

MEMORANDUM

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THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

MEMORANDUM FOR: THE PRESIDENT
FROM: BRENT SCOWCROFT (B)
SUBJECT: Letter to the Shah

As you directed (Tab B), a high level team will see the Shah on February 23-24 to review U.S. non-proliferation concerns and to look for common ground that would allow us to conclude the now-stalled nuclear agreement with Iran. Our approach to the Shah will be on the basis of seeking his commitment to a major act of nuclear statesmanship: namely, to set a world example by foregoing national reprocessing in favor of the multinational concept or possibly some other concept having the same effect.

The State, ACDA, ERDA group that is preparing the trip believes it would be very useful if Under Secretary Maw could establish the statesman tone of the meeting and underscore our desire to reach an agreement with Iran by delivering a personal letter from you. I agree. A draft letter is at Tab A.

Bob Hartmann's office has cleared the text of the letter.

RECOMMENDATION:

That you sign the letter at Tab A.

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THE WHITE HOUSE
WASHINGTON

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February 4, 1976

MEMORANDUM FOR:

- The Secretary of State
- The Secretary of Defense
- The Director, Arms Control and Disarmament Agency
- The Administrator, Energy Research and Development Administration

SUBJECT: Next Steps in our Negotiation of a Nuclear Agreement with Iran

The President has reviewed the study of November 20, 1975, regarding the negotiation of a nuclear agreement with Iran, and has noted the comments and recommendations provided by the addressees.

The President is anxious to see negotiations of the civilian nuclear accord resumed with Iran under terms that will clearly foster US non-proliferation interests, promote US-Iran interests, advance our domestic nuclear objectives, and stand a good chance of mutual acceptance. He also believes any moves taken by the US to accommodate Iranian concerns should be taken in the light of a clear perception of Iran's principal problems with past US proposals as well as a clear understanding as to whether Iran still desires to transact much of its nuclear business with the US if a nuclear agreement can be concluded.

The President has noted the range of possible modifications to the current US position that ultimately might prove necessary to reach an agreement based on the above objectives. He has, however, decided to reserve his judgment as to the final position that the United States should take on the substance of the proposed agreement, while approving the proposal that the State Department and ERDA should promptly send a high-level team to Tehran. This team should seek to clarify the Shah's concerns with the US position and to expose the Shah and others (1) to the reasons for the US interests in discouraging the establishment of completely national reprocessing facilities in Iran and other countries, and (2) to the technical and economic factors which militate against a near-term decision to reprocess in Iran. The talks would be exploratory in character during which the US team would

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endeavor to induce Iran to join with the US in an act of leadership designed to discourage the spread of independent national reprocessing facilities. In this regard, we would favor a commitment to the multinational concept but would be prepared to explore with Iran other techniques for achieving the same objective.

The US representatives are authorized to inform Iranian officials whenever they deem appropriate that the US would allow Iran to receive and store, under effective safeguards, all of its entitled share of the low enriched uranium that it might purchase through investment in a US facility. Re-transfer of this material would be restricted to those countries with which the United States has an appropriate agreement for cooperation.

Following these high-level talks, and any further discussions required to sharpen our understanding of Iran's position, a report should be submitted to the President describing those alternate approaches which would be consistent with our objective of avoiding the spread of national reprocessing facilities while permitting us to reach an agreement on nuclear cooperation with Iran. The implications of these alternatives should be assessed in light of our non-proliferation and other objectives, and the prospects for Congressional approval. The report should include agency recommendations.

In light of the extensive analysis that has already been carried out, there should be little delay in the preparation of this report, for the President wishes to avoid any long hiatus between the discussions with the Shah and the resumption of detailed negotiations.

The President wants efforts to continue on a timely basis in assembling the technical and economic data needed to evaluate the multinational reprocessing concept. In this connection, he believes that the efforts underway to develop our domestic reprocessing industry will provide an important source of information and he expects the evaluation of the multinational concept to draw upon that information. He wants it understood that our efforts to deter proliferation by promoting the multinational concept in our international negotiations should in no way restrict our domestic policy with respect to reprocessing or the way we develop our domestic industry.


Brent Scowcroft

cc: The Chairman, Joint Chiefs of Staff
The Director of Central Intelligence

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