

**THE DIRECTOR OF
CENTRAL INTELLIGENCE**

Deputy Director for National Foreign Assessment

24 April 1981

NOTE FOR:

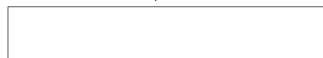


WE/OPA

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John:

The first paragraph of the attached is germane re our telephone conversation this afternoon.



Deputy SA/NPI

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Attachment:
As Stated

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

Deputy Director for National Foreign Assessment

NFAC 2361-81
22 April 1981

MEMORANDUM FOR THE RECORD

SUBJECT: Second Meeting of the Interdepartmental Group on
Non-Proliferation and Nuclear Cooperation,
21 April 1981

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1. Introduction and Paper Work. I attended the meeting at State which was chaired by Harry Marshall, Deputy Assistant Secretary/OES. Eight draft papers were given to attendees for general comment at the meeting and subsequent detailed review. Mr. Marshall requested written comments by C.O.B., Friday, 24 April. He said that the next step would be the issuance of a final set of policy guidelines for transmission to the Senior Interdepartmental Group enroute to the White House for approval. He emphasized a need to move quickly because of Secretary Haig's desire to announce US nonproliferation policy very soon.

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2. Need to Promulgate Policy Guidelines Soon. Marshall noted certain complications already encountered in negotiations with some countries who have an expectation that US policy is going to be "all different now." He said that in many respects US nonproliferation policy would be the same as in the Carter Administration. He said promulgation of the policy guidelines would better enable policy officials to get their act together to deal with countries posing a real proliferation threat.

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3. Problems Noted by OMB. Jim Nix, OMB, raised a number of issues. He asked about the "function" of the paper entitled "DoE Statement on New Domestic Nuclear Policy" and was told by Marshall that it was needed to indicate the Administration's emphasis on nuclear power. Proposed financing of nuclear exports by the Export-Import Bank was challenged on the basis that the Administration's policy is to sharply reduce funding for the Bank. Nix also questioned the legality of a proposed "task force" under OES auspices, including

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representatives of the nuclear industry, to promote development of commercial relations with countries sharing US nonproliferation objectives. Marshall said it probably should be called an "advisory committee." Finally, Nix observed the lack of attention in the draft guidelines to the issue of US exports of sensitive technologies--reprocessing, enrichment, and heavy water production. Nix said this issue was sure to be raised immediately after the policy guidelines are made public.

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4. OES vs. PM. Les Brown, deputy to Richard Burt, State/PM, said he was pleased to note that the draft paper on "Nuclear Proliferation and National Security" followed closely the outline and paper prepared and submitted to OES by PM (OSR, OSWR, and OPA had reviewed and commented on an earlier version).

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5. Intelligence. The papers are sprinkled with findings and projections concerning nuclear developments in countries of proliferation concern--this will require close review. Regarding the role of intelligence, the following passage in one of the draft papers is relevant: "US intelligence collection and assessment capabilities will continue to be critical to support our non-proliferation policy. Wherever necessary we will also improve our assets and work with Allied services to insure the broadest information base and best possible analysis."

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Deputy Special Assistant for
Nuclear Proliferation Intelligence

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