

INTERNATIONAL SAFEGUARDS OF NUCLEAR
MATERIALS

DECEMBER 10, 1975.—Ordered to be printed

Mr. SPARKMAN, from the Committee on Foreign Relations,
submitted the following

REPORT

[To accompany S. Res. 221]

The Committee on Foreign Relations, to which was referred the resolution (S. Res. 221) calling on the President to take the leadership in seeking cooperation in strengthening safeguards of nuclear materials, having considered the same, reports favorably thereon without amendment and recommends that the resolution do pass.

PURPOSE OF THE RESOLUTION

The purpose of Senate Resolution 221 is to convey the sense of the Senate that the President of the United States should seek: (1) the immediate international consideration of strengthening the effectiveness of the International Atomic Energy Agency's safeguards on peaceful nuclear activities and seek intensified cooperation with other nuclear suppliers to insure that the most stringent safeguard conditions are applied to the transfer of nuclear equipment and technology to prevent the proliferation of nuclear explosive capability; (2) through the highest level of consultation in the United Nations and with the other leaders of the world community, an intensive cooperative international effort to strengthen and improve both the scope, comprehensiveness, and effectiveness of the international safeguards on peaceful nuclear activities so that there will be a substantial and immediate reduction in the risk of diversion or theft of plutonium and other special nuclear materials to military or other uses that would jeopardize world peace and security; and (3) through consultation

with suppliers of nuclear equipment and technology, their restraint in the transfer of nuclear technology and their cooperation in assuring that such equipment and technology only is transferred to other nations under the most rigorous, prudent, and safeguarded conditions designed to assure that the technology itself is not employed for the production of nuclear explosives.

BACKGROUND

Senate Resolution 221 attempts to identify priorities to the executive branch in efforts to deal with the growing dangers of nuclear proliferation. The resolution addresses in particular the need to strengthen international atomic energy safeguards as well as safeguards required by suppliers of nuclear equipment and technology. The resolution recognizes that strengthening the scope, comprehension and effectiveness of safeguards will require intensive cooperation in the United Nations and in consultations with leaders of the world community. The resolution leaves it to the executive branch to develop proposals for the kinds of safeguards which can be applied bilaterally and multilaterally and allows the administration discretion in how best to seek the desired agreements.

COMMITTEE ACTION

On July 26, 1975, Senator John O. Pastore (for himself, Senator Mondale, Senator Inouye and Senator Montoya) introduced Senate Resolution 221, which was referred to the Committee on Foreign Relations.

The Subcommittee on Arms Control, International Organizations and Security Agreements has held a number of hearings during the current session dealing with the subject matter of the resolution. On March 19, the Subcommittee heard Dean Adrian Fisher, Georgetown Law School, Dr. Theodore B. Taylor, International Research and Technology Corporation, and Dr. Mason Willrich, University of Virginia Law School. On July 18, 1975, the Subcommittee received testimony from Mr. Dwight Porter, Director of International Government Affairs Division of Westinghouse Corporation and former permanent representation to the International Atomic Energy Agency. On July 22 the Subcommittee received testimony from George S. Vest, Director, Bureau of Politico-Military Affairs, Department of State, Mr. Myron B. Kratzer, Acting Assistant Secretary, Bureau of Oceans and International Environmental and Scientific Affairs, Department of State, and Mr. Abraham S. Friedman, Director, Division of International Programs, Energy Research and Development Administration. Finally, on October 24 the Subcommittee heard the Honorable Robert Ellsworth, Assistant Secretary of Defense for International Security Affairs. In addition, the Subcommittee received detailed information on nuclear proliferation problems in executive session on July 19 from representatives of the Department of State and the Central Intelligence Agency.

The executive branch provided its comments on Senate Resolution 221 in the following letter received November 4, 1975:

DEPARTMENT OF STATE,
Washington, D.C. November 4, 1975.

HON. JOHN SPARKMAN,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Secretary has asked me to reply to your letter of July 31, 1975, requesting coordinated Executive Branch comments on S. Res. 221, submitted by Senators Pastore, Mondale, Inouye and Montoya. This Resolution urges the President to take the leadership in seeking international cooperation in strengthening safeguards of nuclear materials. The Executive Branch fully supports the objective of the proposed Resolution and believes it would be supportive of U.S. efforts to abate the spread of nuclear weapons.

As indicated by Secretary Kissinger in his speech to the United Nations General Assembly last September, we agree with the proposition that the U.S. should consult closely with other governments to assure that international safeguards are broadened in their application, made uniform and kept effective. We also agree that efforts should be undertaken with other suppliers to assure that adequate constraint is applied to the export of sensitive technologies. During the past year, we have initiated consultations aimed at meeting these objectives and ensuring that safeguards are removed as an element of commercial competition. While we believe that the existing IAEA system is admirably meeting its current responsibilities, we also agree that this system will require the strong collective support of the international community. A firm expression of support from the Congress that it shares the objective of strengthening the IAEA in its safeguards responsibilities would contribute to our non-proliferation efforts.

The development of a common supplier approach in the field of nuclear export control has been an objective of U.S. policy for several years. Indeed, we encouraged and participated in the successful activity of the exporters group which developed an agreed "trigger list" for safeguarding nuclear exports. However, given the fact that a greater number of nations are now capable of providing such assistance and that nuclear power represents a significant source of energy throughout the world, we agree that strong Congressional endorsement of this goal, as part of our overall non-proliferation strategy, is more important than ever.

The Office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report.

Sincerely yours,

ROBERT J. McCLOSKEY,
Assistant Secretary for Congressional Relations.

Dean Fisher, who was the United States representative in the negotiations leading to the non-proliferation treaty told the Subcommittee that the United States should rely upon the structure of the treaty and the International Atomic Energy Agency (IAEA) safeguard structure and continue to work to improve that structure.

According to witnesses, the main dangers involving misuse of nuclear materials are mis-appropriation by the receiving nation and theft. While it is difficult to stop a nation determined to cheat, strengthened IAEA safeguards and agreement to restraint by the supplying nations can help to compound the problems facing a nation wishing to divert material to military programs.

Mr. Porter told the Subcommittee that the safeguard system is not perfect but that it is being improved. He noted a belief that the technology problem of keeping track of nuclear materials can be solved.

Dr. Taylor said that it is:

My own sense of hope that this problem of protecting material from theft, at least if not from national proliferation, can be controlled is that it is so obviously in the best interests of every country in the world to see to it that these materials are protected from theft. I do not care if it is France, India, Russia, or the United States, or Cambodia, or whoever.

In its preambular clauses, Senate Resolution 221 notes:

That the United States should take the lead in securing agreement for the development of regional multinational, rather than national, centers to undertake enrichment and reprocessing activities in order to minimize the spread of technology which could be used to develop nuclear explosives.

This concept won widespread support from witnesses before the Subcommittee.

Professor Willrich said:

There is a strong economic argument against the construction of nuclear fuel cycle facilities—enrichment, fuel fabrication or chemical reprocessing—in any country until it has a large nuclear power capacity. There is also a solid commercial basis for the co-location of nuclear fuel cycle facilities and their construction and operation under multinational forms of ownership. In the development of a worldwide nuclear power industry, therefore, economic and security interests appear complementary rather than conflicting.

Dean Fisher said that the United States:

Probably should also try to work in the development of, by and large, co-location of critical elements of the fuel cycle and try to discourage a whole series of little independent fuel cycles.

Mr. Friedman indicated a view that it could be "prudent and reasonable" to sell complete fuel cycles to other nations "if there were international participation, regional location, demonstration of the economic and technical need for such facilities . . ."

Mr. Porter said:

I believe that the world must explore and do its best to achieve a regional reprocessing situation. Where you have plants scattered around the world which will reprocess spent fuel, these plants should have to be, I think, multinationally owned and perhaps operated. They have to have an inter-

national control mechanism built into them. It is that point of the fuel cycle which concerns me most and I say the IAEA is working on these proposals. It will need the help again of all supplier states to achieve it and the problems are formidable, the financial problems, siting problems, and problems of who handles the nuclear waste from the reactor, from the reprocessing plant. I am not minimizing any of these problems but I do think it is perhaps the most important objective we should strive to achieve in a nonproliferation sense.

I also feel that ultimately a comparable approach should be made to enrichment plants, that if these plants were multi-nationally owned and operated under rigid international controls, that we could breathe much easier with respect to how the product of the plant was being used or whether the product of the plant was being enriched to the weapons-grade level, which, as you know, has to be around 80 percent plus.

Dr. Taylor supported the concept of regional fuel cycle plants. However, he urged that the plants be located "such as to make it unlikely that any country sufficiently controlling such a center could divert large quantities of plutonium to weapons making purposes."

COMMITTEE COMMENTS

Having considered the testimony, the Committee concludes that the United States should make every attempt to pursue in international forums efforts to prevent the diversion of nuclear materials to military purposes either by governments or sub-national groups. The Committee believes that further agreement among nuclear suppliers aimed at the development of more stringent safeguards and efforts between suppliers to exercise restraint in the sale of nuclear materials, equipment and technology can have a salutary effect in lessening the dangers inherent in nuclear proliferation. There is little doubt that the world will see in the next several decades a vast expansion of nuclear power facilities. This expansion can be of substantial benefit to many nations. Given the dangers inherent in the spread of nuclear materials, equipment and technology, the Committee believes that the best approach is not to attempt to thwart the legitimate energy requirements of other nations but to attempt to help bring the benefits of peaceful nuclear energy to the world. At the same time, however, it is clearly important that the United States explore with others all possible avenues through which the risk of this beneficial expansion can be minimized. Clearly the spread of nuclear weapons throughout the world will pose a threat to all nations. For the United States, the spread of nuclear weapons will require thorough evaluation of national security policies.

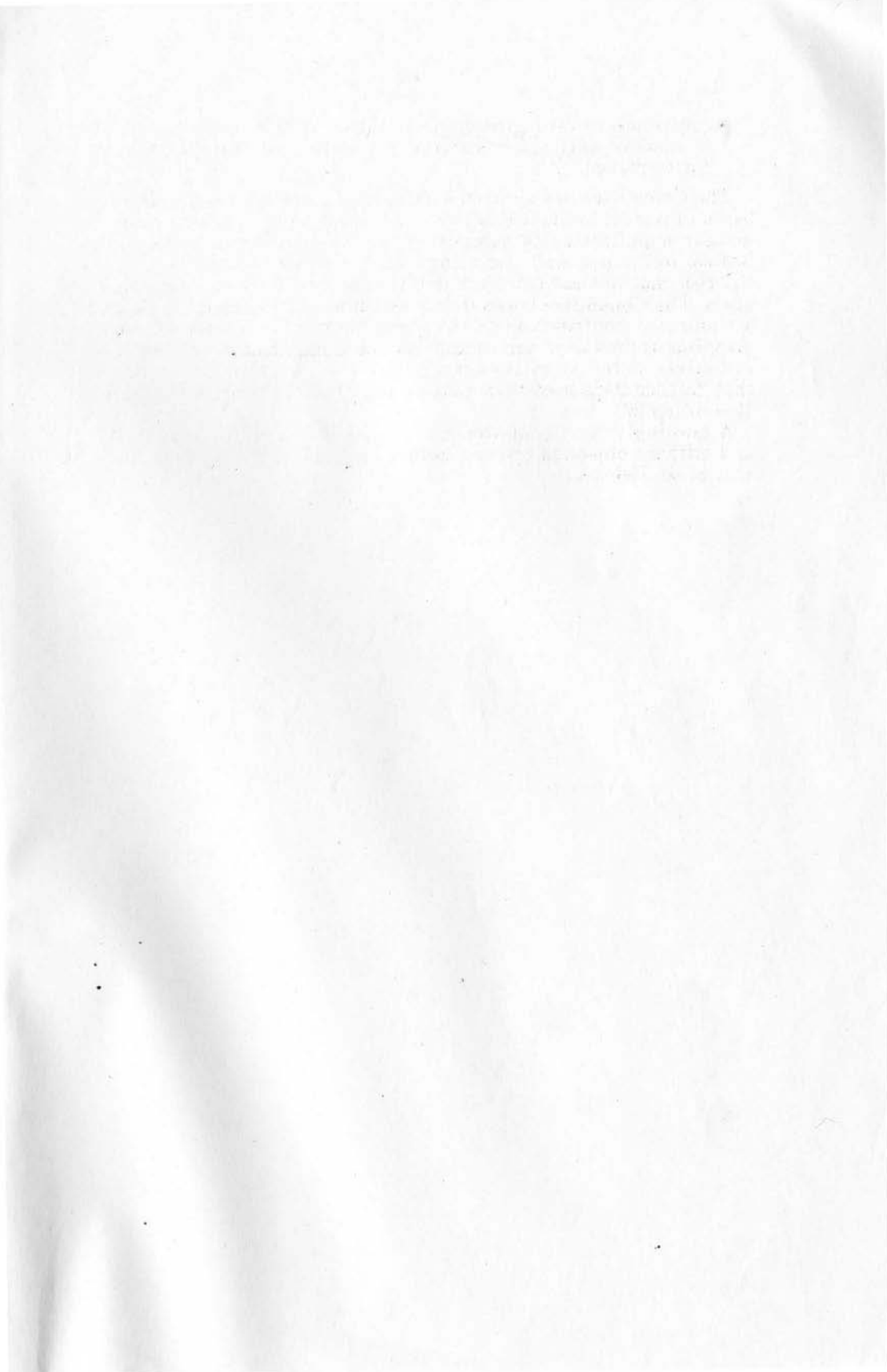
The Committee takes very seriously the warning voiced by Mr. Ellsworth that:

Further nuclear proliferation would have serious security implications for the United States. In addition to the destabilizing effects on the international regime, proliferation would complicate providing for the national defense, could

contribute toward greater possibilities of U.S. involvement in nuclear war, and would provide additional opportunities for terrorism.

The Committee has received substantial information, on a classified basis, in regard to the possibility of meaningful agreement among the nuclear suppliers as to safeguards on the transfer of nuclear materials, equipment and technology and on other measures to reduce the risk that nuclear transfers will lead to further weapons proliferation. The Committee hopes that these efforts, if successful, will make a significant contribution in the quest for better controls. In recommending approval of this resolution, the Committee recognizes these initiatives of the executive branch. However, the Committee believes that further steps need to be taken along the lines proposed in Senate Resolution 221.

Accordingly, the Committee met in open session in December 9, 1975, and without objection ordered Senate Resolution 221 reported favorably to the Senate.



FRANCE TIGHTENS CONTROLS OVER NUCLEAR EXPORTS

WALL ST. JRNL., 10/12/76, Paris:

"France announced its readiness to tighten controls over its controversial sales of nuclear plants and know-how, and it urged the convening of international talks to stop the proliferation of nuclear weapons while safeguarding peaceful atomic-power development.

"The decisions were made at a new cabinet-level National Foreign Nuclear Policy Council chaired by President Valéry Giscard d'Estaing.

"The guidelines, the first comprehensive public assertion of France's nuclear-export policies, took several steps toward meeting U.S. charges that French sales of certain nuclear technology could enhance nuclear weapons proliferation.

"Under the council's principles, however, France will continue helping energy-poor nations to acquire nuclear power plants for peaceful purposes. And France will retain full control over its own decisions while respecting its international treaty obligations. There wasn't any mention of

France's joining the 1968 International Nuclear Non-Proliferation Treaty as urged by Washington.

"The policies mean that France won't contribute to the proliferation of atomic weapons and will strengthen, in an unspecified way, guarantees over the use by foreign buyers of its plants, equipment and technology. France also will ensure safe supplies of nuclear fuels to its foreign clients and will respond to their need for nuclear know-how.

"France also will ensure the reprocessing of nuclear fuel on request. This appeared to aim at meeting the U.S. demand that France stop exporting nuclear-fuel reprocessing plants, of which one by-product is plutonium, the fissionable material used in nuclear warheads.

"In its call for an international conference, the French government stated its readiness to hold conversations with both producers and buyers of nuclear equipment and technology. Government spokesman Jean-Philippe Lecat said the new guidelines won't cancel contracts already signed by France, such as the controversial pledge to build a reprocessing plant for Pakistan, which was condemned by Washington.

"By coincidence, the nuclear policy statement was made public as the French atomic energy commission announced it had to stop the Phoenix fast-breeder reactor at Marcoule in southern France after one of its turbines developed a leak for the second time since July.

"Several influential French antinuclear power associations, including well-known scientists, only a few days ago condemned again the construction of fast-breeder reactors by France, which calls them the 'reactors of the future' because of their capacity to produce more nuclear fuel than they burn."

SENATE RESOLUTION 221—SUBMISSION OF A RESOLUTION RELATING TO INTERNATIONAL COOPERATION IN STRENGTHENING SAFEGUARDS OF NUCLEAR MATERIALS

(Referred to the Committee on Foreign Relations.)

Mr. PASTORE (for himself, Mr. MONDALE, Mr. INOUE, and Mr. MONTANA) submitted the following resolution:

S. RES. 221

Resolved, That the President seek the immediate international consideration of strengthening the effectiveness of the International Atomic Energy Agency's safeguards on peaceful nuclear activities and seek intensified cooperation with other nuclear suppliers to insure that the most stringent safeguard conditions are applied to the transfer of nuclear equipment and technology to prevent the proliferation of nuclear explosive capability.

Whereas the Senate of the United States ratified the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) in recognition of the devastation associated with a nuclear war and of the need to make every effort to avert the danger of such a war;

Whereas the parties to the treaty expressed a common belief that the proliferation of nuclear weapons would seriously increase the danger of nuclear war;

Whereas the United States and other parties to the treaty pledged to accept specified safeguards regarding the transfer to non-nuclear weapon states of special nuclear materials and facilities for the processing, use, or production of such materials;

Whereas recent events, including the explosion of nuclear devices, and the development of uranium enrichment facilities, and the proposed transfer of nuclear enrichment and reprocessing facilities to non-nuclear weapon states, emphasizes the imperative need to increase the scope, comprehensiveness, and effectiveness of international safeguards on peaceful nuclear activities so that there will be no further proliferation of nuclear weapons capability;

Whereas the Senate of the United States is particularly concerned about the consequences of transactions without effective safeguards that could lead to the production of plutonium and other special nuclear materials by nonnuclear weapon states throughout the world; and

Whereas the Senate is particularly concerned about the proliferation threat posed by the possibility of the development in the near future of a large number of independent national enrichment and reprocessing facilities and therefore believes that the United States should take the lead in securing agreement for the development of regional multinational, rather than national, centers to undertake enrichment and reprocessing activities in order to minimize the spread of technology which could be used to develop nuclear explosives: Now, therefore, be it

Resolved, That the Senate of the United States strongly requests and urges the President to seek through the highest level of consultation in the United Nations and with the other leaders of the world community, an intensive cooperative international effort to strengthen and improve both the scope, comprehensiveness, and effectiveness of the international safeguards on peaceful nuclear activities so that there will be a substantial and immediate reduction in the risk of diversion or theft of plutonium and other special nuclear materials to military or other uses that would jeopardize world peace and security; be it further

Resolved, That the President seek, through consultation with suppliers of nuclear equipment and technology, their restraint in the transfer of nuclear technology and their cooperation in assuring that such equipment and technology only is transferred to other nations under the most rigorous, prudent, and safeguarded conditions designed to assure that the technology itself is not employed for the production of nuclear explosives; and be it further

Resolved, That the Secretary of the Senate is directed to transmit copies of this resolution to the President of the United States and to the Secretary of State.

Mr. PASTORE. Mr. President, I shall send to the desk a resolution for myself and Mr. MONDALE that has to do with the proliferation of nuclear material and calling upon the President of the United States, through the auspices of the United Nations, to seek more cooperation on the part of the various governments of the world to make sure that these safeguards are strengthened. I should like to make the following statement. It will only take me about 4 minutes to do so.

On March 5, 1970, the Nonproliferation Treaty went into effect. Five tumultuous years have passed—the tragedy of Vietnam is behind us—renewal of the conflict in the Middle East is an ever present danger—but while we try to maintain the delicate balance between détente and defense a new, insidious and perhaps ultimately the most dangerous development in the past decades is before us. This is the spread of nuclear technology which threatens the very core of global stability.

May we have order, Mr. President?

The ACTING PRESIDENT pro tempore. The Senate will be in order.

Mr. PASTORE. With expanding growth and knowledge of nuclear technology, the potential for nuclear weapons development exists in practically all corners of the world. As a result, an increasing number of nations, if they are so inclined, are in a position to create world havoc and unrest because they possess the ability to manufacture a nuclear weapon. There is an imperative need that all nations of the world recognize this problem and that their leaders cooperate fully to improve international safeguards on peaceful nuclear activities.

This country has long adhered to the policy of nonproliferation of nuclear weapons. The Senate in 1966 specifically endorsed the concept of preventing nuclear weapons spread without a single dissenting vote.

In pure and simple terms—and I had to use the microphone because people are talking, Mr. President—

The ACTING PRESIDENT pro tempore. Senators will cease their conversation or withdraw to the cloakrooms and the Senate will be in order.

Mr. PASTORE. In pure and simple terms, Mr. President, any nation that provides fissionable material for peaceful use must make sure that the recipient of such materials agrees to international inspection and safeguards and all those who receive it in turn agree that they subscribe to international inspection and safeguards.

The hope of all peoples of the world, now and for future generations, is a worldwide system of comprehensive and effective international safeguards, the purpose of which is to prevent the diversion of fissionable material from peaceful nuclear activities to nuclear weapons. Although there are now international safeguards under the auspices of the International Atomic Energy Agency, there is no doubt that these safeguards must be strengthened. This should be a top priority item on the international agenda, for only with such safeguards will our people and the people of the rest of the world have some assurance against the peril of a nuclear holocaust from any quarter of the globe.

In view of the widespread use and knowledge of nuclear technology in the world, the improvement of international safeguards can only be accomplished by full cooperation within the international community.

Today Senator MONDALE and I are introducing a resolution which calls upon our President to initiate serious and urgent efforts within the community of nations to strengthen international safeguards of peaceful nuclear activities. The resolution endorses the principle of additional and prompt efforts by the President which are appropriate and necessary in the interest of peace for the solution of nuclear proliferation problems.

In view of the very complex and dangerous world in which we live, an urgent effort on the part of the President to kindle anew an international effort to strengthen the safeguards system would be the exercise of the highest form of Presidential responsibility. If this challenge is not met, our legacy for future generations may be life under the continuing threat of nuclear blackmail, with the specter of a nuclear holocaust an ever increasing danger.

If the challenge is met, the legacy could well be a gift which would:

First, lessen the danger of nuclear war;

Second, improve the chance for nuclear disarmament;

Third, reduce international tensions; and

Fourth, stimulate the widespread peaceful development of nuclear energy.

Billions of people in this world look to the leaders of the international community for actions to deal with this gravely important issue. Our President should take the lead through the United Nations, as President Kennedy did in pressing for a limited test ban and as President Johnson did in urging the adoption of the Nonproliferation Treaty. I urge President Ford to take this major step to assure a more peaceful world. This Senate resolution urges the President to exercise leadership as appropriate and necessary to assure that international safeguards on peaceful nuclear activities are urgently strengthened. Nuclear technology was created by the minds of civilized people. Surely these same minds can also construct and agree to a system of international safeguards which will as-

sure that nuclear material and equipment are not diverted from civilian to military uses. The world needs any and all assurance that can be given that our children and future generations will be protected from a nuclear disaster.

Now, Mr. President, I understand that this resolution will be referred to the Committee on Foreign Relations. I am not going to ask for immediate consideration of the resolution at this time. I would like to have the Members of the Senate digest it more, and have the members of the Committee on Foreign Relations have an opportunity to look at it and digest it because this is very, very important, and I hope they will act expeditiously.

Mr. JAVITS. Mr. President, if the Senator will yield, I would just like to say, if I may, very briefly, I know Senator MONDALE wishes to be heard, this sounds very good and very interesting to me.

I am a member of the Committee on Foreign Relations, and I shall make it my personal responsibility to see that it has the utmost consideration.

I might say that the subcommittee, of which I am the ranking minority member on the Committee on Foreign Relations, is now considering this very subject, chaired by Senator SYMINGTON, and I would like to add also that I think it shows again the perspicacity of Senator PASTORE and Senator MONDALE that they are letting it go to the Committee on Foreign Relations so that it can really be meaningful when reported and acted upon.

Mr. BAKER. Mr. President, will the Senator yield briefly?

Mr. PASTORE. I yield.

Mr. BAKER. I commend the cosponsors of this resolution for their introduction of this resolution.

I, too, am pleased that it is coming before the Committee on Foreign Relations. I join with my colleague from New York in expressing my dedication to a careful examination of the situation.

I also have the privilege of being the senior Republican on the Joint Committee on Atomic Energy on the Senate side and serving under the chairmanship of the Senator from Rhode Island I know of this deep and continuing interest in this field, and I commend him for this move.

I might say, Mr. President, this week I had the opportunity to talk to our distinguished Secretary of State about this matter, and I know from my personal knowledge that he has discussed this matter at some length and with great feeling with the President of the United States.

I characterized this problem to him as a millennium-type undertaking. Only once every thousand years or so does mankind face one of those fundamental decisions they have to make in order to guarantee the existence of civilization. Our efforts to coherently approach the business of the control of the proliferation of nuclear materials and construction of nuclear weapons is such a millennium-type undertaking.

I tender my congratulations to the sponsors of the resolution, and I join them in expressing my keen concern and interest.

Mr. PASTORE. Mr. President, I ask unanimous consent that Senator INOUYE and Senator MONTOYA be added as cosponsors.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Who yields time?

Mr. PASTORE. I yield to the Senator from Minnesota.

Mr. MONDALE. I am delighted to join the chairman of the Joint Committee on Atomic Energy in offering this resolution today.

First, I would like to begin by saying what a privilege it has been for me to work with Senator PASTORE on the question of nuclear weapons proliferation. It is a subject that the Senator from Rhode Island knows thoroughly from his early leadership in pressing for adoption of the Non-Proliferation Treaty—NPT. Both the Senate and Nation are indebted to him for his dedication and for his effectiveness on this as on many other issues. I would like to express my appreciation to him and to the staff director of the Joint Committee on Atomic Energy, George Murphy, for their valuable contributions and cooperation in developing the resolution that is now pending before the Senate.

The resolution is designed to address a new and alarming danger that faces not only the United States, but the world community as well. At issue is the sale of the complete nuclear fuel cycle, including uranium enrichment and plutonium separation plants, to nonnuclear-weapons countries.

Why are these sales so disturbing?

First, within the scientific community it is widely conceded that restrictions over the availability and use of weapons grade materials, rather than the technology for actual assembly of a bomb, constitute the major obstacle to atomic weapons production. Until now, the technology and equipment needed to produce these materials have not been sold by the world's nuclear nations to nonnuclear weapons countries.

That is new and exceedingly dangerous under this new sale.

Now, with the proposed transfer of uranium enrichment and plutonium separation plants to Latin America and other nations, the old regime based upon restraint among nuclear supplying countries is in jeopardy.

Second, the safeguards that are currently being enforced by the International Atomic Energy Agency (IAEA) are not capable of preventing countries, or even criminals and terrorists, from diverting or stealing sufficient quantities of these materials from fuel cycle facilities to produce explosive devices. The IAEA, while it has had considerable experience in safeguarding nuclear reactors, has never before faced the challenge of safeguarding either enrichment or reprocessing plants. Safeguard procedures to govern these facilities have

been under discussion by technical experts within the IAEA but they have never been enforced by the Agency, and the U.S. Government is not convinced that they will work. Such procedures will have to be much more restrictive than the traditional IAEA reactor safeguards. Unlike reactors, separation plants will require constant or nearly constant on-site surveillance to prevent diversion. Moreover, serious problems including the design of measures to guard against theft or diversion during transportation as well as at the plant, and to respond to the risk of terrorism, have yet to be resolved. And it is not yet clear that these questions can be answered satisfactorily in the foreseeable future. Even in the United States, where we have had many years of military experience in the production of plutonium, the physical and materials safeguards problems posed by commercialization of this process, were judged to be so severe as to warrant the recent decision by the Nuclear Regulatory Commission to postpone for 3 years any decision on whether to proceed with commercial plutonium recycle.

Third, there is serious question about the motivation of countries that are in such a rush to obtain plutonium separation facilities. There is no economic justification for the acquisition of a relatively small national plutonium reprocessing plant of the type involved in West Germany's negotiations with Brazil. As the New York Times pointed out in a June 9 editorial, Brazil would have to have a \$500 million facility serving 30 giant reactors to make a plutonium separation plant commercially feasible. At the present time, Brazil does not have a single reactor in operation.

In fact, none of the individual countries that are reportedly seeking to buy plutonium separation plants would be in position to benefit economically from a plutonium reprocessing facility for decades, if ever.

One wonders then why on earth are we doing it, and that speculation is truly scary, indeed.

In view of the fact that several of the countries that are reportedly seeking to buy these plants—Brazil, Argentina and Pakistan—have not ratified the Non-Proliferation Treaty, we would be foolish not to wonder about their intentions.

These questions, and others raised in the Senate by Senators PASTORE, RIBICOFF, and GLENN, prompted me, on June 18, to introduce Senate Resolution 188. That measure sought to express the opposition of the Senate to the transfer of uranium enrichment and plutonium reprocessing facilities until a fully effective system of international safeguards could be adopted. Twenty-one Members of the Senate, from both political parties, joined me in cosponsoring that resolution.

Unfortunately, on June 27, West Germany and Brazil signed their contract, which included uranium enrichment and plutonium separation plants. I was particularly disturbed to note that Chancellor Helmut Schmidt was quoted as having said at a news conference the day before that he had not heard "a word of

criticism" of the agreement from the U.S. Government. That concern did exist within the Congress and within the State Department, but regrettably it was apparently not communicated strongly enough nor directly by President Ford or Secretary Kissinger to the West German Chancellor.

There has been a tendency among government officials in other countries, undoubtedly encouraged by spokesmen for their nuclear industries, to dismiss U.S. criticisms of the fuel cycle sales as the work of American companies who would like to obtain the contracts for themselves. This argument is untrue and it totally ignores the real issues that are at stake.

The West German Government maintains that the safeguards included in their agreement with Brazil will be fully adequate, noting that they go beyond the existing NPT requirements. General agreement was reportedly reached that German-supplied technology, as well as materials and equipment, would be safeguarded by the IAEA, that safeguards would be maintained indefinitely, that retransfers to third countries would be subject to safeguards, and that equipment and technology transferred from West Germany to Brazil would not be used to build explosive devices. While these provisions are clearly better than no checks whatsoever, it remains to be seen whether they will be fully adequate. In fact, the detailed safeguards requirements with respect to physical and materials security have yet to be spelled out. Noticeably absent is a requirement for regionalization of the fuel cycle facilities—a step that would insure that multinational control and international surveillance could be exercised more effectively. And, although Germany has secured an agreement that not just the plants themselves, but also the technology from those plants will be safeguarded, what is to prevent the Brazilian engineers and scientists who are trained by West Germany to operate these plants from developing their own technology. Unfortunately, this problem may not lend itself to an easy answer but since Brazil, as a nonparticipating country, is not bound by the Non-Proliferation Treaty to forego weapons production, the dilemma is all the more disturbing.

My intention is not to make accusations against Brazil or any other country. I only point out that there are many unanswered questions with respect to safeguards and that these questions are serious enough to warrant delay in the transfer of this equipment and technology until a stringent program can be implemented.

If some form of international restraint is not exercised, it is obvious that as the competition for sales and industry pressure intensify, the temptation will be for suppliers to impose less rather than more effective controls over the use of this technology. In such a climate, efforts to achieve a fully effective international safeguards program could be completely

undermined. For example, the NPT Review Conference, which met several weeks ago in Geneva, recommended that future enrichment and reprocessing facilities be developed as regional nuclear fuel cycle parks which would be under multinational rather than national control. Such facilities would assure better surveillance and, at the same time, reduce rivalries that might otherwise lead to proliferation of weapons capability. However, if a number of countries have already received guarantees that they can obtain their own national plants, it will be much more difficult to convince others that they should sign an agreement to waive this option.

With these concerns in mind, Senator PASTORE and I joined in submitting our resolution today. It is intended to communicate to the administration and hopefully, to the leaders of other nuclear supplier countries, the Senate's belief that action is needed to develop and implement a stringent international safeguards program before the means for production of nuclear weapons are dispersed throughout the world. The resolution seeks agreement among nuclear suppliers not to transfer uranium enrichment and plutonium separation equipment and technology to other countries in the absence of a fully effective safeguards program. Beyond this, it identifies at least one aspect of such a program by recommending that transfers be limited to regional multinational centers, rather than small, uneconomic national plants. Although it does not point the finger directly at West Germany or Brazil, it is clear that although it is precisely this type of sale toward which the resolution is directed; where restraint is most urgently needed to prevent the transfer of technology until satisfactory international safeguards can be developed and enforced.

This resolution is one I believe no Member of the Senate can oppose. We might remember the words of the late President John F. Kennedy, who on September 25, 1961, told the United Nations General Assembly:

Today, every inhabitant of this planet must contemplate the day when this planet may no longer be habitable. Every man, woman and child lives under a nuclear sword of Damocles, hanging by the slenderest of threads, capable of being cut any moment by accident or miscalculation or by madness. The weapons of war must be abolished before they abolish us.

Fortunately, a spirit of cooperation, reflected in the Test Ban and Non-Proliferation Treaties and, more recently, in the SALT I and Vladivostok Agreements, have helped reduce the tensions that were increasing the risk of a worldwide spread of atomic weaponry and escalating the dangers of the nuclear arms race. Now, the pressure toward nuclear arms proliferation is building once again, threatening to undermine the substantial progress that has already been made on nuclear weapons limitations and the hope for continued progress in the decades to

come. We can ignore this risk only at great peril to our own interest and that of the people of the world over.

The resolution Senator PASTORE and I offer today will not solve the problem of future nuclear weapons proliferation. It is designed only to point the way toward steps we believe the United States and other countries must take if we are to keep that danger from growing.

I simply hope that the Senate Foreign Relations Committee will receive the resolution and act promptly and clearly so that the Senate can speak out in unquestionable terms against the growing and exceedingly dangerous development.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. HATFIELD. I yield to the Senator from Massachusetts.



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Senate

Duplication of quality

SENATE RESOLUTION 188—SUBMISSION OF A RESOLUTION RELATIVE TO NUCLEAR WEAPONS PROLIFERATION

(Referred to the Committee on Foreign Relations and the Joint Committee on Atomic Energy, jointly, by unanimous consent.)

Mr. MONDALE submitted the following resolution:

S. RES. 188

A Senate resolution urging the President to seek an immediate international moratorium on the transfer to non-nuclear weapon countries of nuclear enrichment and reprocessing equipment and technology to permit time for the negotiation of more effective safeguards against the proliferation of nuclear weapons capability.

SECTION 1

Whereas the Senate of the United States ratified the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) in recognition of the devastation associated with a nuclear war and of the need to make every effort to avert the danger of such a war;

Whereas the parties to the Treaty expressed a common belief that the proliferation of nuclear weapons would seriously increase the danger of nuclear war;

Whereas the United States and other parties to the Treaty pledged to accept specified safeguards regarding the transfer to non-nuclear weapon States of special nuclear materials and facilities for the processing, use or production of such materials;

Whereas recent events, including the explosion of a nuclear device by India in 1974, the development of a uranium enrichment facility by the Republic of South Africa, and the proposed sales of nuclear enrichment and reprocessing plants to non-nuclear weapon States, cast serious doubts on the scope and comprehensiveness of existing safeguards over the proliferation of nuclear weapons capability;

Whereas the Senate of the United States is particularly concerned about the consequences of transactions that could lead to the production of plutonium and other special nuclear materials by non-nuclear weapon States in Latin America, in the Middle East, and in Asia;

Whereas the Senate believes that improved safeguards are urgently needed to prevent the theft or diversion of plutonium and other special nuclear materials to weapons manufacture: Now, therefore, be it

Resolved that the Senate of the United States strongly requests and urges the President to seek through the highest level consultations with other suppliers of nuclear equipment and technology an immediate moratorium on the transfer of nuclear enrichment and reprocessing facilities and technology to permit time for the negotiation of an agreement regarding more effective safeguards to substantially reduce the risk of diversion or theft of plutonium and other special nuclear materials to military or other uses that would jeopardize world peace and security.

SECTION 2

The Secretary of the Senate is directed to transmit copies of this resolution to the President of the United States and to the Secretary of State.

Mr. MONDALE. Mr. President, I am today submitting a resolution that is designed to address an urgent issue, that of nuclear weapons proliferation and the potential for terrorism as a result of the transfer of plutonium separation technology to nonnuclear weapons States.

Leading Members of the Senate, major newspapers, and scientists and other experts throughout the United States are expressing deep and growing concern over the disclosure of currently pending commercial transactions involving the sale of nuclear enrichment and reprocessing facilities to nonnuclear weapons countries.

In my judgment, there is no question of greater importance to the hope of international peace and security in the nuclear era than the consequences of these sales.

Only a few weeks ago, a 65-nation conference met in Geneva to review the results of the 5-year-old Nonproliferation Treaty. The conferees at that meeting agreed that significantly stronger safeguards were required to reduce the risk of a new and more alarming round of the nuclear weapons race.

Despite the recommendations of that Conference, West Germany and France are reportedly engaged in negotiations with Latin American and other countries that threaten to undermine the existing system of controls on the spread of nuclear weapons. These discussions involve the sale of plants ~~for the separation of plutonium from the spent fuel of nuclear reactors.~~

Until now, the United States and other suppliers of nuclear technology have sold reactors abroad, but we have never permitted the sale of the complete nuclear fuel cycle—including plutonium separation equipment—to nonnuclear weapons countries.

There are a number of reasons why such sales have not been allowed. First, there is no demonstrated need for such sales. As the New York Times pointed out in an editorial on June 9:

No commercial plutonium separation plant is now operating in the United States . . . It would take a \$500 million chemical reprocessing plant serving thirty giant nuclear-power reactors to achieve the economies of scale that might make plutonium recycling commercially feasible.

And while there is no valid economic reason for a country like Brazil or Argentina to acquire plutonium separation plants, there is a grave danger to world peace if they should do so. This danger is twofold: First, that the purchasing country might divert plutonium from such plants to develop a bomb; and second, that proper safeguards have never been devised to prevent theft of plutonium from commercial plants by ~~the forces of criminal elements.~~

I do not want to single out Brazil or Argentina, but their case provides a useful example, because both are reportedly interested in buying plutonium separation plants. If either country proceeds in this direction, as Brazil is now on the verge of doing, extraordinary pressures would be placed on the other not only to follow suit, but to initiate a nuclear weapons program. Let me explain why. Nuclear physicists maintain that it is a very simple matter for almost any country to build a nuclear bomb; the difficulty is not in the production of the weapon, but in obtaining the explosive material—~~plutonium.~~

Supposedly, nonnuclear countries cannot obtain plutonium for weapons manufacture because nations that have the technology for plutonium production—the United States, West Germany, France, Canada, and others—require that all plutonium produced as a result of power generation or research must be controlled under safeguards prescribed by the International Atomic Energy Agency (IAEA).

However, these safeguards are not as comprehensive as they should be as we saw in the case of the explosion of a nuclear device by India in 1974. Furthermore, there is a major loophole in both the Nonproliferation Treaty and the IAEA safeguards program regarding the transfer of technology for plutonium separation.

Simply put, while Brazil in this instance could not take plutonium from the operation plant provided by West Germany to build a nuclear weapon without violation IAEA safeguards, there is nothing in the Nonproliferation Treaty or the current IAEA program to prevent Brazil from duplicating the facility provided by Germany and using the plutonium from the duplicate plant to build explosive devices.

The loopholes in the treaty are known to both Argentina and Brazil. If either one is in a position to produce plutonium, free of effective international surveillance, the pressures on the other would be extremely great to obtain the means to build its own bomb for self-defense.

Nor is this danger confined to Brazil and Argentina. Serious questions have been raised about the nuclear weapons intentions of South Africa, Pakistan, South Korea, and several other nations. Once Brazil obtains a plutonium separation plant, it would be extremely difficult for the United States to argue that South Korea should not have one as well. Domestic industries that produce nuclear equipment will furthermore maintain that a continuation of restrictions on the part of the United States serves no purpose other than to curb their share of the international market.

This is, in part, the situation that prompted Senator RIBICOFF to warn the other day that—

The global spread of nuclear weapons is on the verge of running out of control.

Even if we assume that the intentions of Brazil or these other countries are entirely peaceful, and I do not choose to question the sincerity of their official statements, there is no way to take back the technology once it has been transferred and, as the Portuguese example shows, governments can change quickly. There is no guarantee that Brazil or Argentina might not some day change also.

I do not wish to be alarmist. But imagine a world in which the United States must build a system of strategic defenses that are capable of defending against not just one or two potential nuclear rivals, but nuclear weapons States in Latin America and around the world. All of our defense assumptions would have to be thrown out the window. The Strategic Arms Limitations Agreements might be rendered meaningless in terms of our national security. These are only hypothetical risks today, but unless control is maintained over the availability and use of plutonium, they could become very real dangers only a few short years down the road.

There is a second danger involved in the sale of plutonium separation equipment that has nothing to do with a decision by the recipient country to build the bomb. This threat relates to the extraordinary difficulties involved in preventing plutonium from falling into the hands of criminals or terrorist groups.

During the past 12 months, there has been intense debate in the United States over whether Government authorization should be provided for domestic commercial separation and reprocessing of plutonium. Senator HART and I joined in this debate last fall when we wrote to Dixie Lee Ray, then Chairman of the Atomic Energy Commission, expressing strong doubts about the wisdom of moving ahead with commercial plutonium recycle.

Restrictions

Plutonium is perhaps the most dangerous material known to man. A quantity the size of a grapefruit could be fashioned into a relatively crude bomb, capable of threatening any major city in America with widespread destruction and the death of as many as 100,000 people. This massive destructive potential requires the most rigid safeguards imaginable. Safeguards have been devised for our military programs, but if plutonium were produced on a commercial basis, the broadest police powers—including methods that are totally inconsistent with our democratic traditions and civil liberties—might be required to deal with a situation where even a small amount of plutonium were discovered to be missing.

These and other considerations prompted the Nuclear Regulatory Commission recently to recommend that commercial separation of plutonium should not be permitted in the United States for at least 3 years or until effective and acceptable safeguards have been devised.

If we in the United States, with three decades of experience in our military programs are not confident that sufficient controls can be devised to assure that commercial plutonium production will not jeopardize the public safety, there is every reason to believe that less experienced countries will encounter even greater difficulties.

For all of these reasons, I believe that action is urgently needed to prevent a headlong rush into commercial or military manufacture of plutonium by countries the world over.

As a first imperative, I believe that nations which supply nuclear technology must declare an immediate moratorium on the transfer of plutonium separation capability.

Second, I would hope that these suppliers could meet among themselves and with purchasing countries to reach agreement on whether an international safeguards program can be developed that is adequate to meet the risk and, if so, to take the steps necessary to implement such safeguards.

A variety of recommendations have been offered on methods to improve the existing IAEA safeguards program. As a first step, I believe that the Nonproliferation Treaty should be amended to prevent the acquisition of plutonium separation facilities by nonnuclear states, or at a minimum, to assure that any such facilities whether acquired directly or duplicated from equipment purchased from a nuclear supplying nation would be subjected to IAEA inspection. To allay fears that countries might divert plutonium from separation plants to weapons manufacture, these facilities might be regionalized so that rival countries could help to monitor one another. And with added responsibilities, increased funding will obviously be needed if the IAEA is to carry out an effective verification program.

With final action on the West Germany-Brazil transaction scheduled to take place before the end of this month, time is rapidly running out.

The President of West Germany, Walter Scheel is just completing a visit to Washington. I believe there is no item of greater concern to United States-German relations than the need for deferral of action on this sale. Therefore, I was deeply disappointed by reports that President Ford, in meeting with President Scheel, did not raise this problem.

A number of Senators, including Senators RIBICOFF, PASTORE, GLENN, and others have already spoken out clearly and forthrightly on this issue. But in order to express the deep and universal feeling within the Senate on this matter, I would hope that the Senate might take the additional step of acting on the resolution I am submitting today.

This resolution expresses the sense of the Senate that existing safeguards over the proliferation of nuclear weapons capability must be broadened and strengthened, that in view of the limitations of the present safeguard program we are especially concerned about the consequences of the sale of plutonium separation plants, and that President Ford should seek through the highest level consultations with other government leaders an immediate moratorium on such sales until a more effective safeguards program can be developed.

To illustrate the urgency of this matter I ask unanimous consent to insert in the RECORD an article from this morning's Washington Post indicating that—

A spokesman for the Foreign Ministry said West Germany will go ahead with plans to sell a large package of nuclear installations to Brazil despite U.S. concern about possible use for weaponry.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NUCLEAR SALE STILL ON

BONN.—A spokesman for the Foreign Ministry said West Germany will go ahead with plans to sell a large package of nuclear installations to Brazil despite U.S. concern about possible use for weaponry. He said he was unaware of any American call, as reported by a State Department official, for further negotiations on security measures for the pact, which is to be signed next week.

Mr. MONDALE. Mr. President, as further evidence of the need for such action, I ask unanimous consent that an editorial from the June 16 edition of the Washington Post be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A MESSAGE FOR PRESIDENT SCHEEL

Today West Germany's President, Walter Scheel, will arrive in Washington for a couple of days of talks and ceremony as part of a state visit to this country. Because U.S.-German relations are fairly stable at the moment, and because heads of state—as distinct from heads of government—do not ordinarily engage in nitty-gritty political negotiations on such visits, there is not what you would call a highly charged agenda of subjects for the two presidents to discuss. But we think there is one subject of considerable urgency that Mr. Ford's administration should take up with the delegation from Bonn. It is the proposed sale by the West Germans to Brazil of equipment required to produce a nuclear bomb. We think the terms of that transaction can and must be modified.

The key equipment in the West German's export package is not the power-generating nuclear reactors which will enable the Brazilians over time to produce cheap electric energy. Rather it is the equipment for reprocessing spent fuel and enriching uranium—neither of which is urgent for the Brazilian capacity to generate power and both of which can provide access to weapons-grade fuel. There is every reason, it seems to us, for the West Germans to reconsider their apparent willingness to include these critical items in the deal. The Brazilians have been anything but reassuring about their intentions with respect to acquiring nuclear weapons. The West Germans, whose exports rose last year by 29.2 per cent over the previous year and who are running the largest trade surplus of any industrial country, can hardly be said to be in dire need of overseas sales. And just a couple of weeks ago in Geneva, the Review Conference of the parties to the nuclear Nonproliferation Treaty agreed on some actions that, in our view, should be given a chance to work before anything so precedent-breaking and fraught with danger as the West German-Brazilian transaction goes into effect.

The nations at the Geneva conference undertook both to strengthen the safeguards against misuse of transferred nuclear power-producing equipment and to push for multinational fuel cycle facilities that would make available the benefits the Brazilians might get from the "extras" the Germans are willing to provide—but which would also make the misuse of such "extras" less possible.

Surely now that the parties to Nonproliferation Treaty—including West Germany—have bestirred themselves to try to control the dangers that attend the export of nuclear power reactors, it would be reckless of the Federal Republic to go forward with a bilateral business arrangement that disregards precisely the dangers the conference was addressing. And this is the more so in view of the fact that the Brazilians do not require this particular technological plant in the period of time that it may take to get the alternative facilities and the strengthened safeguards working. There is still time for the West Germans to alter these particular aspects of the deal. We think President Ford should tell our West German visitor that it is in the interest of everyone concerned that they do so.

94TH CONGRESS
1ST SESSION

S. 2035

IN THE SENATE OF THE UNITED STATES

JUNE 26 (legislative day, JUNE 6), 1975

Mr. PASTORE (for himself and Mr. BAKER) (by request) introduced the following bill; which was read twice and referred to the Joint Committee on Atomic Energy

A BILL

To authorize cooperative arrangements with private enterprise for the provision of facilities for the production and enrichment of uranium enriched in the isotope-235, to provide for authorization of contract authority therefor, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Nuclear Fuel Assurance
4 Act of 1975".

5 SEC. 2. Chapter 5 (production of special nuclear mate-
6 rial) of the Atomic Energy Act of 1954, as amended, is
7 amended by adding at the end thereof the following section/

1 “SEC. 45. COOPERATIVE ARRANGEMENTS FOR PRIVATE
2 PROJECTS TO PROVIDE URANIUM ENRICHMENT SERV-
3 ICES.—

4 “a. The Energy Research and Development Administra-
5 tion is authorized, without regard to the provisions of section
6 169 of this Act, to enter into cooperative arrangements with
7 any person or persons for such periods of time as the Admin-
8 istrator of the Energy Research and Development Admin-
9 istration may deem necessary or desirable for the purpose of
10 providing such Government cooperation and assurances as
11 the Administrator may deem appropriate and necessary to
12 encourage the development of a competitive private uranium
13 enrichment industry and to facilitate the design, construc-
14 tion, ownership, and operation by private enterprise of
15 facilities for the production and enrichment of uranium en-
16 riched in the isotope-235 in such amounts as will contribute
17 to the common defense and security and encourage develop-
18 ment and utilization of atomic energy to the maximum extent
19 consistent with the common defense and security and with
20 the health and safety of the public; including, inter alia, in
21 the discretion of the Administrator,

22 “(1) furnishing technical assistance, information,
23 inventions and discoveries, enriching services, materials,
24 and equipment on the basis of recovery of costs and
25 appropriate royalties for the use thereof;

1 “(2) providing warranties for materials and equip-
2 ment furnished;

3 “(3) providing facility performance assurances;

4 “(4) purchasing enriching services;

5 “(5) undertaking to acquire the assets or interest
6 of such person, or any of such persons, in an enrichment
7 facility, and to assume obligations and liabilities (includ-
8 ing debt) of such person, or any of such persons, arising
9 out of the design, construction, ownership, or operation
10 for a defined period of such enrichment facility in the
11 event such person or persons cannot complete that en-
12 richment facility or bring it into commercial operation:

13 *Provided*, That any undertaking, pursuant to this sub-
14 section 5, to acquire equity or pay off debt, shall apply
15 only to individuals who are citizens of the United States,
16 or to any corporation or other entity organized for a
17 common business purpose, which is owned or effectively
18 controlled by citizens of the United States; and

19 “(6) determining to modify, complete, and operate
20 that enrichment facility as a Government facility or to
21 dispose of the facility at any time, as the interest of the
22 Government may appear, subject to the other provisions
23 of this Act.

24 “b. Before the Administrator enters into any arrange-
25 ment or amendment thereto under the authority of this sec-

tion, or before the Administrator determines to modify, or complete and operate any facility or to dispose thereof, the basis for the proposed arrangement or amendment thereto which the Administrator proposes to execute (including the name of the proposed participating person or persons with whom the arrangement is to be made, a general description of the proposed facility, the estimated amount of cost to be incurred by the participating person or persons, the incentives imposed by the agreement on the person or persons to complete the facility as planned and operate it successfully for a defined period, and the general features of the proposed arrangement or amendment), or the plan for such modification, completion, operation, or disposal by the Administrator, as appropriate, shall be submitted to the Joint Committee on Atomic Energy, and a period of forty-five days shall elapse while Congress is in session (in computing such forty-five days, there shall be excluded the days on which either House is not in session because of adjournment for more than three days) unless the Joint Committee by resolution in writing waives the conditions of, or all or any portion of, such forty-five-day period: *Provided, however, That any such arrangement or amendment thereto, or such plan, shall be entered into in accordance with the basis for the arrangement or plan, as appropriate, submitted as provided herein.*"

SEC. 3. The Administrator of the Energy Research and

1 Development Administration is hereby authorized to enter
2 into contracts for cooperative arrangements, without fiscal
3 year limitation, pursuant to section 45 of the Atomic Energy
4 Act of 1954, as amended, in an amount not to exceed in the
5 aggregate \$8,000,000,000 as may be approved in an appro-
6 priation Act. In the event that liquidation of part or all of any
7 financial obligations incurred under such cooperative arrange-
8 ments should become necessary, the Administrator of the En-
9 ergy Research and Development Administration is authorized
10 to issue to the Secretary of the Treasury notes or other obli-
11 gations up to the levels of contract authority approved in an
12 appropriation Act pursuant to the first sentence of this section
13 in such form and denomination, bearing such maturity and
14 subject to such terms and conditions as may be prescribed by
15 the Administrator with the approval of the Secretary of the
16 Treasury. Such notes or other obligations shall bear interest
17 at a rate determined by the Secretary of the Treasury, taking
18 into consideration the current average market yield on out-
19 standing marketable obligations of the United States of com-
20 parable maturity at the time of issuance of the notes or other
21 obligations. The Secretary of the Treasury shall purchase any
22 notes or other obligations issued hereunder and, for that pur-
23 pose, he is authorized to use as a public debt transaction the
24 proceeds from the sale of any securities issued under the Sec-
25 ond Liberty Bond Act, as amended, and the purposes for

1 which securities may be issued under that Act, as amended,
2 are extended to include any purchase of such notes and obli-
3 gations. The Secretary of the Treasury may at any time sell
4 any of the notes or other obligations acquired by him under
5 this section. All redemptions, purchases, and sales by the
6 Secretary of the Treasury of such notes or other obligations
7 shall be treated as public debt transactions of the United
8 States. There are authorized to be appropriated to the Ad-
9 ministrator such sums as may be necessary to pay the prin-
10 cipal and interest on the notes or obligations issued by him to
11 the Secretary of the Treasury.

12 SEC. 4. The Administrator of the Energy Research and
13 Development Administration is hereby authorized to initiate
14 construction planning and design activities for expansion of
15 an existing uranium enrichment facility. There is hereby
16 authorized to be appropriated such sums as may be necessary
17 for this purpose.

94TH CONGRESS
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A BILL

To authorize cooperative arrangements with private enterprise for the provision of facilities for the production and enrichment of uranium enriched in the isotope-235, to provide for authorization of contract authority therefor, and for other purposes.

By Mr. PASTORE and Mr. BAKER

JUNE 26 (legislative day, JUNE 6), 1975

Read twice and referred to the Joint Committee on
Atomic Energy



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