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OBSERVATIONS ON THE IAEA CONFERENCE, NEW YORK
September 20 - October 26, 1956

1. Any real Russian motivation for its relatively cooperative attitude during this conference was hidden behind a propaganda screen. In addition to the propaganda line taken at the conference in New York, the Moscow radio before and during the conference broadcast appeals designed to weaken provisions of the Statute which the USSR finally accepted.
2. The main Russian thrusts were to make a record in favor of (a) Red Chinese participation in the Agency, (b) preservation of sovereign rights of states against infringement, (c) a place for Russian satellites in the management of the Agency. The final Statute contains no constructive contribution from the USSR.
3. As a result, the Russians had a "free ride" at the conference. They are now one of the dominant powers in an international agency which could in time control some sectors of the world's atomic energy programs. Russia is under no obligation to contribute anything to the Agency. It has laid the groundwork for taking a position that as soon as Red China becomes a member, the USSR will be very generous to the Agency. Until then it will work on a bilateral basis without any "strings". Russia can also point to a record of championship for underdeveloped countries and for the integrity of the sovereign rights of all countries.
4. The Russians showed no specific interest in the so-called "fourth-nation" problem. Their attitude towards controls was that under the present circumstances they are unnecessary. Zaroubin twice stated that all that was needed would be a guarantee by a state receiving Agency fissionable material that it would not be used for military purposes, with periodic reporting to the Agency on the actual use to which the material was put. The Russians stated that control would only be meaningful if there was a universal ban on nuclear weapons and if the control applied to all countries. The Russians seemed to take much livelier interest in assuring an additional seat on the Preparatory Commission for a satellite than in the important question of control.
5. As was the case during the 12-nation Washington negotiations (February-May 1956), the Russians exhibited a "between us" attitude toward the U.S., i.e. between the U.S. and the USSR, we could manage any problems facing the establishment of an IAEA. They early proposed a deal whereby in return for U.S. support for an additional Eastern European seat on the Preparatory Commission, the USSR would not press for changes in the Statute except for the record on certain specific points, e.g. Red Chinese participation. Although given no U.S. indication of interest in such a deal, the USSR did not press for other amendments, and then claimed the U.S. had wretched when we would not support their position for an additional Eastern European seat. Toward the close of the conference, the Russians suggested a deal giving the U.S. the Executive Secretaryship of the Preparatory Commission if his deputy was a Russian.

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6. The usual Russian interest in the details of language was evidenced by Zaroubin's attendance throughout the entire work of the Drafting Committee -- the only top representative of a country to do so.

7. Although the USSR worked with the U.S. and other sponsoring powers to get a final text of the Statute approved, there was little or no mutuality of interest between the U.S. and the USSR. We were in effect cooperating to advance opposing political interests. This artificial cooperation lent an atmosphere of unreality to some parts of the conference. Both the United States and the USSR firmly opposed any change in the composition of the Board of Governors -- the United States in a desire to avoid delays and possible frustration of the conference that tampering with the formula would have involved; the USSR in order to protect the special position spelled out in the formula for Poland and Czechoslovakia.

8. The sharpest controversy during the conference developed around Article XII -- the safeguard system. In the face of fairly widespread attack on the system provided for in the draft approved by the 12-nation Washington working group, a slight modification was made. The controversy was largely in ideological terms and after this slight adjustment, the Article was adopted without any objection. The modification took away from the Agency one power provided for in the Washington draft -- namely to authorize each use of by-product fissionable material produced in Agency projects in receiving countries. But in lieu thereof the Statute now explicitly requires receiving countries to deposit with the Agency all such material not needed for research or for existing reactors or those under construction. The Statute also explicitly outlaws stockpiling of such material. The net effect of this change seems to be that the Statute now spells out the policy which it was expected the Board of Governors would in any event have adopted. The only power the Agency appears to have lost in this controversy was the power to turn down a specific peaceful uses project using by-product material -- because of a disapproval of the proposed design.

9. A significant development was the belated Indian acceptance of Agency control over "source" material. They accepted Agency control not only of "source" material supplied by the Agency to a country but also of source material supplied to an Agency project by the country itself. The Indians also came around to accepting a concept of control over all future generations of fissionable material produced from material used in Agency projects. At the conclusion of the conference, the Indians, while publicly acknowledging their conversion on these points, labeled it as "probationary" until a disarmament accommodation was reached between East and West or until it became evident that such an accommodation would not be reached in the foreseeable future.

10. In spite of the doubts expressed in the fall of 1955 as to the wisdom of submitting the IAEA Statute to a world conference, the resultant Statute is

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comprehensive and acceptable. However, the final acceptability of the Statute should be viewed in the light of a fairly widespread expectation that much of the real business of atomic energy in international affairs will be done on a bilateral basis. Under-developed countries who are friendly to the United States look to bilaterals as a much more expeditious method of developing their atomic energy programs than to International Atomic Energy Agency projects which will be under the control of a Board of Governors made up of representatives of 23 countries. It seems unlikely that under such unwieldy management, Agency projects can compete in attractiveness with bilateral arrangements with the United States or the United Kingdom. Nations friendly to the United States, which have more advanced atomic energy programs, look to bilateral arrangements for the same reason and because they think in terms of a different type of assistance than that which the Agency will probably be in a position to offer. A country such as India with both a raw materials and a technical potential looks forward to the day not far off when its atomic energy program will be independent of outside assistance. The Soviet Bloc apparently plans to rely on bilateral and perhaps regional systems. This leaves as potential beneficiaries of the Agency and as countries subject to its controls, only a few countries which for political reasons may not care to enter the atomic energy orbits of the U.S., the USSR, the U.K., Canada, or France. If the above analysis is valid, the general acceptance of the IAEA Statute with its provision for a control system may prove somewhat illusory.

11. An important short term advantage arising from the general acceptance of the Statute, and especially of Article XII which provides for controls, is that countries wishing to export uranium are now in an improved bargaining position to insist upon controls. It is believed that Canada is most directly concerned and that she now plans to condition her exports of uranium on acceptance by the importing state of Agency or Agency-type controls. Presumably, the United States will also find it somewhat easier to insist upon Agency-type controls in its bilateral arrangements covering technology, special fissionable material, and other nuclear materials. There is no evidence yet as to the acceptability of the application of Agency safeguards to bilaterals.

12. There was disappointment at the President's inability to appear at the closing session of the conference, especially after the United States had solicited an invitation for his appearance from the 12-nation sponsoring group. It may have been this feeling of disappointment that led to the apathy with which the United States offer of 5,000 kg of U-235 was received. After this offer, I did not hear one comment from other delegates about this extraordinary United States commitment. Another reason for this apathy may lie in the above-mentioned preference for bilateral arrangements. Reducing the 20,000 kg allotted to all U.S. foreign operations by 5,000 kg for the IAEA may have lowered the expectations of countries favoring bilaterals.

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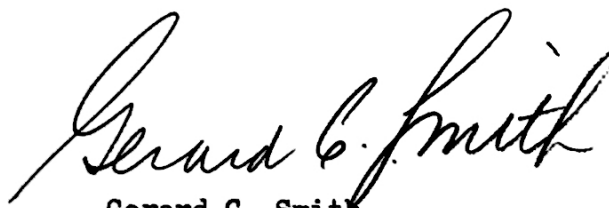
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13. In the background of much of the discussion about the Statute, was a general anxiety about the tremendous cost of nuclear power plants. Many of the countries in which expectations of prosperity were high as a result of the President's December 8, 1953, U.N. speech now realize that access to large amounts of low cost money or grant aid is essential if they are to benefit from the atomic revolution. In this context, a United States gift offer of the dollar value of the 5,000 kg of U-235 might have been received with much greater enthusiasm.

14. The Indian proposal that no Agency help should go to countries having nuclear weapons programs met with no response and was not pushed.

15. The conference discussion for the most part concentrated on "ideological" questions, e.g. (a) sovereign rights, (b) Red Chinese, (c) equitable geographical representation. There was a minimum of discussion of the practical problems of Agency operations. This is probably owing to the fact that most countries were not represented by technical people. (Even during the long discussions on the control system there was little evidence that the governing Article (XII) of the Statute had been carefully studied by most of the speakers.)

16. The procedural device of requiring a two-thirds majority vote to amend any provision of the draft Statute resulting from the Washington negotiations paid off excellently. Faced with the task of finding over 55 votes for any change, it is little wonder that no very significant changes were successfully introduced into the Statute during the conference. Use of this procedure should have important precedent value for future international conferences on statutes, etc. The United States, however, did not follow an unreasonably rigid approach as evidenced by the fact that of some sixty amendments voted upon, one half of these were adopted with United States support. No amendments opposed by the United States, however, were accepted.


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