Beyond the NPT: The Evolution of the U.S. Non-Proliferation Policy and the Nuclearization of Iran in the 1970s

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Abstract

This article provides new insights into the development of the Iranian nuclear program, by focusing on the political implications of Iran's nuclear cooperation with her Western partners in the 1970s. Using recently declassified documentary evidence from US and European archives, this study will first explore how diversification of nuclear suppliers stemmed not only from the impasse in US–Iran negotiations for a nuclear agreement, but also from a precise strategy of the Shah aimed at avoiding overreliance on the American ally. The article will then examine how nuclear cooperation between Western Europe and Iran challenged the construction of a new US non-proliferation regime, initiated after the Indian nuclear explosion of 1974 in order to amend the inefficiencies of the Nuclear Non-Proliferation Treaty.

First phase of the Iranian nuclear program

Mohammad Reza Pahlavi's desire to develop a nuclear program dates back in the 1950s, when his timid nuclear ambitions found fertile ground in the good relations with the United States.[1] As part of the Atoms for Peace program, Washington offered technology

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[1] US–Iran relations became remarkably close after the 1953 Iranian coup d'état and took an unprecedented tilt in the early stages of the Nixon administration. In 1969 President Richard Nixon laid the foundations for the new American policy in the Persian Gulf. The new Nixon Doctrine in the Third World excluded direct American intervention and promoted the idea of furnishing military assistance to regional players, which would have the task of guaranteeing regional security and safeguarding Western interests. Consequently, the United States decided to build up its two regional allies, Iran and Saudi Arabia, as local powers that could protect the region from the spread of Soviet influence. Even though the tendency was, when referring to the roles of Iran and Saudi Arabia, to label the new President's Gulf strategy as 'twin pillars policy', right from the outset Nixon stood out in favour of the Iranian pillar. The exclusive relations between Washington and Tehran were

and technical assistance to its allies, asking in return that they abstain from the production of nuclear weapons. As a result, in 1957 Iran and the US signed an agreement for the provision of a 5MW light water research reactor, inaugurated at the Tehran Nuclear Research Center in 1967.[2]

However, Iran's astonishing nuclear ambitions emerged in the 1970s when, after the increase in oil revenues occurred in the aftermath of the 1973 Yom Kippur war, the Shah decided to invest huge sums of petrodollars into constructing dozens of nuclear power stations across the country. The Shah's nuclear goal was to produce 23000 MW of nuclear energy in the next twenty years and acquire the entire nuclear fuel cycle technology. The program was an integral part of the Shah's plan to turn the country into a modern state rating amongst the top ten in the world in ten years.[3]

By the beginning of 1974 the Shah looked at his closest ally for nuclear technology. Talks with Washington for the sale of nuclear reactors and fuel began soon, but upcoming events turned out to be crucial in impeding a quick resolution of the negotiating process. After the first Indian Nuclear Test of May 1974 indeed, the US government lost its faith on the Nuclear Non-Proliferation Treaty (NPT) as the only international framework regulating the issue of proliferation.[4] The Indian nuclear explosion showed how any country could easily obtain nuclear weapons technology if needed, and the Pakistani intention to manufacture its own nuclear device raised fears of a nuclearized region.[5] The idea emerged in Washington was that the nuclear market could no longer be regarded as a simple

confirmed on May 30 and 31, 1972, when, as a result of two meetings held in Tehran between Mohammad Reza Pahlavi, Nixon and the then National Security Advisor Henry Kissinger, Washington gave the Shah a virtual blank check for the acquisition American military equipment. See amongst others: Mark J. Gasiorowski and Malcolm Byme, *Mohammad Mossadeq and the 1953 Coup in Iran* (Syracuse: Syracuse University Press, 2004); Stephen Kinzer, *All the Shah's Men: An American Coup and the Roots of Middle East Terror* (Hoboken: John Wiley and Sons, 2008); James A. Bill, *The Eagle and the Lion: The Tragedy of American-Iranian Relations* (New Haven: Yale University Press, 1988); Barry Rubin, *Paved with Good Intentions: The American Experience and Iran* (New York: Oxford University Press, 1981); Richard W. Cottam, *Iran and the United States: A Cold War Case Study* (Pittsburgh: University of Pittsburgh Press, 1988); Abbas Milani, *The Shah* (New York: Palgrave Macmillan, 2011).

[2] Saira Khan, *Iran and Nuclear Weapons: Protracted Conflict and Proliferation* (London and New York: Routledge, 2010), 47.

[3] On the Iranian nuclear program in the 1970s, see: David Patrikarakos, *Nuclear Iran: The Birth of an Atomic State* (London and New York: I.B. Tauris, 2012); Saira Khan, *Iran and Nuclear Weapons: Protracted Conflict and Proliferation* (London and New York: Routledge, 2010); William Burr, "A Brief History of US–Iranian nuclear negotiations", *Bulletin of the Atomic Scientists* (January/February 2009); Jacob Darwin Hamblin, "The Nuclearization of Iran in the Seventies", *Diplomatic History* 38:5 (2014); Chris Quillen, "Iranian Nuclear Weapons Policy: Past, Present and Possible Future", *Middle East Review of International Affairs* 6, no. 2 (2002); Shahram Chubin, *Iran's Nuclear Ambitions* (Washington D.C.: Carnegie Endowment for International Peace, 2006).

[4] For more information about the NPT, see: http://www.iaea.org/publications/documents/treaties/npt

[5] India was not a NPT signatory at that time, but the Indian test indirectly showed the inefficiencies of the NPT and the need to supplement it with other initiatives.

commercial transaction, and that adherence to the NPT was necessary but no longer sufficient.[6]

Over the course of the year, US nuclear policy towards Iran began to juggle between two conflicting needs: on the one hand to fulfill the Shah's nuclear desires and, therefore, maintain good relations with Tehran; on the other to stand as guarantors of non-proliferation at a global level. The Shah's nuclear ambitions did not help alleviate US proliferation concerns. During an interview with the French weekly *Les informations* on June 23, 1974 the Shah declared his intention to manufacture an explosive device 'sooner than one would think'.[7] Although the Iranian Embassy in Washington stated that 'this information is totally invented and without any basis whatsoever' the next day, the Minister of the Court Asadollah Alam pointed out that any policy could be revised in the event that other countries opted for the military use of atomic energy.[8]

At the end of 1974 the US decided to set an example and make nuclear negotiations with Iran a potential model for future understandings with other countries.[9] Unsurprisingly, the US-Iran nuclear negotiations reached an impasse soon after. Two aspects became the major sources of contention: the amount of enriched uranium to be supplied by the US and nuclear reprocessing on Iranian territory.[10] The second aspect played a central role in the negotiations: today the most serious issue concerns uranium enrichment, but what especially worried the international community at that time was the manufacture of an explosive device from plutonium, obtained through nuclear reprocessing.[11] The Iranians showed inflexible on this issue: according to Akbar Etemad, head of the Atomic Energy Organization of Iran (AEOI), adherence to the NPT and the International Atomic Energy Agency (IAEA) safeguards gave Iran the right to acquire the entire nuclear fuel cycle technology.[12] This issue became the main cause of a long impasse since not only did

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[6] National Security Archive (NSA), *Under Secretary Sisco's Principals' and Regionals' Staff Meeting*, June 21, 1974.

[7] *Shah's Alleged Statement on Nuclear Weapons*, State Department cable 135137 to US Embassy in Tehran, June 24, 1974.

[8] National Archives and Records Administration (NARA), Record Group (RG) 59, *Shah's alleged statement on nuclear weapons*, Tel. 1974TEHRAN05192, Helms to Kissinger, June 25, 1974.

[9] The reason why the US chose Iran as a model is to be found in the exclusive alliance between the two countries. See: William Burr, "A Brief History of US-Iranian nuclear negotiations", *Bulletin of the Atomic Scientists*, January/February 2009, p. 23.

[10] NARA, RG 59, *US/Iran nuclear agreement*, Tel. 1975TEHRAN11539, Helms to Kissinger, November 26, 1975.

[11] Reprocessing of used nuclear fuel served multiple purposes. While a key characteristic of nuclear energy was that used fuel could be reprocessed to recover fissile and fertile materials in order to provide fresh fuel for existing and future nuclear power plants, reprocessing could also be used to extract plutonium for producing explosive devices. See: http://www.world-nuclear.org/info/nuclear-fuel-cycle/fuel-recycling/plutonium/

[12] Iran signed the NPT in 1968 and ratified it in 1970. In 1974 Iran adhered to the IAEA safeguards and created the Atomic Energy Organization of Iran (AEOI). On the Iranian adherence to the TNP and IAEA safeguards, see:
http://wwwpub.iaea.org/MTCD/publications/PDF/cnpp2009/countryprofiles/Iran/Iran2008.htm;
http://ola.iaea.org/ola/FactSheets/CountryDetails.asp?country=IR;
http://www.iaea.org/Publications/Documents/Infcircs/Others/infcirc214.pdf.

Washington deny the sale of reprocessing technology to Iran, but it also brought to the negotiation table formulas to ensure a veto on reprocessing of US-supplied fuel or reprocessing of spent fuel derived from US-supplied reactors. The American plan at that time was indeed the creation of a regional reprocessing plant open to international participation.[13]

Western Europe-Iran nuclear cooperation

The deadlock in US-Iran nuclear negotiations could be easily ascribed as the primary cause of Iran's search for nuclear technology in Europe. Nevertheless, Iran's cooperation with Europe is far more complex and came as a result of multiple reasons, first of which the Shah's strategy of diversification. According to British Ambassador in Tehran Anthony Parsons, Iran's special relationship with the US reinforced the Shah's determination to minimize his practical dependence wherever he could. The Shah tried to seek relief from the problem of playing off the major sources of regional influence – the US and USSR – by developing ties with third countries with less direct political axes to grind. To this end, the Shah saw it as natural that Iran's links, above all with Western Europe, should develop steadily. Three main reasons lay behind the importance attached by the Shah to Western Europe:

a) the racial ties: the Shah thought of the Iranian people – racially of Indo-European origins – as very close to Europeans;

b) Cold War solidarity: Western European and Iranian geographical proximity to the communist world;

c) business as usual: Western Europe as a market for Iran's new industries.[14]

The Shah's will to develop stronger ties with the European Community (EC) is significant in this respect. EC official records show that the Shah set a considerable store by the emergence of a European Community which could wield a political power commensurate with its population and collective economic strength.[15] In the Shah's view, overreliance on a single country was to be avoided if Iran wanted to be an independent world power.[16]

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[13] NARA, RG 59, *Nuclear cooperation with Iran*, Tel. 1976SECTO20089, Kissinger to Robinson, August 8, 1976.

[14] National Archives of the United Kingdom (NA), FCO 8/2986, *Iranian Foreign Policy*, Parsons to Owen, March 30, 1977.

[15] Historical Archives of the European Union (HAEU), Commission of the European Communities, *The European Community and Iran*, Note circulated on the occasion of the visit to Iran of Sir Christopher SOAMES, Commission Vice–President in charge of external relations, May 12-14, 1975.

[16] Iran's foreign policy in the 1960s and 1970s has been widely debated in recent years, due to the emergence of a revisionist literature that criticizes the mainstream argument of Iran being an US proxy in the Persian Gulf and stresses Iran's growing role as an independent partner. Roham Alvandi is the primary exponent of this literature. See: Roham Alvandi, *Nixon, Kissinger and the Shah: The United States and Iran in the Cold War* (New York: Oxford University Press, 2014); Alvandi, "Nixon, Kissinger and the Shah: The Origins of Iranian Primacy in the Persian Gulf", *Diplomatic*

Secondly, after the increase in oil revenues in specific Middle East countries and the related 1973-1975 economic stagnation of the Western world, a European will to establish a closer relationship with the oil-producing states emerged. When the first contact in Middle East countries were made it emerged that the points for discussion were almost entirely nuclear. The general view was to encourage the investment of oil revenues in appropriate sectors of nuclear industry and the opening to European firms of the developing nuclear market in the Middle East.[17] Most importantly, the goal was to absorb a significant amount of capital and give Western powers some leverage in their negotiations with oil-producing countries in any future oil crisis.[18]

These reasons help understand why from 1973 France, West Germany and the UK moved quickly to establish contacts with the Iranians in the nuclear field. Exploiting the sudden, dramatic increase in Persian purchasing power after the 1973 oil crisis, in 1974 the French company Framatome signed contracts with Iran for the production of 5000 MW(e) through the construction of four Pressurized Water Reactors (PWR). Construction of the first two started soon after in Darkhovin. The Shah also decided to invest in infrastructure outside Iran to ensure its own access to enriched uranium. In 1973 France, Belgium, Italy, Spain and Sweden had formed the joint stock company European Gaseous Diffusion Uranium Enrichment Consortium (EURODIF). One year later, Mohammad Reza Pahlavi lent to France $1 billion for the construction of the factory, in order to have the right to buy 10% of the production – eventually transferred from Sweden. This was a great deal, commercially, for the European stockholders. It was particularly good for France, which was able to secure its own enrichment future with external money, and have the facility at home, in the southern provincial village of Pierrelatte.[19]

Nuclear cooperation between West Germany and Iran initiated on November 18, 1974 with the signing of a letter of intent between the AEOI and Siemens Kraftwerk Union (KWU) for the purchase of two nuclear reactors. An agreement on cooperation in science and technology was signed on June 30, 1975.[20] While construction in Busher began immediately, negotiations for a government-to-government agreement were suspended until 1976.[21] The profit potential of such cooperation was particularly stressed both by the German government and GWU: while the latter pointed out that the reactors sale would heal its balance sheet, the former emphasized how these sales would save about 12000 jobs for six years.[22]

History 36:2 (2012): 337-372; Alvandi, "The Shah's détente with Khrushchev: Iran's 1962 missile base pledge to the Soviet Union", *Cold War History*, 14:3 (2014): 423-444.

[17] NA, AB 48/1286, *Atomic Energy Executive. Collaboration with Middle East Countries*, Note by Walter Marshall, April 7, 1976.

[18] Hamblin, "The Nuclearization of Iran", 7–8.

[19] NARA, RG 59, *French-Iranian nuclear agreement*, Tel. 1974TEHRAN05564, Helms to Kissinger, July 8, 1974; NARA, RG 59, *Franco-Iranian nuclear agreement*, Tel. 1974PARIS27957, Rush to Kissinger, November 22, 1974; NARA, RG 59, *Franco-Iranian nuclear cooperation*, Tel. 1974PARIS28243, Rush to Kissinger, November 25, 1974.

[20] NARA, RG 59, *FRG–Iran Cooperation*, Hillenbrand to Kissinger, July 11, 1975.

[21] NARA, RG 59, *US/FRG Bilateral Discussions on Non–Proliferation*, Sisco to Hillenbrand, May 5, 1976.

[22] NARA, RG 59, *FRG nuclear technology sale to Iran*, Tel. 1976BONN11423, Hillenbrand to Kissinger, July 7, 1976.

The Shah also wanted to encourage nuclear cooperation with the UK as a deliberate counterweight to Iran's present involvement with France and West Germany. In October 1975 Walter Marshall, chairman of the UK Atomic Energy Research Establishment (AERE) – also known as Harwell –, signed two agreements with the AEOI: one for the training of AEOI staff at Harwell – including assistance in arranging complementary academic courses at Surrey and London Universities –, and the other for the provision of consultancy services by Harwell to the Tehran Nuclear Research Center. Both agreements were welcomed by the AEOI and following their successful negotiation Akbar Etemad raised the question of British assistance in the field of nuclear safety. His immediate requirement was for advice on a safety assessment of the two nuclear stations being constructed for the Iranian government from KWU at Busher; beyond this, Etemad looked for UK assistance in establishing an Iranian safety organization.[23]

Beyond the NPT: the NSG and the nuclearization of Iran

Richard Helms, American Ambassador in Tehran, was particularly concerned about the political and commercial consequences of the 'nuclear deadlock' in US-Iran negotiations, as well as Iran's nuclear cooperation with Western Europe. Firstly, he noted, the impasse was harming relations between US and Iran, threatening the alliance and, therefore, Iran's pro-Western role in the Persian Gulf. Mohammed Reza Pahlavi perceived the US stance as an affront to his sovereignty and lack of confidence indeed: the US' view on sale of reprocessing technology was interpreted as an instrument to impose external control and deny Iran's nuclear rights. Secondly, the US negotiating position was not shared by the European suppliers, thus encouraging Iran's cooperation with Europe and enforcing Iranian negotiating position on reprocessing. Thirdly, Helms declared that circumstances would never push Iran into American hands: Washington was asking for things that 'the French or Germans would never dream of doing', thus giving away lucrative deals to competitors.[24] For example, Iran was purchasing uranium from other suppliers under rules that did not violate its commitments to the NPT and the IAEA safeguards: besides EURODIF, a plan for EURODIF II was underway, as well as a project of joint venture with Canada and a plan for uranium exploration in Central Africa. Helms noted that if only half of those projects had been completed, Iran would have solved most of its uranium supply needs, leaving no room for US-Iran contracts. In Helms' views, Washington had to be more flexible, taking Tehran's word that it would comply with the NPT provisions for the civil use of nuclear energy, pursuing the construction of a US-Iran binational reprocessing plant in Iran and removing restrictions on uranium storage. Such deals were priority since they would cover supplies for 12000 MW and contribute to the overall American balance of payments.[25]

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[23] NA, AB 48/1286, *Atomic Energy Executive: Collaboration with Middle East Countries*, Note by Walter Marshall, April 7, 1976.

[24] NARA, RG 59, *Shah's interview by Business Week given prominent coverage by English language Kayhan*, Helms to Kissinger, Tel. 1975TEHRAN11089, November 13, 1975.

[25] NARA, RG 59, *US/Iran nuclear agreement*, Tel. 1975TEHRAN11539, Helms to Kissinger, November 26, 1975.

The Shah's dissatisfaction, highlighted by Helms in several diplomatic cables, materialized when he firmly refused the American plan for a multinational reprocessing plant. In November 1975 Kissinger proposed a new agreement to break the impasse. The 'buy back option' would be more beneficial for the Iranians as it would provide for the US purchase of Iranian spent fuel in exchange for money or fresh fuel. Nevertheless the agreement would again include a veto on reprocessing in Iran, since it was based on Kissinger's belief that any country possessing a reprocessing plant could opt for a military use of plutonium.[26] Etemad did not dislike the 'buy back option' but, again, he firmly rejected the provision for a US veto on reprocessing.

The US negotiating position was consistent with Kissinger's recent effort to coordinate a new non-proliferation policy with other suppliers. This policy had been developed since 1974, when Kissinger had authorized a secret diplomatic process to create a high-level group that would establish criteria for preventing the diversion of sensitive nuclear technology and materials into nuclear weapons production. The idea was to create a 'supplemental' non-proliferation regime while maintaining the NPT as an unavoidable reference. The newly established Nuclear Supplier Group (NSG) – also known as Club of London – first met on November 5, 1975.[27] Given US vehement reaction to French and German agreements respectively with Pakistan (1974) and Brazil (1975) for the supply of sensitive technology, Bonn and Paris chose to avoid isolation and friction with Washington and eventually came on board the NSG. Nevertheless, France and West Germany did not share US' view on non-proliferation and their adherence to the NSG did not exclude sale of sensitive nuclear technology *a priori*.[28]

Over the course of November the NSG issued the Nuclear Supplier Guidelines: the most sensitive issue of US-Iran nuclear negotiations, namely reprocessing technology, was included in the so called 'trigger list' of items that should not be sold without adequate safeguards.[29] The British were the first to show a high degree of acquiescence to US' will and proliferation concerns, although London, aware of French and German reservations about the new U.S.-led non-proliferation regime, had no intention to give up the competition with other suppliers. In June 1976 the UK Department of Energy, following the Nuclear Supplier Guidelines, gave recommendations to Ministers that no offers should be made to Iranians, which may subsequently not be able to live up to for political reasons. The Department did however recommend that the UK should not rule out the possibility of reprocessing services and technology transfer at some point in the future, subject to there

[26] Burr, "A brief history", 27-28.

[27] Founding members were Canada, France, Japan, West Germany, the United Kingdom, the United States, and the Soviet Union. Although the NSG was not binding upon the parties, Washington pushed for a coordinated effort to prevent the sale of sensitive technology. See: William Burr, "A Scheme of 'Control': The United States and the Origins of the Nuclear Suppliers' Group, 1974–1976", *International History Review* 36:2 (2014): 252-276.

[28] Inclusion of France in the Nuclear Supplier Group was deemed essential. The Japanese and West Germans were indeed unlikely to join without the French. Moreover, amongst the European nuclear exporters, France was the only non NPT signatory. See: NSA, *The Secretary's Analytical Staff Meeting on Non-Proliferation*, August 2, 1974;

[29] NSA, *Nuclear Suppliers Guidelines*, Springsteen to Scowcroft, December 31, 1975.

being adequate provisions to prevent military use.[30] Informal consultations with the Iranians were therefore encouraged, and Walter Marshall was instructed to start formal discussions if needed.[31]

France shared US fears of nuclear proliferation, though it had its own ideas on the topic. The French reaction to the Nuclear Supplier Guidelines reflected the view already emerged in the negotiations for the creation of the NSG: Paris made it clear that it did not want to be accused of acting with nuclear suppliers to 'gang up on both non-NPT and NPT countries', arguing that regulating sensitive nuclear exports to unstable countries was on 'dangerous ground' and that imposing such constraints raised political dangers.[32] As a result, French nuclear strategy on sale of reprocessing technology developed in two directions: on the one hand, an embargo on export of reprocessing plants was announced by France at the end of 1976; on the other, subsequent enquiries via the British Embassy in Paris made it clear that the embargo did not cover the transfer of reprocessing technology.[33] Although the sale of sensitive technology to Iran was shadowed by the abovementioned lucrative agreements in reactors construction and uranium enrichment, Paris never ignored it as a future possibility. According to American Ambassador in Paris Arthur Hartman, when in April 1977 French Nuclear Affairs Director Philippe Louet negotiated with Etemad a governmental agreement covering the sale of French reactors, reprocessing in Iran was considered as an option.[34]

The case of West Germany is particularly interesting since it publicly posed the first serious challenge to the new US non-proliferation regime. Bonn had already been harshly criticized by Washington after the 1975 nuclear agreement with Brazil, which provided for the supply of the entire fuel cycle technology to a non-NPT country.[35] The case of Iran was therefore considered as a new test of the German commitment to the US 'supplemental' non-proliferation policy.

The final West Germany-Iran nuclear cooperation agreement for the peaceful uses of nuclear energy was signed on July 3, 1976. Besides formalizing the sale of two reactors and strengthening cooperation between the two countries in nuclear research and development, the agreement was accompanied by a confidential letter.[36] The two parties agreed that West Germany and Iran could jointly build and run a reprocessing plant in the future, conditioned to adequate safeguards and open to international participation.[37] The agreement did not

[30] NA, EG 8/331, *Iran*, Herzig to Allday, June 7, 1976.
[31] NA, AB 48/1286, *Notes of a meeting with H. E. Dr. Akbar Etemad in London on 9th February 1976*, Februay 9, 1976.
[32] NSA, *Nuclear Suppliers Conference/French Participation*, March 26, 1975.
[33] Ibid.
[34] NARA, RG 59, *French Sale of Nuclear Reactors and Fuel to Iran*, Hartman to Vance, October 31, 1977.
[35] Joachim Krause, "German Nuclear Export Policy and the Proliferation of Nuclear Weapons – Another Sonderweg?", Paper presented for the Conference "Germany and Nuclear Nonproliferation", organized by the Aspen Institute, Berlin and the Nonproliferation Policy Education Center, Washington, D.C., Berlin, February 26, 2005.
[36] NARA, RG 59, *FRG Nuclear Technology Sale to Iran*, Hillenbrand to Kissinger, July 7, 1976.
[37] NARA, RG 59, *US Comments on Proposed FRG-Iran Nuclear Agreement*, Sisco to Helms, May 25, 1976.

violate neither the NPT nor the IAEA safeguards.[38] Technically, it did not even violate the NSG guidelines, since it deferred the sale of reprocessing technology and conditioned it on adequate safeguards. However, the agreement was not endorsed by Kissinger because of the German commitment to the sale: 'this agreement is not greeted with enthusiasm by the United States. We do not intend to create any controversy with the FRG but we cannot avoid saying that we did not approve of this agreement'.[39] In Kissinger's view, in fact, the agreement was contrary to the spirit of the NSG and it paved the way for unregulated sale of sensitive technology. Moreover, the US State department complained about the lack of specific provisions on when the sale would occur. Eventhough diplomatic contacts with German and Iranian officials confirmed that it would not happen before 10-15 years, this provision was deemed essential to prevent other suppliers from promising immediate transfers of reprocessing technology in the absence of specific safeguards.[40]

Bonn's public reaction to US criticism was firm as it pointed out that the agreement did not violate any provisions on non-proliferation. The German Undersecretary of State Hans Werner Lautenschlager declared that Washington's reaction had been expected, but stressed that Bonn had done everything possible to relieve US proliferation concerns. Iran was a NPT member and had fully adhered to IAEA safeguards indeed, and in case Tehran revised its policy Bonn would be ready to break the agreement.[41]

While Bonn stressed publicly its compliance with the NPT provisions and the Nuclear Supplier Guidelines, official records offer a fascinating look into the behind-the-scene German decision-making. In general terms, the agreement was interpreted as a signal of Bonn's will to play a major role in international affairs, by taking a tougher stance in the field of nuclear exports.[42] Specifically, the agreement might have resulted from the German distrust in the US. Official records show how the German perception of US nuclear policy was based on the assumption that any American initiative stemmed from economic considerations and was taken at their own advantage.[43] Washington's reputation in Bonn is confirmed by Rouget's words: during a private discussion with British officials, the Chief of the Atomic Energy Section at the German Foreign Office commented sourly that the US State Department 'was always trying to have their cake and eat it: after getting other countries to restrictions such as those in the Nuclear Suppliers Guidelines they then tried to

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[38] NARA, RG 59, *US comments on proposed FRG-Iran nuclear agreement*, Tel. 1976STATE128397, Sisco to Helms, May 25, 1976; NARA, RG 59, *Proposed FRG-Iran nuclear agreement*, Tel. 1976STATE108734, Sisco to Kissinger, May 4, 1976; NARA, RG 59, *FRG-Iranian agreement*, Tel. 1976STATE182559, Robinson to Hillenbrand, July 23, 1976.

[39] NSA, *The Secretary's Meeting with FRG Ambassador Von Staden on the FRG/Iran Agreement for Nuclear Cooperation*, July 2, 1976.

[40] NARA, RG 59, *US comments on proposed FRG-Iran nuclear agreement*, Tel. 1976STATE128397, Sisco to Helms, May 25, 1976.

[41] NARA, RG 59, *FRG-Iran nuclear agreement*, Tel. 1976BONN11442, Hillenbrand to Kissinger, July 7, 1976.

[42] Joachim Krause, "German Nuclear Export Policy and the Proliferation of Nuclear Weapons – Another Sonderweg?", Paper presented for the Conference "Germany and Nuclear Nonproliferation", organized by the Aspen Institute, Berlin and the Nonproliferation Policy Education Center, Washington, D.C (2005).

[43] NARA, RG 59, *Federal Republic of Germany: US policy guidelines*, Tel. 1976STATE241424, Robinson to Hillenbrand, September 28, 1976.

impose further restrictions of their own whenever a specific case came up'.[44] Presumably, this disillusion about American behaviour, along with a strong desire to beat the competition with Washington, may help to explain why Bonn made an important step towards the sale of sensitive – and expensive – technology to Iran.

While French reaction was impalpable, the West Germany-Iran agreement had significant impact on London's nuclear policy. The British were at first bothered by the German lack of notice, which gave Bonn a substantial advantage on sales of reprocessing technology to Iran in the future. West Germany was in fact not free to sell unilaterally enrichment or reprocessing services and technology, which were owned jointly by United Reprocessors Agreement – France, UK and West Germany: even if the deal did not create any breach of the Agreement, a Foreign Office official declared that 'it would have been in accordance with the spirit of cooperation with FRG if the Germans had told in advance what they were proposing'.[45] However, the German step was somehow welcomed by London, since it gave the UK a good pretext for further discussions with the Iranians on sale of sensitive technology and services. Bonn had merely avoided many of the more contentious issues by relegating them to future exchanges: the UK Department of Energy followed the same strategy, stating that contracts to provide enrichment or reprocessing services could be pursued, on the basis that later transfer of technology would be neither promised nor altogether ruled out.[46] In the light of the German initiative, the Department assumed that any service contract leaving the question of technology transfer open for future consideration did not impose to consider international opposition. Criticism from Washington would be expected, but the British degree of commitment would be far less irritating than the German one and London 'would point out that the Iranians had got from the Germans a promise of "discussion in the future"; that we had offered nothing more than that; and that only services were under negotiation at this stage'.[47]

Conclusion

This study proposes the analysis of three intertwined research trajectories to address the nuclearizaion of Iran from 1973 to 1976. Firstly, it focuses on the US non-proliferation policy. The article argues that following the 1974 Indian nuclear explosion, Washington elaborated a 'supplemental' non-proliferation regime where Iran would become a reference model for any future nuclear agreements between suppliers and NPT members. Unsurprisingly, Washington's intention to regulate the sale of sensitive technology led to an impasse in US-Iran negotiations. This impasse won't prevent the two countries from reaching nuclear accords under Jimmy Carter's presidency, but the 1979 revolution intervened before the agreement could be signed.

[44] NA, EG 8/331, *FRG/Iranian Nuclear Agreement*, Cromartie to Thomson, July 13, 1976.
[45] NA, EG 8/331, *FRG/Iran Nuclear Agreement*, Herzig to Butler, July 26, 1976.
[46] NA, EG 8/331, *FRG/Iran Nuclear Agreement*, Brown to Butler, August 12, 1976.
[47] NA, EG 8/331, *UK/Iran Nuclear Cooperation*, Note by the Department of Energy and the Foreign and Commonwealth Office, January 13, 1977.

Secondly, additional perspective is offered by an accurate look at the Shah's foreign policy. Despite the conventional argument that the deadlock in negotiations being the primary cause of Iran's nuclear cooperation with Western Europe, the Shah's reasons for cooperation with Europe were far more complex. Although the deadlock might have stimulated Iran's cooperation with Europe, the Shah pursued a precise strategy aimed at avoiding overreliance on a single country and, in particular, on the United States. This quest for independence, recently re-emerged in some revisionist literature, is evident in the nuclear field. Not only was this expressed by the Iranian desire to acquire the entire nuclear cycle technology and therefore rely on her own resources for any future energy needs, but also by a strategic will to play the European card in a period of Cold War imperatives.

Thirdly, the article explores the European perspective. It emerges that every single country pursued a precise nuclear strategy towards Iran. Profit, in a period of economic crisis, was a common goal for Bonn, Paris and London: the first attached primary importance to reactor sales; the second to reactor sales and enrichment; the third to reactor safety and consultancy. Each of them had also precise sale plans for the future, which did not exclude sale of sensitive technology. Despite the differences in approach, the lucrative sale of reprocessing technology and services was in the agenda of each European supplier and turned out to be a serious concern in Washington. While, for specific reasons, Paris and London put it temporarily aside, Bonn broke the ice in 1976, thus making a significant step towards future sales to Iran and challenging US efforts for a coherent and long-lasting non-proliferation policy. The challenge posed by European suppliers to the US non-proliferation policy may help explain the new Carter administration' s decision, on April 7, 1977 to defer "indefinitely" commercial reprocessing in the US in order to discourage other countries from pursuing it.[48]

[48] *Public Papers of the Presidents of the United States Jimmy Carter 1977,* Book I (Washington, DC: Government Printing Office, 1977), 582–584.