

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

~~MEMORANDUM FOR THE PRESIDENT~~

FROM: Henry A. Kissinger

SUBJECT: Cape Keraudren

In the attached letter (Tab A), Glenn Seaborg reports that the U. S. and Australian Atomic Energy Commissions believe that continuation of the joint study on a nuclear harbor at Cape Keraudren in Western Australia is no longer warranted. The reason for this decision is that the industrial participant, the Sentinel Mining Company, has decided, after re-evaluation of the economics of the iron ore located there, not to participate.

The Australian government requested clearance this afternoon to release the attached press statement (Tab B) at 9:00 am tomorrow, Saturday, Washington time, announcing the termination of the project. State would like to advise the Australian Embassy by 5:00 pm today of our decision. The press release has been cleared by State and the AEC.

There is clearly no basis for continuing the project in the absence of interest by both the Australian government and the Sentinel Mining Company. The prompt release of the decision and the reasons for it at the request of the Australian government should prevent it from becoming an issue in connection with Prime Minister Gorton's possible visit next week.

The press release makes the general future comment that: "However, the United States and the Australian Atomic Energy Commissions continue to be interested in the possible use of nuclear explosions for harbour construction and will therefore continue their review of the practicability of applying this technology to other possible harbour sites in the area."

I recommend that you approve the press release.

Approve press release ✓
Disapprove press release
Other

~~CONFIDENTIAL~~

DECLASSIFIED
PA/HO Department of State
E.O. 12958, as amended
August 6, 2007

UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

March 26, 1969

OFFICE OF THE CHAIRMAN

The President
The White House

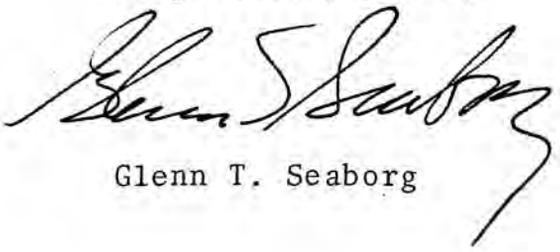
Dear Mr. President:

In light of your interest in the USAEC's Plowshare program, in particular the proposed harbor project at Cape Keraudren in Western Australia, and the forthcoming visit of Prime Minister Gorton, I would like to advise you that the industrial participant, the Sentinel Mining Company, has decided not to participate in the Feasibility Study as originally contemplated. The reason cited by the Sentinel Mining Company for their new position is a re-evaluation of the opportunities in the mining and marketing of iron ore (the principal product to be shipped through the harbor) which indicates they are markedly reduced as compared with those a few months ago. The USAEC and the Australian AEC believe that continuation of the study under these conditions is unwarranted.

In the course of your discussions with Prime Minister Gorton, during his visit next week, the USAEC believes you should express regret at Sentinel Mining's unwillingness to participate as expected and reiterate the United States willingness to participate in a similar alternate Feasibility Study.

A more encouraging note in the Plowshare program is the signing today of a contract between the U. S. Government represented by the USAEC and the Department of the Interior and the Austral Oil Company of Houston, Texas for Project Rulison. Rulison will be the second deep underground nuclear explosion to investigate the use of nuclear explosions in "stimulating" unproductive natural gas fields.

Respectfully yours,



Glenn T. Seaborg