I. INTRODUCTION (U)

In 1982, I signed NSDD-70, which recognized the dangerous trend toward missile proliferation in the developing world and the threat this development posed to regional stability and ultimately to the security of the United States. NSDD-70 established the policy of the United States "to hinder the proliferation of foreign military missile systems capable of delivering nuclear weapons." Nearly five years later, the United States and its Economic Summit partners announced the establishment of the Missile Technology Control Regime (MTCR), the first multilateral effort to include potential delivery systems and related technologies under non-proliferation controls. While the MTCR has a close conceptual tie to nuclear non-proliferation, NSDD-70 is much broader in scope regarding the desire to halt the spread of nuclear capable missile technology. This directive is intended to update and supplement NSDD-70, which remains in effect. (S)

Despite NSDD-70 and the MTCR, missile proliferation has reached global proportions. Of about twenty non-major military powers, mostly located in the Third World and known to possess or to be developing missiles, at least ten are located in the Middle East, two in Latin America, two in South Asia, four in East Asia, two in Southern Europe and South Africa. (S)

The dangers posed by missile proliferation call for an intensified effort by the United States, its allies and other concerned countries to stem missile proliferation. This NSDD provides policy guidance in several areas to strengthen U.S. efforts in controlling missile proliferation. This NSDD will not interfere with Programs of Cooperation undertaken by the United States with its NATO allies or others. Such Programs of Cooperation shall be conducted in accordance with non-proliferation policies and procedures. (S)

II. POLICY REVIEW AND KEY JUDGMENTS (U)

A senior interagency review of the problem identified the
following adverse trends and concluded that the United States and its MTCR partners must intensify efforts to control missile proliferation:

--The number of Third World countries producing or able to produce ballistic and cruise missiles is growing at an alarming rate. By the late 1990's, as many as 15 Third World countries will either have produced or be able to produce missiles.

--While most ballistic missiles will be SRBMs, medium or intermediate range ballistic missiles are not far off in the future. Israel is already testing an MRBM and, by the mid-1990's, India will be able to build MRBM/IRBMs. In addition, with regard to SRBMs, the problem of re-engineering to extend their range has already become a reality with Iraq's adaptation of the Soviet-designed Scud.

--The number of potential suppliers of complete missiles will also grow in the next decade making missiles more available. Potential suppliers will grow beyond the MTCR Seven, Soviet Union, North Korea, Israel and the PRC to include Argentina, Brazil, Egypt, India and Iraq. Moreover, some of these countries are transferring production technology to others, spurring further proliferation.

--Proliferation may accelerate even further as incentives grow to procure missiles. Although the current generation of export model missiles is relatively inaccurate, they have acquired great symbolic importance. Technological advances will improve the accuracy and lethality of ballistic and cruise missiles available for export.

--While some proliferators will be capable of arming their missiles with nuclear warheads, there is a greater probability that some will arm missiles with chemical/biological weapons.

OBJECTIVES OF THE POLICY (U)

Specific policy guidance is provided for the following areas:

--Continuing bilateral and multilateral discussions with the MTCR partners to show strong continued support for the MTCR, to improve the implementation of the MTCR and to continue to explore ways and means to expand participation in the MTCR.

--Continuing discussions with the Soviet Union and China on stemming missile proliferation. These discussions should provide the Soviets and Chinese with a broad understanding of the missile
proliferation problem from our perspective, and seek undertakings from both countries on policies of restraint, within or outside the context of the MTCR, in missile transfers and in not undermining the controls established by the United States and its MTCR partners.

--Approaching selected military powers to seek their cooperation in preventing the spread of missiles and related technological know-how. These approaches could also be done within or outside the context of the MTCR as appropriate. Israel, South Africa, India, Pakistan, Argentina and Brazil, with their unsafeguarded nuclear facilities and active missile programs, and Egypt should head the list of priority countries.

--Approaching selected EC members and the European neutrals to seek their cooperation in stemming missile proliferation, initially, if appropriate, as adherents to the MTCR.

--Improving the effectiveness of U.S. intelligence efforts and policy coordination with respect to missile proliferation. (S)

IMPLEMENTATION OF THE POLICY (U)

1. The NSC, in consultation with all Executive departments and agencies having responsibilities related to missile proliferation, will oversee the implementation of this policy. (S)

2. The Department of State will take the lead in the following actions:

--proceed with the scheduled bilaterals with the Soviet Union on both the MTCR and the broader issue of global missile proliferation, stressing the global problem of indigenous development and/or foreign acquisition.

--continue to explore undertakings with the PRC on a policy of restraint in missile sales so as not to undermine the MTCR.

--approach the Governments of Israel and Egypt to discuss the problem of missile proliferation in the Middle East.

--continue discussions with the Governments of Argentina and Brazil on missile proliferation.

--when appropriate, approach the Government of South Africa on missile proliferation.
--continue in a measured way negotiations with Pakistan to implement the U.S.-Pakistan strategic trade MOU, and continue talks with India on missile proliferation and on the missile technology side letter to the recently concluded strategic trade MOU between the U.S. and India.

--approach selected EC members and the European neutrals, particularly those countries with whom the U.S. Government has entered into strategic trade agreements, to discuss cooperation in stemming missile proliferation.

--prepare an assessment of ways in which existing multilateral institutions can promote U.S. missile non-proliferation policy objectives. (S)

3. The Director of Central Intelligence is requested to assess the adequacy of the collection and analysis resources devoted to missile proliferation. In addition, the Director should assign a senior intelligence officer to coordinate and provide intelligence community support for this directive. (S)

4. Because the initiative will ask adherents to review their export control systems and make improvements where needed, and target key non-adherents to negotiate strategic trade MOUs, the Departments of State, Commerce, and Defense and the Arms Control and Disarmament Agency will conduct an interagency review of the strengths and weaknesses of our own and other MTCR efforts to control the transfer of technology under the Missile Technology Control Regime. (S)