations of particular concern.

-- We negotiated agreements for cooperation with Egypt and Israel which contain the strictest reprocessing provisions and other nuclear controls ever included in the twenty-year history of our nuclear cooperation program.

And there have been other important gains during the two years of my Administration. Last year, the Federal Republic of Germany, Italy, and other European states completed ratification of the Non-Proliferation Treaty. And this year, Japan also ratified the Treaty -- a significant step after many years of serious debate with Japan.

In addition, last month, at my direction, the United States offered to place its civil nuclear facilities under the safeguards of the International Atomic Energy Agency -- and the IAEA has approved a proposed agreement for this purpose.

#### New Actions to Reduce the Threat of Proliferation

Despite the gains, there are new dangers of nuclear proliferation that have resulted from the spread of capability to reprocess nuclear fuel and to produce other nuclear materials that could be used for nuclear explosives. As the first step in a comprehensive international program to meet this danger:

-- I call upon all nations to forego either the export or the acquisition of reprocessing and enrichment technology and facilities for a period of at least three years.

This action will allow nuclear supplier and consumer nations to work together to establish reliable means for meeting nuclear needs with minimum risk, as we assess carefully the wisdom of reprocessing and use of plutonium.

Assuring an Adequate Energy Supply

Second, I believe that a number of specific actions must be taken to assure energy importing nations that acceptance of effective non-proliferation controls will not interfere with their right to a reliable and economic energy supply. Such assurances are necessary so that all nations will understand that the proposed moratorium on sensitive facilities and technology and other new controls to prevent proliferation will not adversely effect their essential interests.

-- I urge all nuclear suppliers to provide their consumers nuclear fuel services in place of sensitive nuclear technology.

An international review of the desirability of proceeding with reprocessing may lead to the criteria that the number and location of sensitive facilities to generate sensitive fuel must be limited to meet non-proliferation goals. The availability of diverse fuel cycle services in several different nations can provide ample assurance to consumers of a continuing and stable source of supply. We must continue to study the possibility of providing fuel cycle services through a multinational center.

The United States will do its part to ensure that any country accepting responsible restraints on its nuclear power program with regard to enrichment, reprocessing and plutonium disposition will have an assured supply of nuclear fuel.

-- I have directed the Secretary of State to offer binding letters of intent for the supply of nuclear fuel to countries -- current as well as prospective recipients -- willing to accept such responsible restraints.

This reaffirms the commitment I made in June, 1975.

Such supply requirements will be met either by private U.S. suppliers or by new U.S. government-owned capacity.

-- I have also directed the Secretary of State to enter into negotiations or arrangements with consumer nations that adopt responsible restraints under which we would mutually agree on the disposition of spent fuel, where appropriate and where it can demonstrably foster our non-proliferation objectives.

In return, these nations would be either reimbursed or assured of fresh, low-enriched fuel of equivalent energy value. A primary objective of such agreements would be to ensure against economic disadvantages to the cooperating nation.

In pursuing a program of assured fuel supply and fuel exchange, the United States seeks no commercial advantage. The program can and will be administered to avoid unfair advantage in the sale of reactors or related services. At my direction, the Secretary of State will initiate consultations: to explore arrangements for coordinating such resources; and to develop other means to ensure that suppliers can offer, and consumers can receive an uninterrupted and economic supply of non-sensitive nuclear fuel and fuel services.



A Total System of International Controls against Proliferation

The proposed moratorium on the export of technology and facilities for reprocessing and uranium enrichment is one step. I am today proposing a total system. First:

-- I call upon all nations to pursue discussions aimed at establishing a new international regime to provide for storage of excess civil plutonium and spent reactor fuel.

The U.S. first described this proposal to the International Atomic Energy and other interested nations last spring. Creation of such a regime will strengthen world confidence that the accumulation of excess plutonium and spent fuel can be stored safely, pending re-entry into the nuclear fuel cycle or other safe disposition. I urge the IAEA, which is empowered to establish such a depository to give urgent consideration to this concept. Once a broadly representative IAEA storage regime is in operation, the United States is prepared to place its excess civil plutonium and spent fuel under its control, and, we are prepared to consider providing a site for international storage under IAEA auspices.

-- I have directed the Secretary of State to initiate discussions with the IAEA with a view to expanding their safeguards capabilities.

I am prepared to propose a major commitment of additional resources to the IAEA for this purpose and I have already instructed two of our principal national laboratories to

provide assistance, on a continuing basis, to the IAEA Secretariat. The inspection system of the IAEA is a key element in our non-proliferation strategy. The world community must make sure that the Agency has the technical and human resources needed to keep pace with its expanding responsibilities. I call upon the other nations to join in increasing support for the IAEA safeguards program.

-- I have directed the Secretary of State and other agencies concerned to address vigorously with other nations at both a bilateral and multilateral level, the problem of physical security for nuclear facilities. The possibility of an international convention should be considered.

In the United States, we have an effective physical security system for our facilities. But, the terrible increase in violence and terrorism throughout the world has sharpened our awareness of the need to assure rigorous protection for sensitive nuclear materials and equipment. Many nations have responded to the initiatives which I have taken in this area by strengthening their physical security over sensitive nuclear materials and by cooperating in the development of international guidelines by the IAEA. As a result of consultations among the major suppliers, provision for adequate security is becoming a normal condition of supply. Additional steps are urgently needed, however, to upgrade physical security systems to meet international norms, and to assure international collaboration to swiftly recover lost or stolen materials.

The United States intends to make every effort to assume an effective system of international controls work. But, even when complete, no system of controls can be fully effective, if a potential violator judges that his acquisition of a nuclear explosive will be received with indifference by the international community.

-- I serve notice today that the United States will immediately cut off our supply of nuclear fuel and cooperation to any nation that violates a safeguards agreement to which we are a party. We will, moreover, consider further steps, not necessarily confined to the area of nuclear cooperation against any nation that materially violates a safeguards agreement, whether or not we are directly involved. Particularly in the case of agreements with the IAEA, we will initiate immediate consultations with all interested nations aimed at achieving appropriate and convincing international action.

Any material violation of a nuclear safeguards agreement -- especially the diversion of nuclear material for use in making explosives -- must be universally judged to be a grave affront to the world community, calling for the immediate imposition of drastic sanctions. Such universal recognition of the total unacceptability of the abrogation or violation of any non-proliferation agreements is one of the most important steps which can be taken to prevent further proliferation. We call upon all concerned governments to affirm publicly that they

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Last summer, I directed that a thorough review be undertaken of all our nuclear policies and options to see whether new steps should be taken. I have considered carefully the results of that review, held discussions with Congressional leaders, and benefited from consultations with leaders of other nations. I have decided that new steps are needed, building upon the progress of the past two years, and I am announcing today a number of actions and proposals to:

- strengthen commitment of the nations of the world to the goal of non-proliferation and build an effective system of international controls to prevent proliferation.

- change and strengthen U.S. domestic nuclear policies and programs to contribute to our non-proliferation goals, *and*
- ~~By these actions, pave the way for~~ <sup>*the*</sup> increased use of nuclear energy in the U.S. and in the world in a safe and economic manner.

As the use of nuclear energy increases worldwide, we are being faced with a growing problem of preventing the spread of *the* capability to develop nuclear explosives. The problem can be handled as long as we understand it clearly and act wisely in concert with other nations to deal with it. But we are faced with a threat that could bring tragedy if we fail to comprehend it or fail to take effective measures.

The potential for proliferation stems from an intrinsic characteristic of nuclear energy. On the one hand, this energy source represents one of the best hopes for satisfying the rising world demand for energy with minimum environmental impact and with the potential for reducing dependence on uncertain and diminishing world supplies of oil.

On the other hand, <sup>*as*</sup> nuclear fuel, ~~as it~~ produces power, *it* also produces plutonium, which can be chemically separated from the spent fuel. This plutonium can then be recycled and used as fuel to generate additional nuclear power without the need for additional energy resources. Unfortunately -- and this is the root of the problem -- the same plutonium, when chemically separated is also a key ingredient of nuclear explosives.



The world community cannot afford to let dangerous nuclear materials that can be used for explosives or the technology to produce them spread uncontrolled over the globe or permit them to be produced and utilized by any nation or group unless the most stringent security conditions and arrangements for avoiding proliferation are adhered to.

Developing the means to prevent proliferation while preserving the enormous benefits of nuclear energy is one of the major challenges facing all nations of the world today. The policies and programs we need cannot be judged by standards applied to most domestic and international activities. They cannot be partially successful. They will either work, in which case we shall stop proliferation, or they will fail and nuclear proliferation will accelerate as nations initially having no intention of acquiring nuclear weapons conclude that they are forced to do so by the actions of others.

The seriousness and the complexity of the problem places a special burden on those who propose ways to control proliferation. They must avoid the temptation for rhetorical gestures, empty threats or righteous posturing. They must offer policies and programs which deal with the world as it is, not as we might wish it. The goal is to prevent proliferation, not that which merely sounds as if we deplore it.

The first task in dealing with the problem of proliferation is to understand the outlook for nuclear power. Briefly:

- More than 30 nations have or plan to build nuclear power plants to reap the benefits of nuclear energy.
- But several nations also have all the technology needed to produce both the benefits and the destructive potential of nuclear energy, and they have the capability to supply such technology and facilities to any nation willing to pay for it.

In short, the U.S. no longer has a monopoly on nuclear technology. Although our role is large, we are not able to control worldwide nuclear development. Action to control proliferation must be an international cooperative effort involving many nations, including both nuclear suppliers and customers. Common standards must be developed and accepted by all parties. If this is not done, unrestrained trade in sensitive nuclear technology and materials will develop -- with no one in a position to stop it.

As we move forward, we must recognize that interests in nuclear energy vary widely among nations. We must recognize that some look to nuclear energy because they have no acceptable energy alternative. We must be sure that our efforts to control proliferation are not viewed by such nations as an act to prevent them from enjoying the benefits of nuclear energy. We must be sure that all nations recognize that the U.S. believes that non-proliferation objectives must take precedence over economic and energy benefits if a choice must be made.

The task we face calls for an international cooperative venture of unprecedented dimensions. The U.S. is prepared to work with all others.

Principal Policy Decisions

On the basis of our recent review, I have ~~decided~~ <sup>REACHED</sup> a number of policy ~~decisions~~ <sup>ISSUES</sup> that are necessary and ~~and~~ ~~appropriate~~ to ~~meet~~ our non-proliferation and energy objectives.

-- First, I have ~~concluded that it is neither necessary~~ <sup>DECIDED THAT THE U.S. WILL NOT</sup> ~~nor desirable to~~ proceed at this time with commercial scale chemical reprocessing of nuclear fuel which results in the separation of plutonium. Those responsible for nuclear development here and abroad have long assumed that reprocessing and recycle of plutonium would occur. However, our recent review has led me to conclude that there are uncertainties that ~~should~~ <sup>MUST</sup> be resolved before a final decision is made here or abroad to proceed ~~with~~ with commercial reprocessing.

-- Second, I have concluded that major new actions are needed worldwide to reduce the threat of proliferation, particularly from the spread of technology and facilities for reprocessing and for producing certain nuclear materials.





Accordingly, I am calling upon all nations to agree to a three-year moratorium on the export or acquisition of reprocessing or uranium enrichment facilities and technologies.

*How can we defend NFAA?*

-- Third, ~~I have concluded that~~ new steps are needed on an international cooperative basis to help assure that all nations have an adequate and reliable supply of energy for their needs. I believe, most importantly, that nuclear supplier nations have a special obligation to assure that customer nations have an adequate supply of fuel for their nuclear power plants, if those customer nations forego the acquisition of reprocessing and uranium enrichment capability and accept effective proliferation controls.

-- Fourth, <sup>WE WILL</sup> ~~I have concluded that new efforts must be made~~ ~~to~~ urge all nations to join in a full-scale international cooperative effort -- which I shall outline in detail -- to develop a total system of effective controls to prevent proliferation.

-- Fifth, ~~I have concluded that~~ the U.S. will take new steps with respect to its own exports to control proliferation.

*2/2/73  
Environmental*

-- Sixth, ~~I have concluded that~~ new steps are needed to assure that we have in place when needed, both in the U.S. and around the world, the facilities for the long-term storage or disposal of nuclear wastes.



--Seventh, ~~I have concluded that~~ the U.S. should continue to increase its use of nuclear energy in the years ahead. Even with strong efforts to conserve, we will have increasing demands for energy <sup>AND THE NEW JOBS CREATED BY A GROWING ECONOMY</sup> for a growing economy. To satisfy these needs, we must rely on increased use of both nuclear energy and coal until more acceptable alternatives are developed. We will push ahead with work on all promising alternative technologies but it is clear that we cannot expect a major contribution to our energy supply from any of these alternatives until late in this century.

*2/2/77* -- ~~Finally, I have concluded that~~ the U.S. must maintain its role as a major and reliable world supplier of nuclear reactors and fuel for peaceful purposes. Our strong position as a competitive supplier has provided the principal basis for our influence and leadership in worldwide non-proliferation efforts. A strong position will be equally important in the future. While reaffirming this U.S. intent, however, I want to make clear to all nations that the U.S. seeks no competitive advantage by virtue of the worldwide system of effective non-proliferation controls that I am calling for today.



Actions to Implement our Nuclear Policies

In order to implement the nuclear policies that I have outlined, a major effort will be required within the United States and by the many nations around the world with an interest in nuclear energy. To move forward with that effort I am today announcing a number of actions that I am taking and a number of proposals that I am making to other nations.

Change in U.S. Policy on Nuclear Fuel Reprocessing

First, with respect to nuclear fuel reprocessing, I am directing agencies of the Executive Branch to undertake a number of actions to implement my decision to delay commercial-scale reprocessing activities in the U.S. until significant economic uncertainties are resolved:  
Specifically:

- I am directing the Administrator of the Energy Research and Development Administration (ERDA) to:
  - o change his agency's policies and programs which, heretofore have been based on the assumption that reprocessing would proceed;
  - o begin immediately to define a program of reprocessing and recycle experiments and evaluations to resolve economic uncertainties.
 This program should be developed in consultation

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*Handwritten notes:*  
Dunbar, 2/27/74  
ERDA



with the Nuclear Regulatory Commission (NRC) and complement that agency's work on safety, safeguards and environmental requirements for reprocessing and recycling activities, particularly its Generic Environmental Statement on Mixed Oxide Fuels.

- ° encourage industry to proceed immediately with the expansion of spent fuel storage facilities, thus assuring utilities that they need not be concerned about ~~shut~~<sup>SHUTTING</sup> down ~~of~~ nuclear reactors because of delays.
- ° identify the research and development efforts needed to investigate alternatives to reprocessing to include means of recovering the energy value from used nuclear fuel without separating out plutonium.

-- I am directing the Secretary of State to invite other nations and the International Atomic Energy Agency (IAEA) to participate in designing and carrying out the reprocessing and recycle experiments and evaluations that are needed to resolve uncertainties, and to make clear that any demonstration activities carried out in the U.S. will be subject to full IAEA safeguards and inspections.



Previous Accomplishments in Controlling Proliferation

Reducing the worldwide risks associated with plutonium will require the support and cooperation of both supplier and consumer countries. Such support and cooperation will come only if other nations are confident that the initiatives I am launching today will respect their legitimate economic interests and enhance the future safety of all nations and peoples. I can assure all those nations that join us in giving precedence to non-proliferation and environmental goals that we will stand ready to cooperate with them on any economic problems which arise from that effort.

During the past two years, I have vigorously pursued non-proliferation through multilateral cooperation with other nations. In a world of several potential supplier nations, highly publicized or unilateral approaches would be futile; they could as well easily alienate both supplier and consumer nations whose cooperation is essential to our efforts. I therefore have rejected such approaches.

My most immediate concern has been to improve international cooperation to strengthen safeguards and controls.

In 1974, soon after I assumed office, I proposed strengthening and standardizing non-proliferation measures at the United Nations General Assembly. In the fall of that year, I became concerned that some nuclear supplier countries, in order to achieve competitive advantage, were prepared to offer nuclear exports under conditions

*What's in this promise?*



less rigorous than we believed prudent. I expressed this concern directly to my counterparts in key supplier and recipient nations. I directed the Secretary of State to emphasize multilateral action to limit this dangerous form of competition.

At our initiative, the first meeting of major nuclear suppliers was convened in London in April, 1975. And a series of meetings and intensive bilateral consultations followed.

As a result of these meetings, we have significantly raised international standards through progressive new guidelines to govern nuclear exports, which are now being applied. These involve both improved safeguards and controls to prevent diversion, and physical protection against theft and sabotage. The United States has adopted these guidelines as policy for nuclear exports.

In addition, we have acted to deal with the special dangers associated with plutonium. Even prior to today's decisions, the United States took the following steps:

- We have prohibited export of reprocessing and other nuclear technologies that could contribute to proliferation.
- We have firmly opposed reprocessing in Korea and Taiwan. We welcome the decisions of those nations to forego such activities; we will continue to discourage national reprocessing in other locations of particular concern.

*What about French demand?*

-- We negotiated agreements for cooperation with Egypt and Israel which contain the strictest reprocessing provisions and other nuclear controls ever included in the twenty-year history of our nuclear cooperation program.

And there have been other important gains during the two years of my Administration. Last year, the Federal Republic of Germany, Italy, and other European states completed ratification of the Non-Proliferation Treaty. And this year, Japan also ratified the Treaty -- a significant step after many years of serious debate with Japan.

In addition, last month, at my direction, the United States offered to place its civil nuclear facilities under the safeguards of the International Atomic Energy Agency -- and the IAEA has approved a proposed agreement for this purpose.

New Actions to Reduce the Threat of Proliferation

II

Despite the gains, there are new dangers of nuclear proliferation that have resulted from the spread of capability to reprocess nuclear fuel and to produce other nuclear materials that could be used for nuclear explosives. As the first step in a comprehensive international program to meet this danger:

*Order in text?*

-- I call upon all nations to forego either the export or the acquisition of reprocessing and enrichment technology and facilities for a period of at least three years.



This action will allow nuclear supplier and consumer nations to work together to establish reliable means for meeting nuclear needs with minimum risk, as we assess carefully the wisdom of reprocessing and use of plutonium.

Assuring an Adequate Energy Supply

Second, I believe that a number of specific actions must be taken to assure energy importing nations that acceptance of effective non-proliferation controls will not interfere with their right to a reliable and economic energy supply. Such assurances are necessary so that all nations will understand that the proposed moratorium on sensitive facilities and technology and other new controls to prevent proliferation will not adversely effect their essential interests.

-- I urge all nuclear suppliers to provide their consumers nuclear fuel services in place of sensitive nuclear technology.

An international review of the desirability of proceeding with reprocessing may lead to the criteria that the number and location of sensitive facilities to generate sensitive fuel must be limited to meet non-proliferation goals. The availability of diverse fuel cycle services in several different nations can provide ample assurance to consumers of a continuing and stable source of supply. We must continue to study the possibility of providing fuel cycle services through a multinational center.





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- I have directed the Secretary of State to offer binding letters of intent for the supply of nuclear fuel to countries -- current as well as prospective recipients -- willing to accept such responsible restraints.

This reaffirms the commitment I made in June, 1975.

Such supply requirements will be met either by private U.S. suppliers or by new U.S. government-owned capacity.

- I have also directed the Secretary of State to enter into negotiations or arrangements with consumer nations that adopt responsible restraints under which we would mutually agree on the disposition of spent fuel, where appropriate and where it can demonstrably foster our non-proliferation objectives.

In return, these nations would be either reimbursed or assured of fresh, low-enriched fuel of equivalent energy value. A primary objective of such agreements would be to ensure against economic disadvantages to the cooperating nation.

In pursuing a program of assured fuel supply and fuel exchange, the United States seeks no commercial advantage. The program can and will be administered to avoid unfair advantage in the sale of reactors or related services. At my direction, the Secretary of State will initiate consultations: to explore arrangements for coordinating such resources; and to develop other means to ensure that suppliers can offer, and consumers can receive an uninterrupted and economic supply of non-sensitive nuclear fuel and fuel services.

A Total System of International Controls against Proliferation

*IV*

The proposed moratorium on the export of technology and facilities for reprocessing and uranium enrichment is one step. I am today proposing a total system. First:

-- I call upon all nations to pursue discussions aimed at establishing a new international regime to provide for storage of excess civil plutonium and spent reactor fuel.

The U.S. first described this proposal to the International Atomic Energy and other interested nations last spring. Creation of such a regime will strengthen world confidence that the accumulation of excess plutonium and spent fuel can be stored safely, pending re-entry into the nuclear fuel cycle or other safe disposition. I urge the IAEA, which is empowered to establish such a depository to give urgent consideration to this concept. Once a broadly representative IAEA storage regime is in operation, the United States is prepared to place its excess civil plutonium and spent fuel under its control, and, we are prepared to consider providing a site for international storage under IAEA auspices.

*we  
are  
prepared?*

-- I have directed the Secretary of State to initiate discussions with the IAEA with a view to expanding their safeguards capabilities.

I am prepared to propose a major commitment of additional resources to the IAEA for this purpose and I have already instructed two of our principal national laboratories to



provide assistance, on a continuing basis, to the IAEA Secretariat. The inspection system of the IAEA is a key element in our non-proliferation strategy. The world community must make sure that the Agency has the technical and human resources needed to keep pace with its expanding responsibilities. I call upon the other nations to join in increasing support for the IAEA safeguards program.

-- I have directed the Secretary of State and other agencies concerned to address vigorously with other nations at both a bilateral and multilateral level, the problem of physical security for nuclear facilities. The possibility of an international convention should be considered.

In the United States, we have an effective physical security system for our facilities. But, the terrible increase in violence and terrorism throughout the world has sharpened our awareness of the need to assure rigorous protection for sensitive nuclear materials and equipment. Many nations have responded to the initiatives which I have taken in this area by strengthening their physical security over sensitive nuclear materials and by cooperating in the development of international guidelines by the IAEA. As a result of consultations among the major suppliers, provision for adequate security is becoming a normal condition of supply. Additional steps are urgently needed, however, to upgrade physical security systems to meet international norms, and to assure international collaboration to swiftly recover lost or stolen materials.

7  
The United States intends to make every effort to <sup>R</sup> assure an effective system of international controls work.  
But, even when complete, no system of controls can be fully effective, if a potential violator judges that his acquisition of a nuclear explosive will be received with indifference by the international community.

-- I serve notice today that the United States will immediately cut off our supply of nuclear fuel and cooperation to any nation that violates a safeguards agreement to which we are a party. We will, moreover, consider further steps, not necessarily confined to the area of nuclear cooperation against any nation that materially violates a safeguards agreement, whether or not we are directly involved. Particularly in the case of agreements with the IAEA, we will initiate immediate consultations with all interested nations aimed at achieving appropriate and convincing international action.

Any material violation of a nuclear safeguards agreement -- especially the diversion of nuclear material for use in making explosives -- must be universally judged to be a grave affront to the world community, calling for the immediate imposition of drastic sanctions. Such universal recognition of the total unacceptability of the abrogation or violation of any non-proliferation agreements is one of the most important steps which can be taken to prevent further proliferation. We call upon all concerned governments to affirm publicly that they



will regard nuclear wrongdoing as an intolerable violation of acceptable norms of international behavior, and one which will set in motion strong and immediate counter-measures.

Changes in U.S. Nuclear Export Policies

The United States has long felt a special responsibility to share the benefits of peaceful nuclear energy with non-nuclear countries. At the same time, we have been a leader in insisting upon controls against proliferation.

I believe that all nations, both nuclear suppliers and customers, should agree to adopt rigorous controls against proliferation as a fundamental condition of international trade in nuclear reactors and fuel for peaceful purposes.

The common guidelines that were adopted by supplier nations last January provide an effective beginning. In addition to these controls, the U.S. intends to demonstrate its firm commitment to rigorous controls by adopting new criteria for its bilateral agreements.

-- I have decided that the United States henceforth will apply new criteria in judging whether to enter into new or expanded nuclear cooperation with a non-nuclear weapon state:

- ° Adherence to the Non-Proliferation Treaty will strongly and positively affect our decision to cooperate.



- ° Nations that have not yet adhered to the Non-Proliferation Treaty will receive positive recognition if/they are prepared to submit to full cycle safeguards.
- ° We will favor recipient nations which undertake to forego, or postpone establishing national reprocessing or enrichment activities or which in certain cases, shape and schedule their reprocessing and enriching facilities to foster non-proliferation needs.
- ° We will favor recipient nations which undertake to participate in an international storage regime.

In some exceptional cases, non-proliferation interests may be served best by cooperating with nations not yet meeting these tests. However, I have decided to go beyond the requirement in present law. But, I pledge that the Congress will not be asked to approve any new or amended agreement not meeting these new criteria unless I personally determine and certify that the agreement is fully supportive of our non-proliferation goals.

-- I have directed the Secretary of State to:

- ° open discussions with other nuclear suppliers in an effort to shape common guidelines to conform with these criteria;
- ° enter into negotiations with respect to countries that already are receiving U.S. nuclear supplies aimed at conforming these agreements to established international guidelines, and to seek through

diplomatic initiatives their acceptance of the new criteria described above.

The reliability of American assurances to other nations is an asset that few, if any, nations of the world can match. It will not be eroded in the nuclear area. Nothing could more prejudice our non-proliferation efforts than arbitrary suspension or unwarranted delays in meeting supply commitments to countries which are dealing with us in good faith and employing effective safeguards and restraints.

Despite intensive personal efforts on my part, the 94th Congress adjourned without passing nuclear export legislation which would have strengthened our nuclear export policies and increase our effectiveness in dealing with other nations on nuclear matters.

*permitted?*

-- I am directing the Secretary of State, in the absence of such legislation, to work closely with the Nuclear Regulatory Commission to ensure proper emphasis on non-proliferation concerns in the nuclear export licensing process.

-- I will submit to the new Congress proposals to achieve improvements in our nuclear export laws, with due account for the need for broad-based multilateral support.

On the basis of suggestions from the Congress and my initiatives, I will work to develop bipartisan support for new legislation in this field during the next session of Congress.





Strengthening the U.S. Role as a Reliable Supplier

If the U.S. is to continue its leadership role in worldwide non-proliferation efforts, it must be a reliable and competitive supplier of nuclear reactors and fuel for peaceful purposes. There are two principal actions we can take to contribute to this objective:

- I will submit to the new Congress, proposed legislation that will permit the expansion of capacity in the United States to produce enriched uranium, including the authority needed for expansion of the Government-owned plant at Portsmouth, Ohio and authority to enter into cooperate agreements with private firms that are prepared to finance, build, own and operate enrichment plants.

U.S. capacity has been fully committed since mid-1974 with the result that no new orders could be signed. The Congress did not act on my full proposal and provided only limited and temporary authority for proceeding with the Portsmouth plant. We must have additional authority to proceed with the expansion of capacity without further delay.

- I will work closely with the Congress to assure that the legislation referred to above for improving our export controls results in a system that provides maximum assurance that the U.S. will be a reliable supplier to other nations for the full period of agreements.

One of the principal concerns of opponents of export

VI



legislation was the fear that foreign customers could be subjected to arbitrary new controls imposed well after a long-term agreement for nuclear power plants and fuel had been signed. In the case of nuclear plants and fuel, reliable long-term agreements are essential and we must adopt export controls that provide reliability while meeting non-proliferation objectives.

Increased Use of Nuclear Energy in the United States

*VII*  
I believe that we must increase the use of nuclear energy in the United States in the years ahead. Even with strong efforts to conserve, energy demands will increase in response to the needs of a growing economy. The only alternative over the next 15 to 20 years to increased use of both nuclear energy and coal is greater reliance on imported oil which will jeopardize our nation's strength and welfare.

We now have 62 nuclear plants licensed to operate in the United States providing about 9 percent of our electrical energy. By 1985, we will have about 150 plants, supplying about 20 percent of the Nation's electricity.

In most cases, electricity from nuclear plants is cheaper than that produced from either oil or coal-fired plants. My environmental advisers believe that nuclear energy is preferable from an environmental point-of-view than other principal ways of generating electricity.



Commercial nuclear power has an excellent safety record, with nearly 200 plant years of experience (over 18 years) without a single death from a nuclear accident. I have acted to assure that the record continues in the years ahead. I increased funds for the independent Nuclear Regulatory Commission and for the Energy Research and Development Administration for reactor safety R&D.

The decisions I have announced today do not effect the U.S. program of research and development on the breeder reactor. That program assumes that no decision on the commercial operations of breeder reactors, which require plutonium fuel, will be made before 1986.

I believe that, with the changes I am announcing today, we are on the right track with our nuclear power program in America.

#### Nuclear Waste Management

VII  
There is one area of our domestic nuclear program that, in the past, did not receive the attention it warranted. That is the area of long-term management of nuclear wastes from our commercial nuclear power plants. This is an area that has concerned me as it has others. In my 1977 Budget, I proposed a four-fold increase in funding for this program. Last March, we undertook a full scale review of the program, which involves the activities of several Federal agencies, to see what additional actions might be needed to assure that a Federally-owned and managed repository for long-term



nuclear wastes would be available in the mid-1980's, well before significant wastes begin to accumulate.

I have now been assured that the technology for long-term management or disposal of nuclear wastes is available but demonstrations are needed.

-- I have directed the Administrator of ERDA to take the necessary action to speed up his program so as to demonstrate all components of waste management technology by 1978 and to demonstrate a complete repository for such wastes by 1985.

-- I have further directed that the first demonstration depository which will be owned by the Government be submitted for licensing by the independent NRC to assure its safety and acceptability to the public.

In view of the decisions announced today, I have also directed the Administrator of ERDA to assure that the waste repository will be able to handle spent fuel elements as well as the separated and solidified waste that would result if we proceed with nuclear fuel reprocessing.

The United States is well ahead of other nations in its nuclear waste programs. I am inviting other nations to participate in and learn from our programs. I am also directing the Secretary of State to discuss with other nations and the IAEA the possibility of centrally located

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multinationally controlled nuclear waste repositories so that the number of sites that are needed can be limited.

\* \* \* \*

I do not underestimate the challenge represented in the creation of a world-wide program that will permit capturing the benefits of nuclear energy while protecting against nuclear proliferation. The challenge is one that can be managed only partially and temporarily by technical measures.

It can be managed fully if the task is faced realistically with determination and foresight of leaders who will resist perceived short-term advantages in favor of fundamental long-term gains. We call upon all leaders to recognize that their individual and collective interests are best served by internationally assured and safeguarded nuclear fuel supply, services and storage. We ask them to turn aside from pursuing nuclear capabilities which are of doubtful economic value and have ominous implications for nuclear proliferation and instability in the world.

The record to date is not perfect. The broad consensus against the acquisition of nuclear weapons is a source of encouragement, but it is certainly not a basis for compacency.

I do not underestimate the scope and complexity of the challenge and the program I have just put forward to meet it. Success depends on an extraordinary coordination of the policies

of all nations toward the common good. The U.S. is prepared to lead, but we cannot succeed alone. If nations can work together constructively and cooperatively to manage our common nuclear problems we will enhance our collective security. And we will be better able to concentrate our energies and our resources on the great tasks of construction rather than consume them in increasingly dangerous rivalry.