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DEPARTMENT OF STATE

MEMORANDUM OF CONVERSATION

3:30 P.M.

DATE: February 3, 1956

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International Atomic Energy Agency

PARTICIPANTS: The Secretary
 Adm. Strauss, Chairman, Atomic Energy Commission
 Mr. Stassen, Special Assistant to the President on Disarmament
 Maj. Gen. Loper, Assistant to the Secretary of Defense (Atomic Energy)
 Amb. Wadsworth, U. S. Representative for IAEA
 Mr. Merchant, EUR
 Mr. Bowie, S/P
 Mr. Hall, AEC
 Mr. Wilcox, IO
 Mr. Spiers, IO
 Mr. Smith, S/AE
 Mr. Farley, S/AE

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COPIES TO: S/S (2)
 AEC - Adm. Strauss
 Mr. Stassen
 DOD - Maj. Gen. Loper
 Amb. Wadsworth
 EUR - Mr. Merchant

S/P - Mr. Bowie
 IO - Mr. Wilcox

Mr. Smith recalled that the meeting had been called at the invitation of the Secretary to consider plans for the twelve-nation discussions of the International Atomic Energy Agency beginning February 27, 1956. Preliminary discussions with the U. K. and Canada were scheduled to commence on February 6. The basic question with regard to the United States position was whether the Agency should operate with limited controls designed merely to insure that nuclear assistance was not diverted to military uses, or whether the U. S. objective should be to attempt to keep fourth countries from producing nuclear weapons.

Mr. Strauss said that, in the Commission's view, the U. S. should as a minimum require controls to prevent diversion of Agency assistance to military purposes. Certain minimum controls--guarantees by recipients against diversion of assistance, and provision for inspection and accounting for nuclear materials--should be made mandatory in the Agency's Statute. The Agency should be given statutory authority to exercise broader controls, but these should not be mandatory in the Statute and the U. S. should seek to achieve them by persuasion rather than coercion.

With regard to U. S. support for the Agency, Mr. Strauss said that the Commission had just taken a decision that one thousand kilograms of U-235 should be allocated to the Agency. He added that consideration was being given to making

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this a donation; the value of this material would be approximately twenty-five billion dollars. In addition, the Commission believed that the U. S. should offer to match all other contributions of material (on a reimbursable basis) for a period of perhaps five years. Unclassified technical information and assistance necessary for the Agency's operations would also be provided. Mr. Strauss said also that the Commission believed that a sizable amount of material should be earmarked for EURATOM as an effective way of demonstrating U. S. support for European integration.

With regard to the proposals of the State Department for more comprehensive IAEA control, he said that he believed a "no weapons" pledge would not be feasible, and that France in particular could not accept such a pledge. Agency inspection of the United States power reactor program appeared difficult to accept. The United States would not accept sufficiently strict inspection and control of its own programs to satisfy prudent requirements for safeguards abroad, and reciprocal inspection would thus serve as an excuse for other countries to limit inspection and control to what the U. S. would accept.

The Secretary asked whether the one thousand kilograms for the Agency to which Mr. Strauss referred was a ceiling within which we would match contributions by other countries. Mr. Strauss said that the Commission proposed allocating twenty thousand kilograms for foreign atomic energy activities. One thousand kilograms would be earmarked initially for the Agency, and in addition the U. S. would match allocations from other countries. He pointed out that the U. K. would be able to make only small allocations for some time, so that in effect the U. S. was offering to match allocations from the USSR. Thus, the remaining nineteen thousand kilograms might be used to match allocations to the IAEA by the U.K. and USSR, to supply EURATOM, and to cover requirements under bilateral agreements. The proposed allocation of 20,000 kilograms of U-235 to foreign programs had been reported to the Joint Committee on Atomic Energy. The view of the Department of Defense was currently being solicited. Gen. Loper said that the Department of Defense had not yet received notice of the proposed allocation, but that the matter had been given general study and he thought that a twenty thousand kilogram foreign allocation over a period of eight to twelve years would be consistent with military requirements. The Department of Defense understanding was that this material would be earmarked but not withdrawn from stock until needed by foreign users.

Mr. Smith observed that any reference to EURATOM in the U. S. announcement of the allocation would require careful handling. Amb. Wadsworth said that he felt this announcement would have very great effect on IAEA negotiations and that this effect should not be dissipated through premature release. Mr. Strauss said that he thought the announcement would have to be made soon for practical reasons and that it would establish an excellent atmosphere for later steps.

The Secretary asked for Mr. Stassen's views as to the extent of controls over the atomic energy programs of other countries which the U. S. should seek. Mr. Stassen said that he believed the objective of the U. S. should be to prevent or retard the development of nuclear weapons in fourth countries. As a practical matter, the United States could not get the necessary controls unless the USSR agrees. We should propose a comprehensive control system and let the USSR bear the brunt of rejection. The Secretary recalled that the United States had recently

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sent a note asking the Russians for their specific proposals as to effective inspection and control.

Mr. Smith pointed out that, if the U. S. objective is the prevention of new atomic weapons programs, then the minimum controls proposed by AEC would be ineffective. Assistance from the Agency, even though limited to peaceful purposes, would simply free the other resources of a nation to support a parallel weapons program. Mr. Strauss indicated personal agreement with this view but pointed out that it appeared extremely difficult to get agreement on a broader control.

The Secretary said that it would be difficult for nations to forego permanently their right to make nuclear weapons while the U. S., USSR and U. K. continued to make them. He thought it might be possible to get agreement by other countries to forego weapons production as an interim measure, looking toward the institution of international control of atomic energy which would apply to all countries including the present military atomic powers. Mr. Stassen agreed and pointed out that the U. S. should not be in the position of appearing to plan to manufacture nuclear weapons forever. Our approach should be to ask other countries to forego manufacture of nuclear weapons for a specified period, while we and the other major powers continue to work toward effective comprehensive control. It was in this spirit that he had recommended, as a priority disarmament objective of the U. S., that we prevent, retard, or minimize the development of nuclear weapons programs in other countries.

Mr. Smith said that we should consider what steps the U. S. might take at this time in anticipation of eventual broad agreement on control and as an earnest of our intentions. He proposed as one such measure a U. S. policy of using by-product plutonium from U. S. civilian power reactors solely for peaceful purposes, and thus separating the emerging U. S. civilian power program from our military weapons program and putting it on the same basis as the peaceful uses programs of other countries. He pointed out that the present U. S. military program did not rely on plutonium from civilian power reactors; thus the only sacrifice for the U. S. in separating our peaceful and military programs would be the possible need to spend some money on additional military plutonium reactors if needed.

Mr. Strauss doubted that the U. K. would be able to accept such a proposal. Mr. Smith said that the U. K. Embassy had queried the Foreign Office specifically on this point and had advised us that the U. K. program was already established on the basis of separating reactors devoted to production of plutonium for the military program from civilian reactors for the production of nuclear power. Plutonium from the civilian power reactors was being set aside as fuel for later fast-breeder reactors. Mr. Strauss said that the idea was one which appealed to him and one which he thought the President would support. General Loper asked whether plutonium would have any substantial use for peaceful purposes. Mr. Strauss said that while the present use as a reactor fuel was insignificant, it would probably become an important fuel once it was available for non-military use.

The Secretary indicated doubt as to the value of the proposed gesture. Countries such as India were concerned with whether or not the U. S. continued to produce nuclear weapons and would not care where we got the plutonium for such weapons. Mr. Smith said that the measure appeared important to him mainly as an earnest of our eventual disarmament intentions and of our sincerity in pressing

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ahead with negotiations for control of atomic energy. The Secretary said that if this matter appeared important on further study, it should be raised again, but that at present he did not think the U. S. should make such an offer. We should attempt to get other countries to accept a standstill agreement for say a five-year period, while the major powers attempt to work out effective initial control of both military and peaceful uses of atomic energy. He warned that there would be many problems to meet in negotiating agreement with the USSR on an effective inspection operation even limited to peaceful uses of atomic energy.

General Lopar said that Mr. Robertson would shortly send a letter outlining the following Department of Defense position. The Department of Defense favors a flexible approach to the control of peaceful uses of atomic energy. It believes that the arms control problem, which required stricter controls, should be kept distinct from Agency activities, and that Agency controls should not apply to military programs. We should seek a modest control arrangement initially; otherwise the establishment of the Agency might well be delayed. The present draft Statute appeared generally acceptable to the Department of Defense. The Joint Chiefs of Staff are presently studying the military risk which would be caused by diversion of nuclear materials so that fourth states would obtain nuclear weapons. If this risk appears significant, then more rigid mandatory controls might be required rather than permissive controls. The Department of Defense agrees generally with the AEC views on support of the Agency, including the concept of matching contributions from other nations. The Department of Defense does not approve the proposal for a UK-US-USSR agreement that no material from their peaceful uses programs will be used for military purposes. Such an agreement would require inspection of the U. S. programs which should not be undertaken under the Agency but only under a broad arms regulation agreement.

The Secretary agreed with Ambassador Wadsworth's suggestion that the problem of controls be discussed with the USSR before February 27.

Ambassador Wadsworth said that it would be necessary to work out carefully the provisions which should be written into the charter to advance our objective of preventing other countries from developing nuclear weapons. The Secretary said that the Agency charter should be written to give necessary authority to the Agency but not to make obligatory the commitments we are seeking. He conceived the suggested standstill agreement as a parallel agreement rather than one built into the charter. Mr. Smith observed that we have our most affective bargaining position at this time and we should seek to obtain control authority before we make firm commitments. He said that one approach which was being considered was to stipulate that Agency assistance would go only to countries not engaged in nuclear weapons production. The Secretary said that he was convinced countries would not come into the Agency if required to commit themselves for all time not to make weapons. What we must ask is that they agree, for a specified period of time, as a self-denying move, not to complicate the problem of nuclear disarmament by engaging in atomic weapons production, while the great powers try to bring the world situation and their own stocks of these weapons under control.

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