

DEC 24 1958

Those Listed Below

A. A. Wells, Director
Division of International Affairs

PREPARATION OF ANSWERS TO JAPAN ATOMIC INDUSTRIAL FORUM QUESTIONS

SYMBOL: IA:AA:RJHB

By Commissioner Graham's memorandum of December 10, 1958 to Chairman McCone, a copy of which is enclosed, the General Manager was asked to have answers prepared to a number of questions raised by the Japan Atomic Industrial Forum during Commissioner Graham's recent visit to Japan. The responsibility for coordinating answers has been assigned to DIA. Since the subjects of the questions cut across AEC divisional lines of responsibility, I should like to suggest that answers to the individual questions be prepared as follows:

<u>Question</u>	<u>Prepares Reply</u>	<u>Assists as Necessary</u>
1. <u>Financial Protection</u>		
(a), (b), (c), (d)	OGC	L&R
2. <u>International Cooperation</u>		
(a), (b)	DIA	OGC
(c), (d)	DIA	RD, L&R, OGC
3. <u>Reactor Containment</u>	L&R	RD

I understand that the subjects covered by 1(a) and 1(b) relating to liability and indemnity were discussed December 8 at AEC Headquarters when Mr. Marsh of L&R and Mr. Bressler of OGC met with a three-man Japanese study team.

I have designated Mr. Richard Barnes in the Agreements & Liaison Branch as a point of contact in DIA with respect to this subject and I would appreciate it if you would designate appropriate personnel in your division and offices whom he may contact in preparing the replies. I should like also to suggest January 15 as a target date for receiving draft answers in DIA.

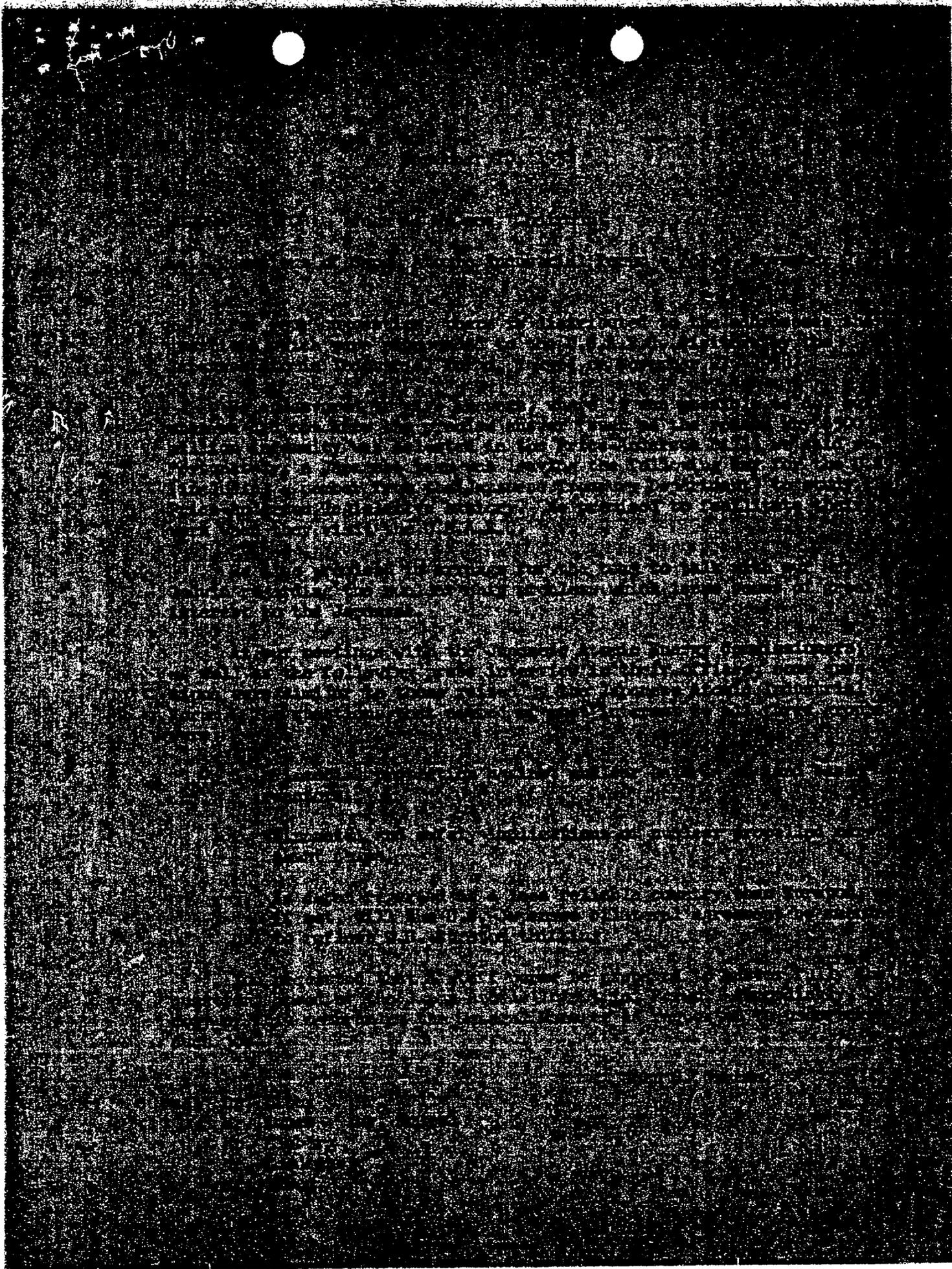
Enclosure:
Memo of 12/10/58.

Addressees:

- L. K. Olson, General Counsel
- H. L. Price, Director, Division of Licensing & Regulation ✓
- F. K. Pittman, Director, Division of Reactor Development.

A/31

FROM:		DATE OF DOCUMENT:	DATE RECEIVED	NO.:
A A Wells DIA		12/21/58	12/21/58	2275-8
TO:		LTR.	MEMO:	REPORT:
Those Listed Below				OTHER:
CLASSIF.:		ORIG.:	CC:	OTHER:
POST OFFICE		REPLY NECESSARY <input type="checkbox"/>		
REG. NO.		DATE ANSWERED		
DESCRIPTION: (Must Be Unclassified)		NO REPLY NECESSARY <input type="checkbox"/>		
PREPARATION OF ANSWERS TO JAPAN ATOMIC INDUSTRIAL FORUM QUESTIONS		4/13/59		
ENCLOSURES:		BY: CRB-		
REMARKS:		FILE CODE:		
		revised 1/21/59		
		REFERRED TO	DATE	RECEIVED BY
		Beck	12/29	
		Reply made by Dr. Beck 1/22/59		
		memo - " " "		
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		7058		



Public Protection Against Nuclear Hazards

The Anderson Price Act established the system of public protection against nuclear hazards in the United States. It requires that all nuclear power plants and reactors must be licensed by the Atomic Energy Commission. The Act also requires that all nuclear power plants and reactors must be insured against nuclear hazards. The Act also requires that all nuclear power plants and reactors must be subject to public inspection and public participation in the licensing process.

The Anderson Price Act is increasingly accepted as the standard of absolute liability under which enterprises which are engaged in hazardous activities are held liable even without negligence. In regard to the nuclear energy industry, we believe that the same principle of absolute liability must be applied. (1) It is impossible to eliminate the possibility of accident occurrence even with the most careful planning and arrangement and (2) the extent and scale of the damage if they take place, may be very great and should be covered by law and regulations. Without enactment of an absolute liability law, can this principle be applied to the financial and physical public hazards?

Would you treat an airplane crash caused by acts of negligence of the operator differently from a crash caused by an accident? Would you treat an accident caused by a defective plane when the pilot has been negligent to be treated differently?

It is certainly a financial risk on the amount of money engaged in the nuclear field can compensate for the great damage. In this regard, it seems to me that for the government to provide some form of public liability insurance for the public safety and health is a necessary program. The Anderson Price Act provides a liability up to \$500 million. That is the limit of the obligation of \$500 million per accident. The \$500 million is the maximum limit of indemnity for each accident. Does this mean that the public is being protected against nuclear hazards? The public is being protected against nuclear hazards. The public is being protected against nuclear hazards. The public is being protected against nuclear hazards.

