

DEPARTMENT OF STATE  
**AIRGRAM**

TO : Department of State, Wash  
INFO: BRUSSELS, LONDON, PARIS, VIENNA

FROM : USEC/Brussels  
SUBJECT: IAEA Safeguards  
REF : ECBUS 403

DATE: October 12, 1962

There is enclosed herewith a Memorandum of Conversation covering a meeting held on October 10, 1962, between U.S. and Euratom officials to discuss a possible modification of U.S. policy with respect to acceptance of IAEA safeguards by third countries receiving nuclear materials from the U.S.

For the Ambassador:

*John A. Erlewine*  
John A. Erlewine  
Senior AEC Representative and  
Deputy for Euratom Affairs

Enclosure: Memorandum of  
Conversation.

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MEMORANDUM OF CONVERSATION

PARTICIPANTS: Mr. Jacques Van Helmont, Director, Safeguards and Control, Euratom  
Mr. R. [redacted] och, External Relations Division, Euratom  
Mr. [redacted] el Amory, External Relations Division, Euratom  
Mr. [redacted] s Blin, External Relations Division, Euratom  
  
Mr. W. J. Lehmann, USEC  
Mr. William English, USEC  
Mr. Charles Higginson, USEC

DATE: October 10, 1962

SUBJECT: IAEA Safeguards

Mr. Lehmann said we considered this discussion to be purely informative, that we wished to outline a policy under consideration, request Euratom's comments and suggestions which might be of assistance to us in determining whether to adopt the policy, adopt it in a modified form, or not change our present policy at all. In raising this question, one key element of U.S. policy will remain unchanged, namely the U.S. will continue to insist on adequate safeguards with respect to nuclear material and equipment furnished by the U.S. to any other country. Finally, Mr. Lehmann said the U.S. is not considering application of this policy to Euratom, Euratom members, or certain other countries, for example the U.K.

Mr. Lehmann then read the following statement:

"The policy which the United States now has under study would have the following elements:

1. Cooperating countries would be required to accept the application of IAEA safeguards to such materials and equipment as can be covered by the Agency safeguards system existing at the time the arrangement is made.
2. If and when the Agency safeguards system is amplified to cover larger or more complex facilities, the cooperating country would be obligated to consult with the supplying country and the Agency with the intent of having the amplified system applied to the items brought within the Agency safeguards. If consultation did not result in mutually satisfactory arrangements, either party would have the option of terminating the agreement.

The policy would not require the cooperating country to acquire materials through the IAEA as contrasted with accepting the Agency safeguards, but would require the countries to give serious consideration to obtaining these requirements through the Agency before any decision is made on the alternative of obtaining such fuel directly on a bilateral basis."

Mr. Lehmann listed as possible advantages, (1) the fact that internationally applied safeguards would provide assurances to the world at large whereas bilateral



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safeguards provide adequate assurances only to the supplier, (2) the possibility that one might develop expertise and competence which could be valuable in the event of a disarmament agreement, (3) that countries would not need to commit themselves in advance to IAEA safeguards which have not yet been agreed upon, (4) that the policy with the exceptions mentioned before would be uniformly applicable, (5) that it would enhance the stature of the IAEA, and (6) that some supplying countries might find it difficult to undertake bilateral safeguards programs.

As disadvantages, Mr. Lehmann said that many countries were obviously unwilling to accept IAEA safeguards. This unwillingness could lead to their obtaining assistance from countries not making acceptance of IAEA safeguards a requirement or to the cancellation of worthwhile nuclear projects. Mr. Foch indicated agreement with this point. Mr. Lehmann said some governments feel that the IAEA is a political body and that its Board of Governors is slow to take action. Others question IAEA competence in the safeguards field and still others are unwilling to accept nation/ of hostile countries on their territory.

Finally, there is a fear on the part of some governments that IAEA controls would compromise commercial secrecy.

Mr. Lehmann then asked for the views of Euratom.

Mr. Foch said he appreciated the willingness of the U.S. to consult Euratom. He wished to comment informally and then made the following points:

1. The United States as the only substantial supplier has given this subject considerable thought while Euratom has not. Very little in the way of nuclear materials has been exported from the Euratom area in the past especially since Congolese independence. The French are using all their source materials and it is not expected that they will increase production so as to have a surplus for export. Other African territories are considered third countries and, therefore, Euratom is not involved.
2. The Euratom Treaty is based on recognition of the importance of international control of atomic energy. Euratom safeguards covering the entire Euratom area are compulsory.
3. Euratom's attitude toward IAEA safeguards is indicated in the 1959 Euratom bilateral with Canada which calls for consultation with the IAEA with the objective of establishing a system reasonably compatible with the IAEA system as well as periodic Euratom/Canadian consultation to determine whether there are any areas of safeguards in which IAEA might be asked to assist. However, in practice these provisions have not really been implemented in any effective way.
4. Euratom member governments would have to agree that it would be in their interest to have Euratom require third countries to accept IAEA safeguards. Paranthetically, Foch mentioned that in theory this might lead to the French requiring the United States to accept IAEA safeguards. He said he thought the possible export of a certain amount of thorium from France to the U.S. to be currently under consideration.

5. Euratom, at least theoretically, as a potential supplier, prefers to keep a free hand with respect to the safeguards which it might require.

6. Finally, Mr. Foch indicated that Euratom would have certain difficulties in requiring IAEA safeguards since Euratom is not a member of the IAEA.

Mr. Lehmann then raised the hypothetical question as to what might happen if a country, having been obligated by the U.S. to accept IAEA safeguards were to apply for Euratom membership. Norway was mentioned as a possible example solely for purposes of illustration. Mr. Foch said this would create difficulties. In the ensuing discussion, Messrs. Foch and Van Helmont agreed that the difficulties would be political. There would probably be no practical or legal problem at least with respect to IAEA supplied materials since the country would have entered into an agreement to accept IAEA safeguards prior to Euratom accession.

Mr. Foch suggested the U.S. might add potential Euratom members to the list of those to whom the proposed policy would not apply. Mr. Lehmann said, and Mr. Foch indicated agreement, that it might be difficult to determine who is and who is not a potential Euratom member.

Mr. Lehmann posed another hypothetical situation in which a Euratom Member State would seek Euratom approval to enter into a bilateral agreement with a third country. He asked whether in such a situation Euratom might require its member to insist on acceptance of IAEA safeguards by the third country. Mr. Foch replied in the negative.

Mr. Lehmann asked whether Mr. Van Helmont had any views on IAEA technical competence in applying safeguards. Mr. Van Helmont said whereas he had had a good relationship with the former Canadian official in charge of IAEA safeguards, he did not know the present incumbent. He could not make a judgement of IAEA technical competence but he thought (a) it would be difficult to balance the work load and the staff, (b) with installations all over the world, very distant from Vienna, it would be difficult for inspection teams to have the necessary good teamwork and top personnel, (c) personnel might lack experience. Mr. English pointed out that the U.S. is training people for the IAEA and that our inspectors had the same logistics problems.

Mr. Van Helmont said that concern, justified or not, that IAEA controls would compromise commercial secrecy is a major reason for reluctance to accept IAEA safeguards.

Mr. Lehmann asked whether the Euratom officials had any comment on the argument that by requiring acceptance of IAEA safeguards we could build up expertise and experience which would be of use in case of a future disarmament agreement. Mr. Van Helmont doubted that experience restricted to research type reactors would be of much assistance in inspecting large and different varieties of installations which would be necessary for arms control purposes.

Mr. Lehmann said that if the IAEA safeguard system is to work, agreement by all suppliers to insist on acceptance of IAEA safeguards would seem to be necessary. He asked if the Euratom officials thought such agreement possible. Mr. Foch did not think so.