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FROM : AMCONSULATE SHIRAZ

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SUBJECT : THE PERSEPOLIS CONFERENCE ON TRANSFER OF NUCLEAR TECHNOLOGY: A LAYMAN'S VIEW

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The release April 7 of the statement by the President on nuclear power policy could not have been better-timed to add a little life to what had been expected to be a sedate exchange of technical papers at the Iran Conference on Transfer of Nuclear Technology held at Persepolis April 10 through 14. The reaction was immediate and for the most part quite negative. On April 13 I attended, along with our Science Attache from Tehran who was representing the Mission at the conference, a session where I had the opportunity to talk to a number of delegates as well as sit in on a briefing given by Admiral Thomas Davies of the Arms Control and Disarmament Agency to a select group representing a variety of interests. While by no means qualified to assess the technical aspects of various issues raised, I did form a number of impressions regarding political and economic considerations. These impressions follow.

Among those individuals I talked to or who attended Admiral Davies' briefing three distinct groups were apparent: American businessmen representing companies which are involved in the actual transfer of nuclear technology, representatives from countries which possess nuclear technologies of their own, and those from Third World countries anxious to acquire nuclear technology. Notwithstanding the statement of the conference's organizer (Mehdi Sarraam of the Iranian Atomic Energy Organization) that President Carter's announcement for the first time had succeeded in uniting the nuclear haves and have-nots, the views of these three groups diverged in important respects.

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American businessmen time and again asked me how I (apparently confusing my function and that of the White House) could do something such as the President's statement to them. It had, they said, raised doubts among potential customers regarding the precise nature of American policy. Under the circumstances, no country could be confident in the United States as a dependable supplier. Uncertainty, coupled with the tax disadvantage suffered by American businessmen overseas, would work to exclude American firms from an already highly competitive market. What, several asked, does the United States have to fear in providing developing countries with a technology they can get from other sources?

The concerns of other nuclear nations seemed to focus on the impact of the President's statement on their own technologies. During Admiral Davies' briefing, the Germans in particular challenged assumptions made by the United States in the course of reaching its conclusions about the wisdom of such things as reprocessing and the breeder reactor. For example, one delegate questioned Admiral Davies' contention that the high capital costs of a reprocessing plant made negligible the savings on fuel costs which would be realized in light of existing law in the German Federal Republic which makes reduction of radio-active wastes to an absolute minimum mandatory. While these delegates could identify with their Third World colleagues' views on such matters as the likelihood of marginal results in the area of arms proliferation as a consequence of the President's policy, it was clear that their major concerns did not coincide with those from developing countries.

For the latter, the primary issue was their future. Many, such as the Indian delegate who cited the critical importance of nuclear power in an already marginal energy situation, viewed anything that smacked of restriction as a direct threat to their prospects for economic growth. While most were hard-put to demonstrate how the President's statement would in practice affect their own nuclear programs, the uncertainty engendered by it was in itself cause for alarm. There was a sense among these delegates that their lives had once again been impinged upon by policy decisions in the United States over which they had no control. Their frustration related as much to their powerlessness as it did to the substance of the statement itself. In this regard, nuclear energy policy does not represent a unique situation for the Third World. It was clear that delegates saw the President's statement as just another aspect of their countries' overall relationship with the United States, and there were numerous indications that nuclear energy policy in the future will be used in international fora as a focus for rallying Third World unity vis-a-vis the United States.

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