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NODIS
CAPE TOWN FOR EMBASSY
E.O. 12065:RDS 1/11/86 (NEWSOM, DAVID D.)

TAGS: PARM, MNUC, SF

SUBJECT: US CONCLUSIONS ON SOUTH ATLANTIC EVENT AND US-SAG
NUCLEAR DIALOGUE

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1. (SECRET - ENTIRE TEXT)

2. A TEAM OF US SCIENTIFIC EXPERTS UNDER THE GUIDANCE OF DR. FRANK PRESS, THE PRESIDENT'S SCIENCE ADVISER, HAS COMPLETED ITS REVIEW OF ALL AVAILABLE DATA ON THE SEPTEMBER 22 SUSPECTED NUCLEAR EXPLOSION IN THE SOUTH ATLANTIC. WE EXPECT SOON TO ISSUE A PUBLIC STATEMENT ON THE PANEL'S CONCLUSIONS. IN ADVANCE OF PUBLIC RELEASE, WE WISH TO INFORM THE SAG AND OTHER INTERESTED GOVERNMENTS WITH WHOM WE HAVE DISCUSSED THIS MATTER (FYI: UK, FRANCE, FRG, CANADA, AUSTRALIA, NEW ZEALAND), DRAWING ON THE GUIDANCE IN PARA 3, BELOW. WE ARE ALSO BRIEFING INTERESTED MEMBERS OF CONGRESS, AND WILL PROVIDE THE STATEMENT TO UNSYG WALDHEIM, IN FULFILLMENT OF OUR COMMITMENT TO ASSIST HIM IN HIS STUDY OF THE SEPTEMBER 22 EVENT. IN THE EVENT OF PRESS LEAKS IN ADVANCE OF FORMAL RELEASE, WE INTEND TO USE THE FIRST AND SECOND PARAGRAPHS OF THE STATEMENT ON A CONTINGENCY BASIS.

3. TEXT OF GUIDANCE:

-- THE PANEL OF SCIENTIFIC EXPERTS CONVENED BY THE WHITE HOUSE HAS CONDUCTED A THOROUGH REVIEW OF AVAILABLE EVIDENCE CONCERNING THE NATURE AND PROBABLE SOURCE OF THE LIGHT SIGNAL RECORDED BY A UNITED STATES VELA SATELLITE OVER THE SOUTH ATLANTIC ON SEPTEMBER 22, 1979.

-- THE PANEL WAS UNABLE TO DETERMINE WHETHER THE LIGHT SIGNAL RECORDED BY THE SATELLITE WAS GENERATED BY A NUCLEAR EXPLOSION OR SOME OTHER PHENOMENON.

-- THE PANEL REVIEWED A NUMBER OF ALTERNATIVE NATURAL PHENOMENA WHICH MIGHT HAVE CAUSED THE SIGNAL AND, WITH ONE

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EXCEPTION, RULED THEM OUT. THIS EXCEPTION IS THE POSSIBLE REFLECTION OF SUNLIGHT FROM A SMALL METEOROID OR A PIECE OF SPACE DEBRIS PASSING NEAR THE SATELLITE.

-- THE PANEL ALSO FOUND THAT, AS OF THE DATE OF ITS REPORT, THERE WAS NO ADDITIONAL EVIDENCE WHICH COULD CORROBORATE WHETHER A NUCLEAR EXPLOSION OR SOME OTHER PHENOMENON OCCURRED.

-- BECAUSE OF LARGE UNCERTAINTIES, THE PANEL WAS UNABLE TO ASSIGN RELATIVE PROBABILITIES TO THESE ALTERNATIVE SOURCES.

-- THE PANEL RULED OUT THE POSSIBILITY THAT THE SIGNAL COULD HAVE BEEN CAUSED BY A SATELLITE MALFUNCTION.

-- THE PANEL IDENTIFIED A FEW TECHNICAL AREAS FOR FOLLOW-UP INVESTIGATIONS, WHICH WILL BE UNDERTAKEN. IT IS NOT EXPECTED THAT THIS WORK WILL RESULT IN ANY ALTERATIONS TO THE BASIC CONCLUSIONS. (END TEXT OF GUIDANCE)

4. UNDER THESE CIRCUMSTANCES WE HAVE DECIDED TO MAKE ANOTHER ATTEMPT TO REACH A NUCLEAR SETTLEMENT WITH SOUTH AFRICA. AT THE SAME TIME, MINDFUL OF INCREASING PRESSURE IN THE UN FOR NUCLEAR SANCTIONS AGAINST SOUTH AFRICA, WE CANNOT PUT OFF THE QUESTION OF SANCTIONS INDEFINITELY. OUR JUDGMENT OF THE SAG'S WILLINGNESS TO MOVE PROMPTLY TOWARD A SATISFACTORY NUCLEAR SETTLEMENT WILL BE A MAJOR FACTOR IN OUR CONTINUING REVIEW OF THE SANCTIONS ISSUE.

5. IN CONTEMPLATING REACHING A NUCLEAR SETTLEMENT WITH THE SAG, ITS POSITION ON THE SEPTEMBER 22 EVENT IS OF OBVIOUS INTEREST. YOU WILL HAVE SEEN SEPTTEL A REPORT OF GERARD SMITH'S JANUARY 8 CONVERSATION WITH SOLE, INCLUDING WHAT THE LATTER HAD TO SAY ON THE POSSIBILITY OF AN AUTHORITATIVE

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SAG DENIAL OF INVOLVEMENT IN THE SEPTEMBER 22 EVENT. WE THINK THAT, ON THE HEELS OF THE PRESS PANEL REPORT, AN UNEQUIVOCAL STATEMENT BY THE SAG ON THE SEPTEMBER 22 EVENT WOULD FURTHER CLEAR THE AIR. IN THE ABSENCE OF SUCH A STATEMENT BY THE SAG, WE ARE NONETHELESS PREPARED TO MOVE AHEAD ON A SETTLEMENT ON THE UNDERSTANDING THAT THE VORSTER ASSURANCES OF AUGUST 1977 REMAIN SOUTH AFRICA'S NUCLEAR POLICY, AND THAT THE SAG IS PREPARED TO RECONFIRM THOSE ASSURANCES.

6. YOU SHOULD TAKE EARLIEST OPPORTUNITY TO BRIEF FOURIE OR OTHER APPROPRIATE LEVEL ON PANEL'S CONCLUSIONS, DRAWING ON POINTS IN PARA 3. YOU SHOULD ALSO DRAW ORALLY ON THE SUBSTANCE OF PARAS 2, 4, AND 5, AND DELIVER THE LETTER AND ANNEX CONTAINED IN PARA 7, BELOW. WE PROPOSE FOURIE CHANNEL LARGELY BECAUSE LETTER IS INTENDED TO RESPOND TO HIS COMMUNICATION TO YOU OF LAST OCTOBER 12, BUT WE WILL DEFER TO YOUR JUDGMENT AS TO WHETHER THESE MESSAGES WOULD BE MORE EFFECTIVE IF ADDRESSED TO EITHER THE FOREIGN MINISTER OR THE PRIME MINISTER. AS TO TIMING, YOU SHOULD PROVIDE THE SAG WITH THE PARA 3 BRIEFING AS SOON AS POSSIBLE, AGAINST THE LIKELIHOOD THAT THE STORY WILL QUICKLY LEAK AND APPEAR IN THE PRESS BEFORE THE SAG HAS HEARD FROM US. ON THE OTHER POINTS AND THE LETTER, WE DEFER TO YOU AS TO BEST TIMING; HOWEVER, AS YOU WILL NOTE, LETTER UNDERLINES IMPORTANCE OF ASCERTAINING THE SAG'S SERIOUSNESS ON THE QUESTION OF OUR GENERAL NUCLEAR DIALOGUE AND IS INTENDED TO PUT THE BALL BACK IN SOUTH AFRICA'S COURT. WE JUDGE THAT THIS NEEDS TO BE DONE AS EXPEDITIOUSLY AS POSSIBLE.

7. TEXT OF LETTER FOLLOWS:

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I AM WRITING TO ADDRESS THE ISSUE OF NUCLEAR COOPERATION BETWEEN OUR COUNTRIES. I THINK IT IS IMPORTANT THAT WE NOT LOSE SIGHT OF THE CONCERNS AND REASONS WHICH, FOR THE PAST TWO YEARS, HAVE LED OUR GOVERNMENTS TO CONSULT ON THIS ISSUE.

BEFORE ADDRESSING THOSE BROADER CONCERNS, I WISH TO MAKE CLEAR THE POSITION THE US GOVERNMENT IS TAKING ON THE SUSPECTED NUCLEAR EVENT OF SEPTEMBER 22, 1979. THE US HAS CONDUCTED A HIGH-LEVEL AND INTENSIVE SCIENTIFIC ANALYSIS OF ALL THE DATA AVAILABLE TO US, INCLUDING THE REPORT YOU MADE AVAILABLE TO US. THE EXPERTS WERE UNABLE TO CONCLUDE WHETHER OR NOT A NUCLEAR EXPLOSION OCCURRED.

I WISH ALSO TO EXPRESS MY GOVERNMENT'S STRONG DISPLEASURE AND REGRET AT THE DECISION OF THE IAEA GENERAL CONFERENCE TO REJECT THE CREDENTIALS OF THE SOUTH AFRICAN DELEGATION. WE OPPOSED THAT ACTION AND MADE OUR VIEWS CLEAR TO THE GENERAL CONFERENCE. IN THIS REGARD, WE ARE CONVINCED THAT ACCEPTANCE OF FULL-SCOPE SAFEGUARDS AND ADHERENCE TO THE NPT BY THE SAG WOULD BE SEEN AS A MAJOR POSITIVE STEP BY THE OTHER MEMBERS OF THE IAEA.

AT THIS POINT, WE SHOULD FOCUS OUR ATTENTION ON THE BROADER NUCLEAR ISSUE. I WOULD LIKE TO ADDRESS MYSELF TO YOUR LETTER OF OCTOBER 12, 1979, IN WHICH YOU RAISED SOME SPECIFIC QUESTIONS ABOUT HOW THE UNITED STATES ENVISAGES THE FURTHER STEP-BY-STEP NEGOTIATION OF OUR NUCLEAR CONCERNS. OUR RESPONSE TO THESE QUESTIONS IS CONTAINED IN AN ANNEX TO THIS LETTER.

IMPORTANT AS THE POINTS RAISED IN YOUR LETTER ARE, THEY DO NOT IN OUR VIEW GO TO THE HEART OF THE MATTER. THE FACT IS THAT AFTER MORE THAN TWO YEARS OF DISCUSSION, THERE HAS BEEN NO DISCERNIBLE PROGRESS TOWARD AGREEMENT. THE PROPOSALS CONTAINED IN THE 1978 JOINT MINUTE WERE

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SPECIFICALLY INTENDED TO PROVIDE A BASIS FOR PROGRESS. WE URGE THAT SOUTH AFRICA PROCEED TOWARD AGREEMENT ON THE BASIS OF THE JOINT MINUTE. WE REMAIN CONVINCED THAT THE SIMULTANEOUS ACTIONS ENVISAGED IN THAT DOCUMENT, AND ELUCIDATED IN THE ANNEX TO THIS LETTER, AFFORD ADEQUATE ASSURANCE TO EACH PARTY.

THE NUCLEAR ISSUE IS CERTAIN AGAIN TO COME BEFORE THE SECURITY COUNCIL FOR ACTION. AS I NOTED ON SEPTEMBER 24, THE ABSENCE OF SIGNIFICANT PROGRESS TOWARD A NUCLEAR SETTLEMENT IS ERODING THE BASIS ON WHICH THE US HAS BEEN ABLE TO OPPOSE ANY FORM OF SANCTIONS AGAINST SOUTH AFRICA IN THE AREA OF NUCLEAR SUPPLY. THAT STATEMENT IS EQUALLY TRUE TODAY.

WE ARE PREPARED TO WORK WITH YOU TOWARD AN EQUITABLE AGREEMENT ON NUCLEAR MATTERS. IN OUR VIEW, IT IS ESSENTIAL THAT OUR EFFORTS RAPIDLY SHOW RESULTS.

BECAUSE OF THE IMPORTANCE AND URGENCY OF THIS MATTER, I REQUEST THAT THIS MESSAGE BE PASSED TO THE PRIME MINISTER AND THE FOREIGN MINISTER AT THE EARLIEST OPPORTUNITY.
END TEXT OF LETTER.

BEGIN TEXT OF ANNEX:

1. THE US EXECUTIVE BRANCH WILL RECOMMEND THAT THE NUCLEAR REGULATORY COMMISSION LICENSE THE EXPORT OF HEU FUEL FOR THE SAFARI REACTOR IN ACCORDANCE WITH THE TERMS OF THE JOINT MINUTE; PENDING THE AVAILABILITY OF LOWER ENRICHED FUEL FOR SAFARI, PROVIDING THAT SOUTH AFRICA AGREES AND ANNOUNCES ITS INTENTION TO:

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A) ACCEDE TO THE NON-PROLIFERATION TREATY AND NEGOTIATE A FULL-SCOPE SAFEGUARDS AGREEMENT AS PROVIDED THEREIN, AFTER TAKING THE STEPS SPECIFIED BELOW TO ASSURE CONTINUED US NUCLEAR FUEL SUPPLY;

B) UNDERTAKE IMMEDIATELY TO COMMENCE A SAFEGUARDS DEVELOPMENT PROJECT AT VALINDABA AS DISCUSSED IN THE JOINT MINUTE; AND

C) ENTER INTO TECHNICAL COOPERATION WITH THE US TOWARD ACHIEVING REDUCTION OF THE ENRICHMENT LEVEL FOR SAFARI FUEL TO 20 PERCENT ENRICHED URANIUM.

2. THEREFORE, AS A NEXT STEP, THE US PROPOSES THAT SOUTH AFRICA CONFIRM ITS INTENTION TO MAKE THIS ANNOUNCEMENT AT THE SAME TIME THAT THE EXECUTIVE BRANCH MAKES THE APPROPRIATE RECOMMENDATION TO THE NRC. ONCE THE SAG CONFIRMS THIS INTENTION, THE US PROPOSES THAT RELEVANT AGENCIES OF THE TWO SIDES CONCLUDE A CONTRACT FOR SUPPLY OF SAFARI FUEL. IN THIS CONNECTION IT SHOULD BE NOTED THAT THE EXISTING AGREEMENT FOR COOPERATION AUTHORIZES SUCH SUPPLY BUT DOES NOT CONTAIN THE CONTRACTUAL BASIS FOR SUCH SUPPLY. THE ANNOUNCEMENT BY THE SOUTH AFRICAN GOVERNMENT, AND OUR SIMULTANEOUS RECOMMENDATION TO THE NUCLEAR REGULATORY COMMISSION, HOWEVER, COULD PRECEDE CONCLUSION OF THE SUPPLY CONTRACT.

3. WITH RESPECT TO SUPPLY OF KUEBERG FUEL, THE US REITERATES ITS WILLINGNESS TO RENEGOTIATE THE US-SOUTH AFRICA AGREEMENT FOR COOPERATION TO MEET CRITERIA FOR NEW OR AMENDED AGREEMENTS SPECIFIED IN THE NON-PROLIFERATION ACT. UPON COMPLETION OF THIS RENEGOTIATION, WHICH CAN BE DONE ON A PRIORITY BASIS, THE US WILL SUBMIT THE AGREEMENT TO THE CONGRESS FOR REVIEW. IN ORDER TO PROVIDE FOR A SIMULTANEOUS SETTLEMENT THE RENEGOTIATED AGREEMENT WOULD COME INTO EFFECT WHEN THE US CONGRESSIONAL REVIEW IS

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