SELECTED KEY DOCUMENTS FROM UK STATE PAPERS ON THE NEGOTIATION OF THE NUCLEAR NON-PROLIFERATION TREATY: 1967

TNA FCO 10/193

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2 January, 1967

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CABINET

COMMITTEE ON SAFEGUARDS FOR NUCLEAR MATERIALS

International safeguards in a non-proliferation treaty

Note by the Secretaries

A copy of a letter dated 12 December, 1966 from Mr. Street of the Foreign Office to the Chairman, is attached for information. The draft Speaking Notes which are covered by the letter have been somewhat amended to take account of detailed comments by the Ministry of Technology and the Atomic Energy Authority.

(Signed) P.H. Allen
M. Davis
W.D. Close

Cabinet Office, S.W.1.

2 January, 1967

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FOREIGN OFFICE,
S.W.1.

12 December, 1966.

At a recent meeting of your Committee I undertook to prepare a Foreign Office paper as the basis of an approach to the Americans to convey our reply to their July proposals about safeguards in a non-proliferation treaty.

2. You have since heard that the Russians have told the Americans that they are prepared to see a reference to safeguards in the treaty provided that it does not involve the nuclear states. This declaration could simplify things for us, since if it was accepted by the Americans there would be no need to convince them of our own difficulties or to press for the adoption of alternatives.

3. On the other hand I think it would be a mistake to decide that because of the Russian refusal we can now simply refuse to accept the American proposals for transfer safeguards without discussing alternatives. It is not by any means certain that the Americans will, as a result of the Russian rejection, still less of anything that we may say, give up the attempt to get some sort of quid pro quo from the nuclear states written into the treaty. I think their most likely response will be to continue to try to persuade the Russians that transfer safeguards would have very little effect on them, and possibly to underline this by amending their proposals to exclude transfers of irradiated material for processing in the nuclear states.

4. It therefore still seems important for us to get our suggested alternatives to the Americans as soon as possible. We could rule out any hope of persuading them to pay any attention to our ideas once they had reached agreement with the Russians.

5. Moreover, from the political point of view, the Americans would undoubtedly interpret a blunt refusal from us, at this moment, as an attempt to hide behind the Russians. We only know of the Russian reaction because the Americans have told us of it, and we are the only third country which is being kept informed. The preservation of American confidence is important to us over the whole range of subjects which are being discussed. Even from the strict safeguards point of view the American reaction to a rejection without alternatives would probably be one of anger, which would make it more difficult for us to convince them of the reasonableness of any proposals which we might later produce.

6. In these circumstances I think that we should not only tell the Americans that we cannot accept their proposals but also, as I said at the meeting, give them adequate reasons for our position; and moreover, that if they make it clear that they are still going ahead with the attempt to convince the Russians of the need for language which would affect all parties alike, we should be prepared to discuss with them the range of possible and acceptable alternatives.

/7.

K. S. Newley, Esq.,
U.K.D.E.,
HARWELL.

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7. The minutes of the last meeting of your Committee suggest that our proposals should be discussed at another meeting of the Committee with the aim of submitting it to the Official Committee on Atomic Energy and the N.R.D.C. I think that we all agree that the matter is urgent. It is most desirable for us to make our views known to the Americans before their bilateral negotiations with the Russians have gone very far, and a fortiori before they have reached a decision. Moreover, Lord Chalfont, to whom we have submitted the matter here, feels strongly that a team should go to Washington to explain our position and that we should not leave it to be put over by someone in our Embassy. The team could hardly go before Christmas unless an emergency arose, but ought to go as soon as possible thereafter. We had hoped that it might be possible to clear the enclosure to this letter by correspondence; and if so, a briefing meeting could be held immediately after Christmas. But we should have to fix dates with the Americans pretty soon.

8. I have drafted the paper in the form of speaking notes which our team would use as the basis for a reply to the Americans. The team would be instructed to base their approach initially on paras. 1-11 of the Notes. They would then ask the Americans to tell them what they intend to do in view of the most recent Russian reaction. If the Americans were to reply that they had decided not to press the matter of transfer safeguards, or to drop the idea of a safeguards Article in a non-proliferation treaty as unnegotiable, then the team would not pursue the matter any further.

9. If on the other hand the Americans were to say that they were continuing to try to find a transfer formula which would be acceptable to the Russians, we would then proceed to discuss the remaining paragraphs of the notes as acceptable alternatives.

10. You will also see that the notes speak of our readiness to discuss in detail our conclusions on the effects of transfer safeguards on the U.K. As I have said, I believe that if our case is to carry any conviction with the Americans, we must be prepared to present it in as much detail as possible. This means that the team must include the appropriate experts.

11. You will also see that I have suggested that the team should broach the idea of transfer safeguards on new contracts before proposing universal mandatory safeguards (Case C.2. in the A.E.A.'s paper). This reason is that, in the light of the Russian response, the idea of universal mandatory safeguards stands no chance of success and is not likely to be taken seriously. For the same reason I have added the proposals in paras. 15-16 of the notes, which were not discussed at length in your Committee but which might provide a better bargaining counter in current circumstances than Case C.2.

12. Finally, we discussed briefly at our meeting the need to speak to the Canadians. Our view is that we ought to speak to them at the same time as we speak to the Americans, and on the same lines. This might most conveniently be done in London.

13. I am sending copies of this letter with enclosure to Press, Michaels, Davis and Allen and would be grateful for their early comments.

(J. E. D. Street)

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SPEAKING NOTES

1. When the United States team visited London in July to discuss safeguards, we promised that we would examine the effect on the United Kingdom of a clause in a non-proliferation treaty imposing safeguards on all transfers of source and fissionable material, as well as on all the peaceful nuclear activities of the non-nuclear states. This we have now done.

2. Our conclusions, which we shall be ready to discuss in detail, are that if we were now to accept safeguards on all imports, including imports under existing unsafeguarded contracts and imports of high-enriched uranium for civil research and development programmes, this would have a most serious effect on our whole nuclear programme.

3. We think it worthwhile to rehearse the background to this debate in order to get the various possibilities into perspective. We are agreed that you cannot verify a non-proliferation treaty in the sense of ensuring that the nuclear states do not transfer nuclear warheads to the non-nuclears. We are also agreed that it would be desirable to ensure as far as possible that the non-nuclear parties to a treaty do not manufacture nuclear weapons for themselves, and that a suitable way of checking this is by means of an appropriate development of IAEA or equivalent safeguards.

4. The sacrifice by the non-nuclear states which accepted safeguards on all their activities would be a real one. If they sign the Treaty they cannot legitimately complain of the loss of the "bomb option", but the commercial and financial burden would be considerable. Canada and other non-nuclear states have made it clear that this would be a real problem for them.

5. The British Government have repeatedly made clear that they favour the development of the IAEA arrangements into a fair, equitable and fully effective world-wide system controlling all peaceful nuclear programmes. They regard this policy as of particular importance in preventing proliferation.

6. In the non-proliferation context and for so long as the nuclear states continue to be permitted to manufacture nuclear weapons, safeguards on the nuclear powers are strictly irrelevant. Their only justification is in the context of the "balance of obligations" between the nuclear and non-nuclear states.

7. The fact is that the inclusion of transfer safeguards in the draft proposed by the United States would affect the United Kingdom more seriously and more immediately than any other potential signatory of a non-proliferation treaty. We understand the United states argument that, in incremental terms, they would be equally affected. But this effect would only spread slowly through the United States while the effect on us would be immediate. Our studies have shown that commercially and organisationally it is the immediate short term effect that would be particularly harmful to us.

8. It must be remembered that, unlike all the non-nuclear states who would be subjected to total safeguards by the treaty, but like the other nuclear states who would not immediately be affected, we have a really substantial civil nuclear programme. Moreover, we

/have

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have no indigenous supplies of uranium. Quantitatively therefore we should be more seriously and immediately affected than any other party to the treaty, including the non-nuclear states.

9. But despite the magnitude of the effect on us, we seriously question whether this would be sufficient to assure the non-nuclear and civil nuclear states that the military nuclear powers as a whole were accepting a genuine equality of sacrifice, since the United States and U.S.S.R. would not initially be widely affected. We therefore run the risk of satisfying nobody. The Canadians have underlined to us the point that as a result of their discussions with the United States they have agreed not to oppose the new formula, but that they have not agreed to support it.

10. From the other point of view, if we can argue that all the nuclear states will be equally affected, will this not fall foul of the recently reiterated Russian demand that safeguards in a non-proliferation treaty should not apply to them. We know, for example that irradiated fuel is transferred to them by the East European countries for reprocessing; would they accept safeguards on this? If not, is the United States proposal in fact negotiable?

11. We realise the importance which the United States and the United States Congress attach to this question, and we share the view that safeguards are important for non-proliferation. But in view of the difficulties outlined above we are bound to have serious reservations about the formula which the United States have proposed.

12. The only way in which we could mitigate the serious substantive and discriminatory effect on us of safeguards on all transfers for peaceful purposes would be if it was made plain that the terms of the treaty did not make void existing contracts for unsafeguarded supplies. Moreover, as we have already agreed with the Americans in the context of our negotiations on the civil bilateral agreement, the effect of safeguards on high enriched uranium on our research and development programme would be very serious. We would therefore strongly prefer wording which would refer to the transfer of source material for civil power applications only.

13. Alternatively we are always prepared to consider the possibility of a truly universal system on the lines of Mr. Foster's speech to the First Committee of the United Nations on 9 November, when he suggested that the time had come for each country to give serious consideration to inviting the IAEA to establish safeguards over its entire peaceful programme. This would be genuinely non-discriminatory, and would dispose of any possible complaint by the non-nuclear states.

14. The immediate imposition of mandatory universal safeguards would place an immense burden on the organisation of the IAEA which it is at present incapable of sustaining. Moreover they would be very expensive, not only for the Agency, but also for the military nuclear states who have by far the most extensive civil nuclear programmes, as well as bearing the major part of the burden of financing the IAEA. If therefore we can all accept such safeguards in principle, we ought to consider the possibility of phasing the acceptance by the military nuclear states of total safeguards for peaceful nuclear activities over a five year period, while other states would accept such safeguards immediately. This could be explained by the need to unscramble our civil and military nuclear programmes.

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15. But desirable and acceptable though this solution might be in principle, it would presumably prove impossible in practice because Russian intransigence. In this situation another possibility which we would be very ready to discuss would be a separate declaration, outside but in parallel with the treaty, by the United States and United Kingdom and any other nuclear states which proved willing, by which we would accept for ourselves, phased over a period such as we have already suggested, the obligations which would be imposed on the non-nuclear states by the Treaty. This would certainly have a powerful effect on the negotiations and would put th Soviet Union in a difficult tactical position.

16. A third possibility might be for the United States and United Kingdom to make such a declaration outside a treaty, but conditional on a similar undertaking by the Soviet Union. This might have no more than a symbolic effect, but would presumably be preferable from the point of view of the non-nuclear states to a total absence of any such offer.

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UNITED KINGDOM ATOMIC ENERGY AUTHORITY

ATOMIC WEAPONS RESEARCH ESTABLISHMENT
ALDERMASTON,
BERKSHIRE.

D/595/66

19th December, 1966

RECEIVED
15 JAN 1967
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Dear Stuart,

Thank you for your letter of the 12th December about the proposed approach to the Americans concerning Safeguards in a non-proliferation treaty.

2 Whilst appreciating the Foreign Office argument for approaching the Americans at an early date, I would be disappointed if the time scale does not allow consideration along the lines agreed at the last meeting of my Committee. Would not a special meeting of the Nuclear Materials Committee be tantamount to the briefing meeting you envisage?

3 If the visit is arranged, I agree with the strategy set out in Para. 8 of your letter, but I consider that it would be most undesirable to offer "Details of our Conclusions" as in Para. 2 of the speaking brief. The U.S. are bound to carry the discussions to the point of pressing us further than we may wish to go in deploying the U.K. arguments before it is clear whether the U.S. have in fact given up their attempt to press for transfer Safeguards. I think, therefore, that Para. 2 should be amended to read: "We are convinced that if we were now to accept safeguards----". This also means that I doubt the wisdom of being prepared to present our case "in as much detail as possible", as mentioned in Para. 10 of your letter. I would prefer to give only as much detail as is necessary to appreciate the nature of the problems raised and, at the same time, for the points we are putting forward to act as 'lead-ins' to put questions to the Americans about the extent to which they are really prepared to accept Safeguards themselves. Thus the strategy should be such as to afford us opportunities of bringing to light such matters which, from the point of view of American self-interest, tend to diminish the attractiveness of transfer Safeguards to them. I can envisage three or four areas which might serve this purpose.

4 Whilst I generally agree with Para. 9 of your letter, it appears to me that we should first seek to put the U.S. in the position of defending their proposition for transfer Safeguards before deploying the arguments in Para. 12 of the speaking brief. We should point out that in principle, transfer Safeguards are a poor method of control: they do nothing effective to prevent proliferation among those countries possessing indigenous supplies of material. Indeed, any such "control", however internationally treated, is bound to weight the scales in favour of countries becoming self-sufficient: and this in the longer term may make control more difficult.

/We should press the U.S. to

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5. We should press the U.S. to justify their proposals, remembering the possibility that they may have included them on the grounds of providing a 'balance of obligation'. On this we should be able to disabuse them: leading on to the argument given in Para. 12 of the speaking brief.

6 After Para. 13, I would suggest pausing for an American reaction: If this were favourable to Para. 12, the subsequent paragraphs in the speaking brief would be redundant.

7 If, however, the Americans persisted in their transfer proposals, we must be ready to deploy the arguments for a more positive line, viz:- we should point out that to be effective Safeguards on transfers should apply to transfer from the mines rather than to transfers across international boundaries and this would be clear to all members of the E.N.D.C. Compromise proposals operating in favour of the proposer will always be open to criticism or objection. The American proposals fall into this category.

8 Although I note your reasons for holding back on the C(2) proposals, I feel that we should be prepared to deploy the argument for universal mandatory safeguards to illustrate the measure of our aversion to transfer Safeguards. Although one is conscious that this may be termed as a wrecking proposal in the context of the Russians, it may tend to gain more widespread support from non-nuclear powers than anything else and therefore, could not be dismissed lightly by the Americans. Surely, this could then act as a very strong disincentive to their continued pressure for transfer safeguards?

9 I agree with you that it might be desirable to speak to the Canadians after speaking to the Americans, but the invitation and the venue could be settled later on.

10. As for the American visit, I would avoid proposing a large team of experts because this would make it apparent to the other side that they could expect to question us and obtain a lot of detail. I do not think that it would be in our best interest to do so.

Yours sincerely,

E. F. NEWLEY
Director, A.W.R.E.

J. E. D. Street, Esq.,
FOREIGN OFFICE,
S.W.1.

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c.c. Press, Michaels, Davis and Allen.

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Reference

20 JAN 1967

AD 14/4

AEDD

Safeguards and Non-Proliferation

Copy to:

Sir H. Beeley
Sir J. Rennie
Mr. Bull
SRD

Lord Chalfont has minuted on the revised ACDRU Short Paper ACDRU(66) 11 (Draft) of 30 December):-

"This is a very important paper, the conclusions of which are closely related to decisions shortly to be taken (I hope) on future nuclear policy.

2. On the assumption that a safeguards clause in a non-proliferation treaty may shortly become a very live issue, I hope that the policy conclusions in paragraph 2(c) of the Short Paper can be endorsed by Ministers well before the ENDC reconvenes. The end of January ought to be the absolute deadline.

3. So far as paragraph 2(c)(iv) is concerned, I would like to see, even in advance of further consideration of the paper, some firm proposals about how and in what form the expert studies should take place. Is this a matter for IAEA to undertake? the U.N.? or should we do a study ourselves with a view to putting proposals to the other nuclear powers and our allies?"

R. Buxton

(P. W. J. Buxton)
3 January, 1967

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Sir J. Ren... 18/1

23 JAN 1967
AD 14/4

Safeguards and Non-Proliferation

Flag A.
Flag B.

Lord Chalfont has directed that we should consider the conclusions of the recent A.C.D.R.U. paper on safeguards, with a view to an early endorsement by Ministers of the conclusions set out in it.

2. Briefly these conclusions are that international safeguards can make an important contribution to an anti-proliferation strategy; and that this can best be achieved by an agreement applying compulsory safeguards on the nuclear activities of all non-nuclear states and to all new contracts for the supply of nuclear materials to all states for peaceful purposes. The paper also concludes that such an agreement should specify I.A.E.A. safeguards only, and that our policy should be to seek to dissuade the United States from their current view (which we also have always accepted in practice for political reasons) that EURATOM safeguards may be regarded as the equivalent of I.A.E.A. ones. Finally the paper proposes that we should initiate expert studies of the problems raised by the expansion of the I.A.E.A. under such a safeguards agreement.

3. The position is complicated by the current discussions between the United States and the Russians about the text of a non-proliferation treaty and by the American views on a safeguards article which were conveyed to us last July, as well as by their latest position as contained in their recent Aide-Memoire. The Americans have accepted the Russian argument that any safeguards article in a non-proliferation treaty must specify I.A.E.A. safeguards only. The Russians have also demanded that nothing in the non-proliferation treaty should compel them to accept safeguards on their own nuclear programme.

4. We do not yet know how the Americans intend to deal with this last point in the light of the need to demonstrate to the non-nuclear states that a safeguards agreement would impose something like an equality of sacrifice between the nuclear and non-nuclear states. But they have told us that the choice now lies between the omission of safeguards articles from the non-proliferation treaty altogether and seeking to include

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language which would take the Russian views into account. In fact the Americans have hinted to us that their continued support for the idea of a safeguards article may be largely for the record and to satisfy their own safeguards lobby that a genuine effort has been made to avoid the deletion of such a provision. If this is the case they may accept a non-proliferation treaty without a safeguards article rather than complicate the negotiations by wrangling with the Russians on the question of mandatory safeguards, and with EURATOM countries on the question of equivalence.

5. This complex of questions was discussed on 6 January by the Cabinet Sub-Committee on safeguards. It was decided that we should put our views to the Americans as soon as possible in the hope of influencing their final decision. The Committee had earlier concluded that the U.S. proposal of July last year for compulsory safeguards to be applied to all the non-nuclears and to all transfers for peaceful purposes between all states, including the nuclear states, would impose an unacceptable burden on the United Kingdom, unless it could be mitigated by excluding transfers under existing contracts and transfers of high-enriched material for civil research and development purposes.

6. On the other hand the Committee conceded that it would be unfortunate if the non-proliferation treaty made no reference to safeguards. In the light of Russian objections any world-wide mandatory safeguards system would, in the foreseeable future, have to impose on the non-nuclear states safeguards which would probably not be accepted by the nuclear states as a whole. Such discrimination could only be justified in the context of a non-proliferation treaty. It would therefore be in our interest to persuade the Americans of the need to keep the safeguards question firmly tied to non-proliferation. Even if it were not possible to achieve this immediately, it would be desirable to have some sort of safeguards article in the treaty, even if only hortatory in form, since it could later be tightened up by amendment.

7. Nevertheless, it would not be easy for us to press the Americans now to include mandatory safeguards on the lines set out in the A.C.D.R.U. paper, which in general follow the American proposals of last July, with the exception of the limitation to I.A.E.A. safeguards alone, and of the proposal to delay the introduction of transfer safeguards until new contracts are negotiated. The main difficulty is that if we were to urge the Americans to do this, and were thus to take the lead in proposing language which would effectively mean the end of the EURATOM safeguards system, this would create considerable difficulties for us in Europe. Two aspects of our European policy are

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relevant. The first is the question of our commercial and bilateral agreements with various European countries, which have written-in EURATOM safeguards clauses. The second is the fact that at the present time it is most undesirable for us to be seen to take a leading part in attacking any of the organs of the European Community. Both of these problems may be soluble. The second however implies that although we might be able to accept a proposal which undermined EURATOM, we could not ourselves be seen to promote such a scheme at the present time.

8. It therefore seemed to the Safeguards Committee that the best line to pursue at the moment was to approach the Americans, to explain to them the difficulty which we would have in accepting their July proposals in the form in which they were originally given to us; but to urge them to include at least hortatory safeguards in their non-proliferation proposals, to keep the safeguards issue firmly in the non-proliferation context, and to open the way for mandatory amendments when the time was ripe.

Flag C.

9. In the light of this decision we have prepared a draft paper, which will now be further considered by the Safeguards Committee, with a view to submission to the official Atomic Energy Committee and the Nuclear Requirements for Defence Committee, and thereafter to early discussions with the Americans.

10. It remains however to consider how we can tackle Lord Chalfont's direction that we should proceed to a clear Ministerial decision in favour of safeguards in the near future. Three problems are involved:

a) a substantive decision in favour of safeguards on the lines set out in the A.C.D.R.U. paper.

b) the question of the future of EURATOM and our attitude to it in the context of our negotiations with the E.E.C.

c) the proposal that a study should be undertaken on the problems involved in expanding the I.A.E.A. to cope with the administration of a world-wide safeguards system.

11. On the first of these problems we propose to circulate to an early meeting of the Safeguards Committee an amended and shortened version of the A.C.D.R.U. paper and to ask for a decision of principle which, if it were agreed, would then be submitted to the two main Cabinet Committees and subsequently to Ministers.

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12. The second question raises difficulties for the Foreign Office in the context of our attitude to Europe and the E.E.C., and for the Ministry of Technology and the A.E.A. because of the possible need to re-negotiate our EURATOM contracts. We propose to bring up the latter difficulty in the amended A.C.S.R.U. paper and to ask for its consideration by the Departments concerned.

13. The question of the effect on our European posture, however, leads to the conclusion, outlined above, that we cannot now take the lead in pressing for immediate mandatory I.A.E.A. safeguards. This affects the question of timing. Lord Chalfont directed that we should seek the endorsement of Ministers to this policy before the end of January, with a view to influencing the outcome of the non-proliferation negotiations before the E.N.D.C. reconvenes at Geneva in February. In view of the very wide U.K. interests which are involved it would not be easy to achieve this. Moreover, if we are not in a position to take the lead, we cannot move faster than our allies. It now seems unlikely that the Americans will decide to put forward any mandatory language on their own account. If therefore we cannot take the lead it would seem that our overall safeguards policy must be directed towards the longer term rather than to the immediate future.

14. The third main problem, the proposed survey of the capabilities of the I.A.E.A., has already discussed between Departments in Whitehall and Mr. Hope-Jones, our representative at the I.A.E.A. in Vienna. The conclusion reached was that it would be undesirable to ask the I.A.E.A. to undertake a survey of its own ability to expand, since the Agency would inevitably accept any new responsibilities that were offered to it without necessarily being in fact capable of fulfilling them. I therefore think that the first step will be for us to ask the Ministry of Technology, as the Department primarily responsible, to undertake a survey on its own account, in co-operation with other Departments, and to present this at an early date to the Cabinet Committee on Safeguards. We would then aim at an early discussion with the Americans and thereafter with our allies, the United Nations and the I.A.E.A.

(J. E. Street)
16 January, 1967.

c.c. Mr. Willan
Mr. Statham
Mr. Bull
Mr. Thomson
Mr. Buxton

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Euratom (34)

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RECEIVED IN ARCHIVES No. 32
7 FEB 1967
AD 14/4

Sir J. Rennie.

Safeguards Article in a Non-Proliferation Treaty

Problem

Flag A. The Americans have set out in the attached Aide Memoire their proposals for a safeguards article in the non-proliferation treaty. They amount to mandatory safeguards on installations of or transfer to non-nuclear states. We are asked to comment.

Recommendation

... 2. I recommend that we should accept this draft article in principle, and I submit a draft Aide Memoire in reply. I would like to hand this to Mr. Spiers this afternoon.

Argument

3. This proposal, towards which the signs had been pointing for some time, is a courageous one. It provides the positive safeguards article which the Americans say is required in a non-proliferation treaty for it to be acceptable to Congress: and it satisfies the known views of the Russians. On the other hand it will be unwelcome to the rest of NATO (with the exception of the U.K. and possibly France), particularly to those who are members of EURATOM, and to a somewhat lesser extent to the non-aligned non-nuclear countries.

4. As a nuclear power the U.K. is excepted from these provisions; and they are therefore generally acceptable to us. The earlier American proposal to impose general transfer safeguards, in a form which would have caused us grave difficulty, has been abandoned. Instead we have a positive safeguards article which would result, if accepted, in an almost universal acceptance of I.A.E.A. safeguards as soon as practicable. This we can only welcome.

5. The non-nuclear states, particularly those with a potential nuclear capacity such as India, have frequently criticised the non-proliferation treaty on the grounds that it would discriminate against them. The safeguards article now proposed will aggravate this criticism. For example, the Canadians, who up till now have fully supported the new non-proliferation text, will certainly claim that it discriminates unfairly against them by allowing inspection by the nuclear powers, and the consequent danger of commercial espionage, while the nuclear powers go scot-free.

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6. Criticism will be even stronger from most of the non-nuclear members of EURATOM. The original American proposal mentioned "I.A.E.A. or equivalent safeguards", thus covering EURATOM. The present insistence on I.A.E.A. safeguards alone has been largely brought about by Soviet pressure. Soviet views have recently been given currency in connexion with the Czech-Polish proposals for safeguards made at the last I.A.E.A. meeting in Vienna. As a result the subject has recently been discussed among EURATOM members. Of these only the Netherlands have come out unequivocally in favour of I.A.E.A. safeguards. The present proposal, even although it allows for harmonization procedures between I.A.E.A. and EURATOM, will almost certainly be gravely resented by the Federal Republic of Germany and other EURATOM countries. The French view is less certain in view of the exemption which France, as a nuclear power, would be entitled. But it will probably differ little from the general negative French attitude to non-proliferation; and the French will certainly take the opportunity to stir up trouble for the Americans among their partners in EURATOM.

7. Because of our current approach to the E.E.C. the question of EURATOM and I.A.E.A. presents us with a difficult problem. We have already made clear to the Americans that we shall have to handle it cautiously (see paragraph 6 of our telegram No. 764 to Washington). They sympathise, but ask that this should not prevent us from speaking in favour of the draft article to other non-aligned non-nuclear states such as India (Washington telegram No. 312 of 31 January). This we should be able to do on the assumption that we can avoid the subject of equivalence.

Flag B.

Flag C.

8. As regards the attitude we should adopt towards EURATOM members, this will best be left until we know their reactions to the U.S. Aide Memoire. We shall hope to learn these from the Americans as soon as possible. One possibility open to us will be to show that we are prepared to have consultations in accordance with Article XIII of the agreement with EURATOM if the Six so wish. In general however we must continue to adhere to the line we have taken with the Americans.

9. There are some comments of detail by Departments concerned in Whitehall (see Mr. Newley's letter of 1 February which also represents the views of Mr. Michaels and Dr. Davis). These have been included in the Aide Memoire except for the final point in paragraph 4, adoption of which would lead us into arguing against the slightly more favourable treatment proposed for

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EURATOM. This could be embarrassing for us if it became known. Dr. Panton of the Ministry of Defence has suggested that when we hand over the Aide Memoire we should mention to the Americans that we assume that safeguards would be applied at the point of receipt of materials and not of despatch: but he does not think this of sufficient importance to raise formally at the moment.

R. McC. Andrew

(J. E. D. Street)
3 February, 1967.

3/2

c.c. Mr. Willan
Mr. Steven
Mr. Campbell

Lord Chalfont would prefer to be less categorical in support of the U.S. proposal while we remain doubtful how they will help us over sponsorship of the draft Treaty. I have cancelled some amendments in this sense. Could you let Lord Chalfont see a final draft early on Monday at the latest.

3-2

Mr Street.

We discussed

SECRET - 3/2.

I handed the aide-mémoire to M. Spiers today.

TNA FCO 10/193

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IVED IN
VES No 19
2-MAR 1967
AD 14/4

Sir J. Rennie.

Safeguards in a Non-Proliferation Treaty

Herr Schauer of the German Embassy came to see me today. He said that Herr Schnippenkoter had asked him to find out what the present view of the British Government was towards proposals for international control of civil nuclear technology in a non-proliferation treaty.

2. Basing myself on the brief prepared for the Prime Minister's visit to Bonn, I said that there were two distinct aspects of this question. First, there was the I.A.E.A.-EURATOM question, and secondly there were the doubts raised in the minds of a number of non-nuclear states about the effect on civil technology of a mandatory safeguards article in a non-proliferation treaty.

3. As regards the first, I said that we regarded the EURATOM system as equivalent to that of I.A.E.A.; we wished to enter the E.E.C. and we consequently wished also to enter EURATOM, with which we already had a treaty of co-operation.

4. As regards the second point, I understood that a number of aspects were in German minds. First, there was that of peaceful nuclear explosions. On this we were convinced that the American line was the right one; any state which exploded a peaceful device thereby became a military nuclear power. However, it was clear that, once peaceful nuclear techniques were developed - and this might not be for some years yet - there would have to be some organisation, probably under international control, to ensure that the benefits of this technology were available to the non-nuclear powers, and were available cheap.

5. The second question was the suspicion that technological "fall-out" from military nuclear work would not reach non-nuclear countries. On this I said we were convinced that the amount of such fall-out was extremely small; civil and military nuclear technology were devoted to different ends and proceeded in different directions. There was also the German fear that the Russians might use German signature of the non-proliferation treaty to prevent civil nuclear technology developing in Germany as fast as it otherwise could. On this I said there was nothing in the treaty which prevented the development of civil technology; moreover, the existence of an internationally accepted safeguards

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TNA FCO 10/193

system would in itself be a very effective answer to such Russian accusations.

6. Finally, I said there was the question of espionage. In connexion with I.A.E.A. inspection of Bradwell, I said that we had declined to accept Soviet inspectors, as we were fully entitled to under I.A.E.A. regulations, since the Russians themselves did not accept the Agency's inspections. So long as this was the case, the Germans would equally be entitled to refuse Soviet inspectors. Herr Schauer did not mention the question of commercial espionage by the U.S., which is of course a consideration very much in the minds of our own civil nuclear technologists.

7. Lastly, I said that we supported the present U.S. formulation because it seemed to us that an international system would be a valuable guarantee to many non-nuclear states that others were not transgressing the obligations of the treaty. We would have been prepared to accept EURATOM safeguards as well as the I.A.E.A. system, but the Russian attitude to the negotiations ruled this out.

8. Finally I said that we had been giving some thought to future developments in the safeguards field. Our objective was an international system which covered nuclear and non-nuclear states alike. This was not possible at present because of the Soviet attitude. As far as the U.K. was concerned we still had problems, of which the Germans were aware, presented by mixed military and civil plants and so on. However the imposition of a full I.A.E.A. system on non-nuclear states would take a long time to develop and it was my personal view that by the time this system came into operation, the U.K. would hope to be able to undertake a wider acceptance than at present of the I.A.E.A. system; we also hoped that the same would apply to the U.S. But I emphasised that this was my personal view and was not U.K. policy at this time; it was just an indication how the minds of some of us were moving. Replying to this point, Herr Schauer said he understood we had recently signed an agreement with the Canadians for uranium. I said that we had and that although it would not come into operation until the 1970s, we had already undertaken to the Canadians that deliveries under this contract would be safeguarded. Nearer the time we would be discussing with them what kind of safeguards would be applied.

9. I concluded by telling Herr Schauer that if there were any particular further doubts which the Germans had in regard to the effect of a safeguards article in the non proliferation treaty we should be very glad to discuss the misgivings with them.

(J. E. B. Street)
13 February, 1967

c.c. Mr. Willan
Mr. Campbell
Mr. Buxton

TNA FCO 10/193

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RECEIVED IN ARCHIVES No 19
6-MAR 1967
AD 14/4

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Permanent Under-Secretary

Non-Proliferation and our entry into E.E.C.

Mr. Palliser spoke to me about UKDIS telegrams Nos. 9 and 10 to which we have now replied (copies attached). He feared there was a danger of our getting into contradictory positions on EURATOM and the non-proliferation treaty. On the one hand in his speeches, and in what he was saying during visits to the capitals of the Six, the Prime Minister was making much of what British entry could do to revivify EURATOM. On the other hand members of EURATOM, and in particular the Germans and the Italians, held that the non-proliferation treaty as drafted would spell the end of EURATOM. This situation could obviously be extremely damaging.

2. He asked us to consider whether we should not draft a short paper to answer the following question:

What could we do, without damaging our overall policy of securing a non-proliferation treaty, to demonstrate our concern, as a

/European

LAST PAPER

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European power, that the interests of EURATOM should be safeguarded?

3. Such a study would of course have to answer the question whether in fact the treaty would prejudice the interests or standing of EURATOM and its members. Mr. Palliser wondered whether we had really studied this question as deeply as it deserved.

4. Generally Mr. Palliser asked us to consider whether this issue has not now assumed political aspects of a dimension which was too great to be removed merely by discussions at a technical level - no matter how distinguished the scientists involved would be.

C. M. M. Johnston

22 February, 1967

Copies to:

Lord Hood
Sir C. O'Neill
Sir J. Rennie
Mr. O'Neill
Mr. Alexander
A.E.D.D.
W.O.C.D.

A paper dealing with this is at (78) P/A

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RECEIVED IN ARCHIVES No 19
3-MAR 1967
AD 14/4

Secretary of State

Safeguards in a Non-Proliferation Treaty

If you agree generally, as I do, with Mr. Street's submission of 1 March, we must consider what to do next. I recommend two immediate steps:

(a) we should instruct Ambassadors to EURATOM countries to speak to the Governments concerned along the lines of Mr. Street's paper (Germany has already been taken care of by the visit which Sir Solly Zuckerman is paying to Bonn this week);

(b) we should tell the EURATOM Commission that, if that was agreeable to them, I would be very ready to visit them next week to discuss the problem with them.

2. There remains the proposal put by Mr. Walt Rostow to the Prime Minister that someone should visit Washington to discuss the whole problem with the Americans "from a specifically political point of view". This might well turn out to be useful; but I think that we must await the result of our

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soundings with EURATOM countries and with the EURATOM Commission. We also know that the U.S. administration is divided on the issue and it would be wise to give them time to sort out their own position.

3. You may wish to discuss these ideas with the Prime Minister this evening.

C.

(CHALFONT) 1/iii/67.

Copy to: Mr. Street
Sir J. Rennie
Private Secretary
Mr. P. R. H. Wright
Mr. Buxton
Mr. Hancock
Mr. Statham
Mr. Willan

See minute of meeting with the Prime Minister P/A Ass 10/3

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RECEIVED IN ARCHIVES No. 10
3-MAR 1967

A.E.D.D.

AD 14/4

The Secretary of State with Lord Chalfont attended a meeting at No. 10 with the Prime Minister. On return he told me that the decision had been that Sir Solly Zuckerman would go to Germany to explain the effect of the draft safeguards clause on the EURATOM countries, and that Lord Chalfont would follow up by a similar visit to the EURATOM Commissions. Both would make their explanations from a technical standpoint. If they ran into difficulty they would not take the American position but would take a European position.

C. M. M. Lehr.

1/3.

Copies to:-

Mr Beaton

P.U.S.

Sir J. Rennie.

I have now seen (in Dr. Press's office) the record of the PM's meeting, which also agreed our brief. Action vis à vis Euratom is in hand.

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RESTRICTED
FOREIGN OFFICE No 19
3-MAR 1967
AD 14/4

Private Secretary.

Safeguards in the Non-Proliferation Treaty

The Secretary of State may be asked in Cabinet tomorrow about the present situation.

2. The Americans have circulated to NATO a draft article which would apply mandatory I.A.E.A. safeguards on the nuclear programmes of, and nuclear transfers to, all non-nuclear states. This proposal has aroused serious criticism among some members of EURATOM, particularly Germany and Italy, and in the EURATOM Commission itself. The fear is that the article would have the effect of disrupting the existing EURATOM organisation, would seriously inhibit the free exchange of information for civil nuclear programmes and would lay these open to commercial espionage by the nuclear powers. We are being criticised in particular on the ground that our apparent support for this American proposal, which does not affect us, shows that we are being anti-European.

3. The Russians have told the Americans that they are ready to accept an article, provided it does not affect them and provided I.A.E.A. safeguards are stipulated. They have also said that they would accept a treaty without a safeguards article at all.

4. We wish to show

a) that the fears of EURATOM countries are exaggerated,

b) that we have no wish to undermine EURATOM, which we hope to join,

c) we are ready to answer any questions on the application of the article which EURATOM countries have.

In fulfilment of the Prime Minister's promise when he was in Bonn Sir Solly Zuckerman is going to Germany tomorrow for scientific talks with the Germans on the above lines.

5. It is proposed that Lord Chalfont should offer to visit the EURATOM Commission in order to listen to their problems, to allay their anxieties, and to show that we are wholehearted about entry into Europe, and that our wish is to strengthen EURATOM not disrupt it. He will no doubt wish to point out that this is an American draft article, not a British one.

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6. It may be that the objections of European countries to the safeguards article are such that it will have to be dropped if we are to secure a non-proliferation treaty. But it is the Americans who have to be persuaded. They are under strong pressure from Congress to include the safeguards article. The U.S. Administration is at present divided on the question, and although we may have at some stage to suggest to the Americans that in order to get a treaty they must drop the article, it would probably be better to play this rather long both until we have ourselves discussed the matter with the Germans and EURATOM and also until American views have taken European objections fully into account. It would then be for the U.S. Administration to persuade Congress that they have tried their best to get a safeguards article into the treaty, but that it is either no safeguards article or no treaty at all.

(J. E. B. Street)
1 March, 1967

c.c. Sir J. Rennie
Mr. Hancock
Mr. Buxton

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TNA FCO 10/193

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RECEIVED IN ARCHIVES No 19
2-MAR 1967
AD 14/4

FOREIGN OFFICE,
S.W.1.

2 March, 1967.

You will be aware of the criticism which has been aroused in some EURATOM countries, particularly Germany and Italy, by the American proposal to include in the draft non-proliferation treaty an article imposing mandatory I.A.E.A. safeguards on all non-nuclear states. As you know, this subject came up during the Prime Minister's visit to Bonn and he undertook to send a senior scientific adviser to Germany to talk to the Germans about the technical problems involved, and particularly about the question whether there is any technological "spin-off" from civil to military nuclear programmes. Sir Solly Zuckerman is leaving for Bonn tonight.

2. We have now decided that it might be useful if Lord Chalfont were to talk to the EURATOM Commission about the problems posed by a safeguards article and we have offered alternative dates next week. For the moment, however, we do not want to take any further action in EURATOM capitals, since we do not wish to be seen to be promoting to those whom we hope will be our future partners in the E.E.C. what is after all an American and not a British draft. We shall therefore reconsider the matter when we know the results of Zuckerman's visit to Bonn and Lord Chalfont's visit to Brussels.

3. Meantime, however, I think it would be useful for you to have the enclosed copy of a brief which we prepared for Solly Zuckerman's visit to Bonn. No action should be taken on it; but you may find it useful if any enquiries on the subject are put to you by the Italian Government. It will also provide a basis for you to speak from if we later decide to send instructions for approaches to be made in capitals.

4. I am sending copies of this letter and its enclosure to Steve Olver at The Hague, Caryl Ramsden in Brussels and Ballentyne in Luxembourg; and also to Andrew Stark in Bonn, Peter Ramsbotham in Paris, Arthur Haddocks at UKDEL Brussels, John Bushell at UKDEL NATO and Crosartie at UKDIS Geneva.

(J. E. D. Street)

A.A. Golds, Esq., M.V.O.,
ROME.

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SAFEGUARDS AND THE NON-PROLIFERATION TREATY

We have been asked by No. 10 to consider a short paper to answer the following question: "What could we do, without damaging our overall policy of securing a non-proliferation treaty, to demonstrate our concern as a European power, that the interests of EURATOM should be safeguarded?".

2. We also have to provide general guidance for the visit to Germany this week of Sir Solly Zuckerman and his party in fulfilment of the Prime Minister's promise at the time of his visit to Bonn. This paper is an attempt to deal with both questions.

3. The problem has arisen because of the American proposal to insert in the draft non-proliferation treaty an article which would impose mandatory international safeguards on the nuclear installations of, and nuclear transfers to, all non-nuclear countries. Because of the Russians' insistence not to recognise EURATOM for this purpose, the American draft stipulates I.A.E.A. safeguards. The result has been that several EURATOM countries, notably Germany and Italy, as well as the EURATOM Commission, have expressed the view that acceptance of this article would mean a serious blow to, if not the end of EURATOM. They believe that the replacement of EURATOM safeguards by the I.A.E.A. system would mean that their civil nuclear facilities would be exposed to the risk of commercial espionage from inspectors who were nationals of the

/nuclear states.

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nuclear states. They have also expressed fears about the effect of the article on transmission of information about civil nuclear technology, the exclusion of work on the development of peaceful explosions and the belief that they would lose for good possible benefits arising from the "spin-off" of knowledge from military programmes. The EURATOM Commission have also suggested that since one of the members (France) is a nuclear state which would not be compelled to accept I.A.E.A. safeguards under the treaty even if she signed it, this would destroy the unity of EURATOM.

4. We do not yet know what the reaction of the Americans will be to this outburst of opposition from EURATOM countries. The Americans have proposed this article partly because they believe that the non-proliferation treaty needs teeth in the form of safeguards to make it really effective and partly because they are under very strong pressure from Congress to include safeguards provisions. We have told the Americans that the article is acceptable to us, since it does not affect us; but we have pointed to the expected strong criticism from EURATOM and, for other reasons, of other non-nuclear countries, including Canada; and have told them that we cannot promote the article to the members of EURATOM. It is still possible that the Americans, in the fact of this strong criticism, may decide that a treaty without a safeguards article is better than no treaty at all.

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5. We therefore have three objectives:

a) to reassure EURATOM countries about the effect on their civil nuclear technology of the proposed safeguards article.

b) to remind them that our support for a non-proliferation treaty is longstanding, and that our attitude to it has not changed, and that there is nothing anti-European in our standpoint.

c) to use our wish to join EURATOM as evidence that we wish to strengthen it, not to undermine it.

d) to say that the effect of I.A.E.A. safeguards on EURATOM need not be catastrophic and that we ourselves will do everything we can to help.

6. At Annex A is a short paper summarising the questions which may be asked by the Germans during Sir S. Zuckerman's visit, together with the proposed answers. Many of these points have already been made at the official level to the Germans and also to the Belgians. The Dutch alone in EURATOM have alwys supported I.A.E.A. safeguards; there are signs however that the Belgians may not oppose the article. The French appear to be taking a studiously neutral attitude.

7. H.M.G. have consistently supported the objective of a non-proliferation treaty for a number of years; and although the specific safeguards issue has not been discussed in detail until recently, our European friends have been aware of our support for I.A.E.A., particularly

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since we announced in June 1965 that, as a demonstration, we were putting our large nuclear power station at Bradwell under I.A.E.A. inspection for an initial period of five years. Moreover, we have consistently made clear that our support for a non-proliferation treaty was based on our fears of proliferation outside Europe; and we have argued in the safeguards context that European countries should be reassured rather than alarmed by the creation of a general safeguards system which would ensure that non-nuclear signatories outside Europe were sticking to the terms of the treaty, and where the purpose of safeguards was to avoid diversion to military purposes. In all this, however, the last thing we wish to do is to destroy the EURATOM system which we acknowledge as fully effective. Moreover, we shall wish to join EURATOM, as the other European Communities, and we should expect that if and when we join we shall be able to make a substantial contribution to the nuclear technology of the member countries. We already have an agreement with EURATOM; but of course, if we were to join, the present degree of collaboration would be considerably intensified.

8. There is no reason why the creation of a worldwide I.A.E.A. system should permanently disrupt the EURATOM arrangements. It is true that existing agreements which prescribe EURATOM safeguards will have to be renegotiated both by us and by the members of EURATOM among themselves. But it is already becoming clear that an agreement between the two organisations will be necessary. Moreover, if the

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non-proliferation treaty, when agreed, includes the safeguards article proposed by the Americans, there will be a relatively long period during which the I.A.E.A. organisation is strengthened and expanded to enable it to fulfil its control task. This will provide an opportunity for negotiations between the two organisations in the course of which agreement could be reached on harmonisation of procedures (which the I.A.E.A. would certainly have very much in mind) and for the necessary amendments to be made to those current agreements which specify EURATOM safeguards. The Russians have said that they have no wish to disrupt EURATOM and that they will accept an interim period before the I.A.E.A. system comes fully into force. One possibility would be to work for an agreement between the two whereby EURATOM would in general work, in respect of its non-nuclear members, as the agent for I.A.E.A., provision being made for joint EURATOM/I.A.E.A. inspections as necessary. It must also be remembered that the I.A.E.A. itself is only now evolving its practice; our objective is to influence this evolution in the direction of an effective and practical system.

9. Lastly, we shall be ready to give in advance some evidence of our wish for increased collaboration with EURATOM countries if and when we are members of the European Communities. We have already proposed to the Germans that they should participate financially in expanding the gaseous diffusion plant at Capenhurst in

/return for

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return for a share in the enriched uranium to be produced, of course under safeguards; and a senior representative of the Atomic Energy Authority will be visiting Bonn shortly for discussions on this point. We should be glad to consult with any other members of EURATOM who are interested in this or any other ways in which we can be of assistance. We have no specific proposals to make at present; but we should be very ready to listen to their problems in the field of civil nuclear technology and consider how best we can help. We should of course have no objection if member countries of EURATOM wish to deal with some of these problems through the EURATOM Commission.

10. Sir S. Zuckerman is aware that we are offering to the EURATOM Commission a visit by Lord Chalfont next week. Mr. Michaels will accompany him.

Atomic Energy & Disarmament Department.

2 March, 1967.

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ANNEX A.

THE U.S. DRAFT NON-PROLIFERATION TREATY:
EFFECT ON THE GERMAN CIVIL NUCLEAR PROGRAMME

Possible German Questions and Answers

1. Q. Will not the loss of the right to carry out peaceful nuclear explosions put the non-nuclear states in an inferior commercial position?

A. The commercial viability of peaceful nuclear explosions has yet to be established. Even the Americans, who have been working on the problem for a long time, are by no means certain how far these explosions can be used for engineering on a reasonable cost basis and without endangering our existing commitments under the Partial Test Ban Treaty, or under a possible comprehensive treaty. We presume in any case that there would be no possibility of finding a suitable site for such peaceful explosions within the Federal Republic.

We have been examining this problem since the Americans first brought it up. A danger which they foresaw was that a non-nuclear country with large uninhabitated areas inside its borders might carry out a test of an ostensibly peaceful nuclear device, claiming that it had not manufactured a weapon, but hoping for political and commercial gains from the demonstrated ability to make a nuclear explosion. The truth is that such a test would have all the effects of a proliferation of nuclear weapons, both internally and on other states who might feel themselves threatened by the testing country. These might then be impelled to develop a peaceful nuclear device of their own.

In fact a peaceful device is technically indistinguishable from a military explosive device, and a highly sophisticated device at that. Even though size and weight considerations may not be so important in developing peaceful explosives as in the case of warheads which have to be carried by modern delivery systems, it would nevertheless always be possible to put such a device in a suitable carrier and to use it as a weapon. We have therefore concluded that to foreclose the possibility of evading the purposes of the treaty and of setting off the chain reaction of proliferation, the non-nuclear states must agree to forswear the development and production of peaceful devices.

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Nevertheless, we agree and have urged upon the Americans that this sacrifice by the non-nuclear states must be paralleled by a clear undertaking on the part of the nuclears that they will make available the benefits of these devices to the non-nuclears and will do so cheaply. As a result of our urging the Americans have included assurances to this effect in their recent statements on peaceful devices, and we would be glad to take part in discussions aimed at ensuring that these promises were carried into effect. We envisage a peaceful nuclear explosion service by the nuclear states, associated in some way with an international body such as the I.A.E.A. which could act as a broker for the non-nuclear states in ensuring that they were not exploited by the nuclears. In short it is the development, production and ownership of peaceful nuclear devices by the non-nuclear states which must be avoided, not the benefit of these services to them.

2. Q. By the loss of the option to make nuclear weapons and peaceful explosive devices, will the Germans not deprive themselves of information which will be useful in the civil nuclear field?

A. While it is hard to be certain that future military developments might not lead to some peaceful application, "spin-off" from military research and development is so far minimal. We, as a country which is both a nuclear weapon state and which has a leading position in the peaceful application of atomic energy are in a good position to judge this. It is also relevant that far greater progress can be made by any nation from concentrating on peaceful research and development than by relying on the incidental advantages of a military programme. This is the conclusion which the Canadians, for example, have reached after deep study of the problem. In any case, if we agree that peaceful explosive devices and a military device are in fact indistinguishable, then to develop the former for any incidental information which might be useful for civil purposes would negate the purposes of the treaty.

3. Q. Will the non-proliferation treaty not enable the Russians to object to the non-nuclear developing their civil nuclear programme in ways which could also contribute indirectly to the development of nuclear weapons?

A. It is true that up to a point basic research into nuclear problems and installations for the production of nuclear materials can be used to support either a military or a civil programme. But it should be noted that the U.S. draft non-proliferation treaty forbids only the manufacture of nuclear weapons. Nuclear work divides at a fairly advanced stage into activities which are purely civil and those which are unequivocally referable to a military programme. The actual manufacture of weapons takes place

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in the military stream long after it has divided from the purely civil programme. There is nothing in the treaty to prevent the non-nuclear states developing right up to the point of division, provided only that they did not thereafter diverge into weapons manufacture. Moreover, the Federal German Government can point with force to the fact that all its activities would be safeguarded, and therefore that there was an international guarantee that its peaceful nuclear activities were wholly legitimate and could not be diverted to weapons manufacture.

4. Q. Would not the prohibition of "assistance" in the U.S. draft non-proliferation treaty prohibit the nuclear states from sharing information with the non-nuclears on the grounds that it could contribute to a weapons programme?

A. The U.S. choice of the reference to "assistanc" was deliberate. It was intended to indicate that only the exchange of information which did in fact assist a nuclear weapon programme was not permitted. Once again if the activities of the non-nuclear state concerned are safeguarded we can conclusively argue that there is no possibility of diverting nuclear information to military purposes.

We ourselves look forward to a much freer interchange of nuclear information once the non-proliferation treaty has been signed. At the moment this is inhibited, not only between the nuclear and non-nuclear states, but also between individual non-nuclear states, because of the fear of proliferation. Coupled with this is our hope of joining EURATOM, which would make us full partners in the European atomic technical community. We believe that we have a lot to offer in this field and we intend to do so. The non-proliferation treaty would open the way for all of us to share the benefits of each others research.

5. Q. Might not the non-proliferation treaty prevent the Germans from developing production and separation facilities for fissionable material and also restrict facilities for the free disposal of material derived from our reactors and those which we hope to supply to others?

A. In our view the considerations which apply to the interchange of information are also relevant to the supply of nuclear materials. We agree with views which have been expressed in the German press that there is a danger of a commercial monopoly if only one power, over which we have no control, develops reprocessing and separation facilities for the supply of enriched fuels for the new generation of power reactors. Again a non-proliferation treaty, coupled

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with effective safeguards would provide a firm assurance that developments by the non-nuclears in this field would be confined to peaceful purposes only.

An important point to remember here is that there are very large economies of scale in both reprocessing plants and isotope separation plants. It is not easy to justify the development of purely national facilities of this kind on economic grounds alone.

It seems to us that the answer lies in a co-operative European effort which will give us the sort of economies of scale which are already available to the Americans. We have already suggested to the German Government that we would be glad to discuss the possibility of financial participation in our isotope separation plant at Capenhurst. We appreciate that this might seem to some people at this time merely the substitution of one dependence for another. But if as we hope we are to become part of the European community, then this would fall into place. We would be able to contribute our existing practical experience and our operating separation facilities (which as the Germans know, are being expanded) to the European technological pool. This experience is of considerable value, as the French Government could confirm in the light of their difficulties with Pierrelatte.

In this way we could build up a real European nuclear energy industry capable of giving a full service to all our customers and achieving all possible economies of scale.

6. Q. Will not the proposed safeguards article gravely prejudice EURATOM?

A. The Russians have insisted that if there is to be a safeguards article, these safeguards must be exclusively I.A.E.A. It is not unnatural that they should reject a regional system which in their eyes would be self policing. Moreover, we must bear in mind the fact that the real dangers of proliferation are outside Europe. Regional safeguards systems are satisfactory, so long as the members are to be trusted; this is why we support EURATOM. But in areas where countries may be less trustworthy, they could provide a semblance of control which would not only threaten the stability of the treaty by increasing suspicion, but might even enhance the risk of war by permitting clandestine nuclear weapon development. The countries which would suffer from this would be those who complied with their treaty obligations.

We realise and accept the problems which this causes for EURATOM, and will do our best to help to solve them. (Note: further comments on this question are in the steering brief).

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TNA FCO 10/193

7. Q. Will not the discriminatory nature of the safeguards proposals in the U.S. draft give an unfair advantage to the nuclear states?

A. The nuclear states, like everybody else, would be compelled by the U.S. draft to impose safeguards on all transfers by them to any non-nuclear state, whether party to the treaty or not. In the nuclear export business therefore all states would start level.

As for the possible effect of safeguards on internal nuclear programmes we accept the need for the nuclear states to do everything possible to come into line. The problem is that the Russians have absolutely refused to accept anything which would effect them. This attitude springs not only from their perpetual fear of inspection, but also from an overlogical concentration on the fact that safeguards on the nuclear states are not in the last analysis relevant to the prevention of the proliferation of nuclear weapons. Only in the context of a cut-off are safeguards on the nuclears strictly essential.

Moreover, we ourselves have certain difficulties in submitting our nuclear facilities to safeguards, since as the Germans know, our military and civil nuclear programmes are to some extent intermingled for reasons of economy. So long as we remain a nuclear state we could not open these plants to international inspectors without a real danger of revealing classified military information. Nevertheless we are prepared to work towards a fully universal system of safeguards as soon as this can be achieved. This is our long term aim which is intimately bound up with the search for nuclear disarmament towards which the non-proliferation treaty would be the first step.

8. Q. Will not the proposed U.S. safeguards article open German nuclear plants to commercial espionage?

A. This is admittedly a difficult problem and we were very interested to read the suggestion of Dr. Weizsäcker about the possibility of developing devices which might reduce the need for international inspectors to penetrate into nuclear plants. We would be very glad to discuss this. Clearly the existing safeguards systems both of the I.A.E.A. and EURATOM have a long way to go before they can become either fully effective over the whole range of nuclear activities or as simple and unintrusive as they might be. It seems to us that there is a real need for research by the international agencies into these problems. Hitherto the I.A.E.A. has been short of money and expertise. But if it is to take over the responsibilities of a world wide safeguards authority we must all clearly give it more assistance both financial and technical to enable it to fulfil its function.

/Dr. Adenauer

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Dr. Adenauer has been stressing the danger of espionage by Russian inspectors of the I.A.E.A. We encountered this problem ourselves over Windscale. But the provisions of the I.A.E.A. enabled us to exclude Soviet inspectors on the grounds that the Soviet Union is not prepared to accept I.A.E.A. inspectors in its own territory. Nor is it in fact necessary to give any reason for such exclusions.

9. Q. Cannot the nuclear states make any progress at the present time on measures of nuclear disarmament to parallel the restrictions which they are asking the non-nuclear states to accept?

A. The measures which have been suggested by various non-nuclear states, notably the comprehensive test ban, the cut-off and freeze of N.D.V's are of course Western proposals. We have spent much time and money working out the technical implications in these proposals. What is lacking is the political will on the part of the Russians. If the Germans wish, we could be very happy to discuss ways of making these proposals more acceptable.

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SECRETARY OF STATE has seen.

This is a good summary. There is, however, one problem not mentioned in the paper which concerns peaceful nuclear explosions. The promise by the nuclear powers of cheap peaceful nuclear explosion services in Article V of the draft treaty only applies to the non-nuclear weapon states who sign the Treaty. The Americans were unwilling to accept an amendment extending this offer to all states but they have instead offered us a formal assurance that the United Kingdom would benefit from the same terms as would be offered to non-nuclear weapon states under the Treaty. We have asked the Americans to let us have this assurance in writing, and we shall then explore the possibility of obtaining a similar assurance from the Russians.

Fred Mulley

(Fred Mulley)
21 March, 1967

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Ends 515

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27 SEP 1967
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NM(67) 5th Meeting

COPY NO. 24

CABINET

COMMITTEE ON SAFEGUARDS FOR NUCLEAR MATERIALS

MINUTES of a Meeting of the Committee held in Conference Room 'C', Cabinet Office, S.W.1, on MONDAY, 4th SEPTEMBER 1967 at 10.30 a.m.

PRESENT:

Mr. E.F. Newley, Atomic Energy Authority (In the Chair)

Mr. V.H.B. Macklen, Ministry of Defence

Mr. M.I. Michaels, Ministry of Technology

Dr. R. Press, Cabinet Office

THE FOLLOWING WERE ALSO PRESENT:

Mr. R.C. Hope-Jones, Foreign Office

Mr. A.C. Stuart, Foreign Office

Mr. C. Hall, Foreign Office

Mr. G. Ling, Foreign Office

Mr. P.J. Kelly, Ministry of Technology

Mr. D.B.B. Janisch, Atomic Energy Authority

Mr. J.L. Croome, Atomic Energy Authority

Dr. F. Morgan, Atomic Energy Authority

Mr. G. Newman, Central Electricity Generating Board

SECRETARY:

Dr. T. Swain

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1. SAFEGUARDS AND NON-PROLIFERATION

THE COMMITTEE considered a note by the Secretaries (MM(67) 15) covering one by the Foreign Office on safeguards and non-proliferation, which set out the latest position on the drafting of a safeguards article for inclusion in the non-proliferation treaty.

MR. STUART said that the paper had been prepared for information only, and illustrated how wide were the differences between the United States and Russia on the question of Article III. It was unlikely that the draft of either side would be accepted in its present form, but it seemed improbable that the United States would abandon the NATO draft completely, especially since it had only been arrived at after long discussion with the Germans. Since the paper had been prepared, the Swedes had tabled a new proposed Article III which would provide transfer safeguards to all parties and for all purposes: this would be unacceptable to us. It was apparent that both the United States and Russia were determined to move quickly to an agreed draft and there was little time for us to influence the wording of the proposed safeguards article. If we wanted to do this we should act now. It was essential, therefore, to reach agreement on our own policy with regard to safeguards.

In discussion it was pointed out that both the United States proposals and the present safeguards system of the IAEA referred to materials rather than facilities or activities. This was satisfactory, as it would be also if safeguards were applied to facilities for civil use only in non-nuclear states. In our own case, however, we would have to bargain about certain mixed facilities which we would not wish to put under safeguards. If we knew how the United States intended to apply safeguards in her own case we could define our own attitude more easily. It was apparent that safeguards could not be easily applied to facilities, and we certainly could not agree to them being applied to transfers. It appeared best, therefore to concentrate on accepting that safeguards would be applied to materials or to activities, and it was possible that these could be combined. Although the Russian draft appeared to suit us better than that put forward by the Americans, there were difficulties in relation to EURATOM which made it impossible to accept.

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THE CHAIRMAN, summing up, said that as far as the alternative versions of the draft Article III were concerned, the Committee favoured the application of the United States draft. It was generally agreed that it would be better to accept the application of safeguards to materials rather than to facilities or transfers both of which would be detrimental to our interests.

The Committee -

Took note of DS(67) 15, the points made in the discussion and the Chairman's summing up.

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2. PROPOSALS FOR A REVISED SYSTEM OF I.A.E.A. SAFEGUARDS

THE COMMITTEE considered a note by the Secretaries (NM(67) 12 (Revise) on proposals for a revised system of I.A.E.A. safeguards.

MR. JANISCH said that the present paper had been revised in accordance with amendments to the original draft (NM(67) 12) received from members. There had been no change in substance or in the technical proposals outlined, but only in the presentation of the argument and it was now believed that it was in a suitable form to be handed to the United States and Europeans in due course. However, during the course of revision the sense of the definition of a "bonded area" given in paragraph 13 had been changed. It would be better if the first sentence of that paragraph read: "all material entering or leaving a plant would pass through areas (styled "bonded areas") to which the inspector would have free access, and where he would be able to record details of quantities enrichment, chemical composition, etc."

In discussion, attention was drawn to the difficulties of defining safeguards as applied to ore mining and processing to concentrate stage as outlined in paragraph 16. This might preclude South Africa, for example, shipping uranium to the United Kingdom for military purposes. There were also difficulties in relation to mines having a small output. It would be better, therefore, to delete the paragraph at this stage. It would also be necessary to define more closely what was meant by "other nuclear materials" in paragraph 4(b), and this might best be done by adding the words "as defined in I.A.E.A. safeguards". The last sentence in paragraph 10 was somewhat contentious and better deleted.

A number of other minor drafting amendments were agreed.

THE CHAIRMAN, summing up, said that the Committee were agreed that the revised draft of the proposed safeguards system subject to the amendments agreed to in discussion, could be put forward to other countries, starting with the United States and the leading powers in Europe.

The Committee –

Invited the Foreign Office to arrange for the proposals to be transmitted to the Americans and Europeans in due course.

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3. REVISION OF THE IAEA SAFEGUARDS SYSTEM

THE COMMITTEE considered the note by the Secretaries (NM(67) 14) covering a draft Foreign Office paper on a revision of the IAEA safeguards system to be given to the United States Authorities.

MR. HOPE-JONES said that the object of the note (NM(67) 14) was to outline to the United States Authorities the political realities, as we saw them, of the proposed safeguards article of the non-proliferation treaty. The note pointed out that whatever the final version of the safeguards article may be, it will certainly refer to "IAEA Safeguards", and potential signatories to the treaty will want to know what this will involve, and whether such a reference will mean strict adherence to the Agency's Revised Safeguards System (1965) or whether some flexibility of that system might be allowable in the future. The note pointed out some of the defects of the IAEA 1965 system and outlined the proposals made in NM(67) 12 (Revise) for a revised system of safeguards. The real difficulty was that the IAEA 1965 system was not designed specifically in relation to a non-proliferation treaty. In fact it may well prove to be ineffective in relation to such needs. On the other hand, states could not be expected to sign a treaty which imposed on them an open-ended obligation with regard to safeguards, and any argument about the need for a completely new system may involve unacceptable delays in the signing of the treaty itself.

In discussion it was pointed out that any safeguards article must be drafted in such a way as to allow for the need for evolution in the system of safeguards which was to be applied. There must be scope for accommodating EURATOM, and the article should reflect the views of all nations including the Germans. It might be possible to meet these objectives by referring in the safeguards article to the fact that signatories adhere to the principles of the Agency Scheme whilst leaving details of procedures to be settled later. Another difficulty was the fact that the actual agreement on safeguards procedures would be arrived at by a bilateral agreement between the IAEA and the state concerned. Article III, as at present drafted, provides no machinery whereby signatory states should agree to accept the Agency safeguards and this might lead to non-standard agreements being reached. Furthermore the question of the rights of the IAEA Board to modify their safeguards system could not be changed by the non-proliferation treaty. It would appear sensible if those members of the IAEA who signed such a treaty should approve any modifications of the IAEA safeguards scheme. It should not be assumed that the Russian attitude was as adamant as appeared. Recent discussions in Vienna had shown a much greater flexibility in their approach, and an acceptance that certain aspects of the present Agency

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safeguards scheme might need some modification in the future. It appeared likely that they would be prepared to accept a less rigorous accounting method than that outlined in the 1965 scheme. It was essential, however, that any suggestions were put forward as quickly as possible, and it would be useful to hold discussions with the Americans prior to the IAEA Conference in Vienna on the 26th of September.

In further discussion, it was pointed out that the arguments set out in paragraph 5 of NM(67) 14 needed reorienting and strengthening. The chief drawback of the IAEA scheme was that it submitted materials to microscopic monitoring and therefore was unsuitable in relation to a non-proliferation treaty. The Agency scheme was not just too costly, but was too intrusive and, in general, often ineffective to meet present needs. The reference to substitution should be deleted, since we insisted on its inclusion in the Agency scheme originally against the wishes of the United States. Changes also needed to be made to the outline of a possible revised system in paragraphs 6 to 9 to bring them into line with NM(67) 12 (Revise). In paragraph 7, the Agency could be said to need the right "to satisfy itself that" such initial declarations were correct, rather than "to check" them, otherwise it would renew fears of commercial espionage. Some reference might also be made to the last paragraphs of NM(67) 12 (Revise) on design review indicating that only general flow-sheets were being covered rather than details of plant. Some changes were also required in the last section of the paper (paragraphs 10 to 14), especially in regard to the relationship between the IAEA board and the signatories to the non-proliferation treaty.

THE CHAIRMAN, summing up, said that the Committee generally endorsed this paper subject to the amendments mentioned during the discussion. Efforts should be made to open discussion with the United States authorities prior to the Vienna meeting, and amended paragraphs could be cleared out of Committee.

The Committee -

(1) Invited the Foreign Office, in conjunction with the Ministry of Technology and the Atomic Energy Authority, to revise NM(67) 14 in the light of the points made in the discussion, and to circulate the revised draft to the Committee for comment.

(2) Invited the Foreign Office to transmit the agreed revised document to the United States Authorities, and arrange with them an early meeting to discuss it, preferably in London before the 26th of September.

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4. ELABORATION OF OFFER MADE TO NATO TO ACCEPT INTERNATIONAL SAFEGUARDS INTO THE UNITED KINGDOM

THE COMMITTEE considered a note by the Secretaries (NM(67) 11) on an elaboration of the offer made to NATO to accept international safeguards into the United Kingdom civil nuclear activities.

THE CHAIRMAN said that the note had been prepared based on NM(67) 10 and the points made in discussion at the last meeting. It had been intended that this note (NM(67) 11) would be sent to the parent Committees for information, but as a result of correspondence it was now agreed that the paper should be held until more information was available on Article III of the non-proliferation treaty and on what safeguards the United States was likely to offer.

The Committee -

Took note

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5. ARMS CONTROL IMPLICATIONS OF PEACEFUL NUCLEAR EXPLOSIONS

THE COMMITTEE considered a note by the Foreign Office (NM(67) 13) on arms control implications of peaceful nuclear explosions.

MR. STUART said that the Foreign Office would like the Committee's advice whether the Annex to this paper (NM(67) 13) should be transmitted to the United States authorities. Some proposals had been made at Vienna for some sort of international control of peaceful nuclear explosions and the United States had agreed to circulate proposals relating to Plowshare activities. The paper gave an outline of what we as a nuclear power were prepared to do in this area, on the expectation that both the United States and Russia might put forward their own ideas.

In discussion it was pointed out that there were a number of technical errors in the paper which needed correction. It did not seem useful at this point to hand it over to the United States authorities, especially since it did not outline any new points.

THE CHAIRMAN, summing up, said that the Foreign Office should prepare a memorandum for the next meeting outlining the importance of this topic.

The Committee -

Invited the Foreign Office to prepare a note outlining the importance of peaceful nuclear explosions in the context of a non-proliferation treaty for consideration at the next meeting.

Cabinet Office, S.W.1.
6th September 1967

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15 SEP 1967
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NM(67) 14(Revise)

13th September 1967

COPY NO. 25

CABINET

COMMITTEE ON SAFEGUARDS FOR NUCLEAR MATERIALS

REVISION OF THE IAEA SAFEGUARDS SYSTEM

Note by the Secretaries

The attached note by the Foreign Office, revised in accordance with the discussion at the last meeting, is circulated for information.

(Signed) T. SWAIN
M. DAVIS

Cabinet Office, S.W.1.

13th September 1967

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REVISION OF THE I.A.E.A. SAFEGUARDS SYSTEM

On 24 August the draft of a non-proliferation treaty was tabled at Geneva by the United States and Soviet co-Chairmen. Article III, the Safeguards Article, was left blank in this draft, but we must act on the assumption that the co-Chairmen will reach at any rate provisional agreement on the text of the Safeguards Article within the next few weeks, and that the text of the whole treaty will be finalised by the middle of October.

2. Whatever the final version of the Safeguards Article may be, it will certainly refer to "I.A.E.A. safeguards". Before putting themselves under an obligation to accept I.A.E.A. safeguards on all their nuclear activities, potential parties to the treaty will want to know what this will involve. They will also wish to assure themselves that the safeguards regime which they accept as the basis of their separate agreements with the I.A.E.A. will not be subject to subsequent alterations which are unacceptable to them; or at any rate that they will not themselves be obliged to renegotiate their agreements in order to give effect to a revised safeguards regime. We must therefore expect:-

a) that even if there is no specific reference to the Agency's Revised Safeguards System (1965) in Article III there will be pressure for this identification to be written into the record at some point;

b) that at any rate some countries will argue that the present Safeguards Document should have the status of an annex to the treaty, which can only be amended by the same procedure as the treaty itself.

3. Though the reluctance of states to accept an entirely open-ended obligation with regard to safeguards is understandable, insistence on the present validity and future immutability of the 1965 System would be very dangerous, since if it was subsequently found that this system could not be applied in practice, the whole concept of international safeguards would be discredited and the stability of the treaty itself might be jeopardised. The object of the present paper is to indicate the defects of the 1965 System in relation to a non-proliferation treaty, to suggest ways in which the System might be improved, and to consider what immediate steps need to be taken in order to keep the door open for such improvements to be introduced in the near future, i.e. before the first agreements between the I.A.E.A. and parties to the non-proliferation treaty are negotiated.

Defects of the 1965 System

4. Until 1965 the application of safeguards was restricted to small research reactors and facilities. The system was then revised (with a slight relaxation in surveillance prescribed for small quantities) and extended to cover large reactors. It was again extended in 1966 to cover reprocessing plants, and extension to fuel fabrication plants is in train. Nevertheless, the system is still based on the same concepts: (1) all safeguarded nuclear materials have to be accounted for at all times, and (2) safeguarded materials and the facilities where they are used are liable to physical inspection at short notice. Such a system imposes substantial burdens both on the inspectorate and the party being inspected.

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5. The system, furthermore, was designed to be applied only to particular facilities as part of a country's nuclear complex as a result of a bilateral agreement relating only to those facilities. In no case as yet has the I.A.E.A. system been applied to the atomic activities of a major country where each facility can be regarded as part of a national nuclear entity.

6. In the new situation under a non-proliferation treaty, the whole of the non-nuclear countries' atomic activities will be subject to safeguards and we believe that a less intrusive system would be more credible, as effective and less costly. The detailed application of the present system would not lead to any real gain in credibility as an effective system of control as compared with modifications discussed later. The present system arouses disquiet about commercial espionage, which to some extent is justified. Experience to date of the application of safeguards to small research facilities for the most part in less developed countries cannot be regarded as any guide to the risks of commercial espionage of an intrusive system of inspection in a large research and development facility in an advanced nuclear country.

7. Further, the present system, if applied on a large scale, as would have to be envisaged, would entail substantial expenditure. The Inspector General estimates that to inspect the non-nuclear states would require an additional 100 inspectors: inspection of the U.K. and U.S. civil nuclear programmes would require respectively 70 and 250 additional inspectors. Substantial disputes would certainly arise about meeting the cost of a safeguarding effort on this scale.

8. Lastly, it is doubtful whether the I.A.E.A. could within a short time recruit and train qualified staff on the scale that would be required by the present system. Training programmes would have to be undertaken while simultaneously developing procedures to cover phases of atomic activity not hitherto covered by the system, and concluding the requisite safeguards agreements with signatory states.

9. While it is clearly important to retain the essence of the present I.A.E.A. system and to utilize the work which has gone into it, considerable simplification on the lines discussed below could be introduced without any loss of credibility or effectiveness. A modified system to meet the new circumstances could be worked out without undue delay.

Outline of a Possible Revised System

10. A simpler system would be based on first, the declarations by non-nuclear signatories of their facilities, reactor types, processing methods, hold-up of materials, processing and refuelling programmes, and second, detailed materials accounting, with adequate cross-checks between facilities, and indeed between countries. The physical presence of Inspectors would still be required, since remote auditing of materials accounts could not by itself prevent diversion, but Inspectors would not need to have such extensive rights of access as they enjoy at the moment. All materials entering or leaving a plant would pass through areas (styled "bonded areas") to which the inspector would have free access and where he would be able to record details of quantities, enrichment, chemical composition, etc. Frequency of inspection at bonds would depend both on throughput and the nature of the materials. Where nuclear materials more readily usable for weapons purposes are involved, additional intermediate bonds would be established; here freedom of access for inspectors, but not necessarily recording of the materials flow, would be required. Inspectors would not be permitted to enter the process areas (styled "suspension areas") unless they had justifiable grounds for suspecting that diversion was taking place.

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11. Such a system leaves theoretically possible opportunities for misuse by diverting part of the plant hold-up or by manoeuvring within the agreed process losses. The former would, however, be difficult to sustain over any long period, having regard to the [illegible] which the inspectors would be maintaining of materials flow, [illegible] to the technical devices which might be installed: if a "once [illegible]" diversion were in question, it is unlikely that this alone would be significant for weapons production.

Diversion within processing tolerances, not excluded by the present IAEA system, would be a slow means of collecting material. In order to give greater security against diversion, a limited number of checks could be introduced into the system. These, though not technically essential, would provide some cross-references.

12. The way in which such a system of materials accounting, bonded areas, suspension areas and cross-checks could be applied in practice to processing and fuel fabrication plants, to reactors, to transport from reactor to chemical reprocessing plant, to chemical reprocessing plant and to civil research and development, has already been studied. Details are not given in the present paper, but the results of this study lend strong support to the view that a system of this kind would have the following features:-

(a) A degree of control effective enough to give assurance that non-nuclear signatories are not diverting nuclear material to weapons purposes;

(b) Attention concentrated upon production and usage in significant amounts of plutonium and highly enriched uranium because these are most easily divertible and significant for weapons use, while covering other nuclear materials, as defined in the IAEA Safeguards System, to a lesser extent;

(c) Minimum need for close inspection of nuclear facilities and processes, particularly in commercially sensitive areas, and maximum use of any viable non-intrusive methods of control;

(d) Economical use of the time and numbers of inspection staff, especially those with high professional qualifications.

13. The Agency's present procedures require detailed design reviews which are capable of causing delays and interference in construction, commissioning and operation. Under the proposed simplified system the reviews would be largely superfluous. Copies of general design lay-outs or flow sheets should be made available for reference and the Agency should be free to encourage the installation of devices and arrangements of plant to facilitate inspection and so, to the advantage of both parties, reduce the need for interference.

14. The proposed revision of the Agency system, apart from its inherent merit, could be expected to appeal strongly to countries such as Germany and Japan, which are particularly worried about the openings for commercial espionage provided by the present system. Second, it would be more similar to, and therefore more easily reconcilable with, the existing Euratom system.

Next Steps

15. It is by no means clear to what extent the present IAEA Safeguards Document would actually have to be amended in order to permit the application of a system such as that outlined above. It can be argued that the numbers and procedures set forth in the Document are "established for the information of member states" (para. 3) and "only become legally binding upon the entry into force of a Safeguards Agreement and to the extent that they are incorporated therein" (para. 4.). /The

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negotiated as a result of the treaty. For example, it should be possible to secure agreement in the Board that those of its members who are not parties to the treaty should not exercise their voting rights in these circumstances. Such an arrangement, however, would not give the right of veto even to the nuclear powers, and it is clear that further thought will need to be given to this whole question.

The Foreign Office,
LONDON, S.W.1.

11 September, 1967.

TNA FCO 10/199

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P.U.S.

Mr. P. Wright — P.U.S. Pri Sec.

--- I attach as requested a note for the Permanent Under-Secretary on the latest safeguards proposal.

R McC. Andrew

(R. McC. Andrew)
14 September, 1967

Thank you very much - this gives the perspective for which I felt the need

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P/A

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Safeguards and Non-Proliferation

Article 3 on safeguards was left blank when the draft treaty text was tabled at Geneva on 24 August, so that the Co-Chairmen could continue discussions. The problem was basically that of fitting Euratom into any such provision. The Russians were insistent that any safeguards system must be international and that they could not accept a regional system such as Euratom, which they regarded as self-inspection. On our side a draft Article was worked out in NATO which would allow an extensive period for harmonisation between the Euratom and IAEA systems of safeguards, and it was agreed that the U.S. Co-Chairman should base himself on this draft in the discussions.

2. In view of the gap between the two sides over this Article we did not expect any early move towards agreement. It was therefore unexpected when the Soviet proposal for a compromise text was put forward on 5 September. The text is at Flag A.

3. There are some general points to be made about this text. It is generally recognised (even by the Germans and Italians) that it represents a substantial move on the part of the Russians from their previous position. It is suspected by the Italians (and in some quarters here) that this is in fact a joint U.S./Soviet draft and it is being put forward as a Soviet proposal for tactical reasons to allow the Americans to disengage from their commitment to the NATO draft. Some colour is lent to this theory by the fair wind the Americans have been giving the Soviet proposal.

4. Secondly, this is not an approved Russian text. It has been drafted in Geneva and Mr. Roschin has said he will recommend it to Moscow. This is one of the reasons being put forward by the Italians against it. Nevertheless this is a procedure which has been employed more than once in the course of the non-proliferation negotiations, and judging from past experience the Russians are unlikely to repudiate it.

5. Thirdly, the text is fairly loosely drafted, and much depends on how it is interpreted. (This again can be parallelled in Articles 1 and 2 of the treaty.) The Americans have told us how they consider the Russians intend certain points in this text to be interpreted, and these seem reasonable: but we have made the point that it will be essential to have more confirmation that the Russians will in fact interpret the Article in this favourable way.

6. The proposed compromise Article applies international safeguards to all non-nuclear states which sign the treaty. Nuclear states are exempt: therefore the Article does not apply directly to us. From this narrow point of view we

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find it generally acceptable. It does not call for safeguards on transfers of fissile material which is the one provision which could affect us severely while leaving the U.S.S.R. and U.S.A. unaffected by reason of their native stocks of uranium. Our one major reservation is that we should need some specific assurance that the text would be interpreted as meaning that safeguards would cease when materials were transferred to nuclear weapon states.

7. The main difficulty for us, however, arises from the implications for Euratom. We are potential members of Euratom, and in addition we need to keep our European image in view of our Common Market application. We therefore must be seen to be sensitive to the views of our European allies who are members of Euratom.

8. In this text the Russians have made two concessions towards meeting Euratom difficulties. A period of two years is allowed after ratification of the treaty for negotiating an agreement on safeguards with IAEA: and apparently if agreement is not reached by the end of the period, so the Americans claim, there will be no guillotine or sanctions applied (what does happen at the end of the period is far from clear). Secondly, negotiations can be conducted with the IAEA by states individually or with other states: the Americans say that the latter phrase is meant to allow negotiations by Euratom, to which the Russians are unable to refer specifically. The European reaction so far has been to ask how we can be sure of these interpretations.

9. The new text was discussed in the NATO Council meeting on 13 September. The Italians and Germans have not had time to prepare their views fully and it will be debated again on 20 September next week. Curiously enough the Italians once again seem to have taken the lead in opposition but apart from that this preliminary debate went as favourably as could be expected. It is unfortunate that in spite of Soviet pleas for secrecy in view of the delicacy of this operation, there has already been a leak in Brussels, probably from someone in Euratom with an interest in sabotaging any agreement.

R McC. Andrew

(R. McC. Andrew)

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THE MINISTER
STATE

19 September, 1967

I am a bit worried by the plans for revising the I.A.E.A. Safeguards System, on which our officials have been working for the past few months, as it seems to me that a premature disclosure of these plans could wreck the Geneva negotiations for a non-proliferation treaty, which have now reached a very delicate stage.

I realise that the present I.A.E.A. Safeguards System has its shortcomings, and that it will need to evolve to meet the requirements of a non-proliferation treaty. I also recognise that a revised System which was less intrusive than the present one would be welcome to countries like Germany and Italy which do not relish the prospect of having I.A.E.A. inspectors poking their noses into their R. & D. establishments. But now that the Russians have apparently accepted that I.A.E.A. inspectors should verify Euratom's own safeguards system rather than carry out independent inspections of their own, the Germans and Italians have less reason to make a fuss about commercial espionage; and in any case I am convinced that their opposition to the treaty is basically political rather than commercial. What I am afraid of is that if they and the other countries like India which have their own separate reasons for disliking the draft treaty get to know of our plans for what must be regarded as a substantial revision of the present System, they will urge that the negotiations should be adjourned

/until

The Rt. Hon. Anthony Wedgwood Benn, M.P.,
Minister of Technology.

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until our proposals have been considered, so that prospective parties to the treaty can know just what safeguards obligations they will be undertaking. And that would be the end of the treaty. It would also mean that we would get the political unpopularity, in the Party and abroad, of having killed or sabotaged the prospect of a non-proliferation treaty.

To the best of my knowledge, officials have had no mandate from Ministers to prepare a revised System of Agency Safeguards or to discuss their proposals with other Governments. Now that they have done so, and made proposals to discuss them next week with the Americans, these talks perhaps should be held, though I should have felt happier if they could have taken place in London or Washington rather than Vienna and happier still if they could have awaited progress at Geneva and the United Nations. But from my point of view any such discussions should be conducted in the utmost secrecy, and every precaution should be taken to ensure that there is no leak, either to the I.A.E.A. Secretariat or to members of other delegations to the General Conference.

If you would like to discuss the issues I am, of course, at your disposal, but if, as I hope, you agree, I shall be grateful if you would instruct your officials on these lines. I am sure that the work done by officials on this subject will prove very useful one day - but that day will only come when the non-proliferation treaty is home and dry.

I am copying this letter to Lord Penney, as he will be leading our delegation to the General Conference at Vienna.

(Fred Mulley)

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DIRECTOR'S OFFICE

UNITED KINGDOM ATOMIC ENERGY AUTHORITY

ATOMIC WEAPONS RESEARCH ESTABLISHMENT
ALDERMASTON,
BERKSHIRE.

RECEIVED IN ARCHIVES No. 19
22SEP 1967
AD 14/4

D/491/67

20th September, 1967

Dear Hope-Jones.

I understand from Michaels that the U.S. have suggested "an inconspicuous" meeting in Vienna to discuss the points we have raised regarding the draft of Article III. I believe that you intend to be present.

Such a discussion could well be useful as a preliminary meeting to get their reactions to our points, but I doubt whether members of the Interdepartmental Committee would feel happy at accepting such a discussion, limited both by time and representation, (in view of the U.S. concern to remain inconspicuous), as an adequate substitute for discussions in London or Washington where we would suffer from fewer restriction on time and representation.

I hope, therefore, that in Vienna, in addition to getting their reactions, you will press for a further meeting in London or Washington as soon as possible, where we can deal after due consideration, with any points they raise and ensure that there is no possibility of any misunderstanding on their side of the views we are putting forward.

AD14/4

From the comment in Smart's letter of the 13th September, it would appear that there is a danger that in their anxiety to get a full text on the table, the U.S. negotiators are ignoring, or possibly not aware of, the technical difficulties of applying the present I.A.E.A. procedures in the circumstances of an N.P.T. They, therefore, run the very real risk that the safeguards article will become unworkable and impotent, as pointed out in your paper.

I am copying this letter to other members of the Committee, who will, no doubt, express their views.

Yours sincerely,

E. F. NEWLEY
Director, A.W.R.E.

Mr. R. C. Hope-Jones,
Foreign Office,
Whitehall,
LONDON, S.W.1.

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UNITED KINGDOM DELEGATION TO THE
18 NATION DISARMAMENT CONFERENCE
37-39 rue de Vermont, 1202 GENEVA
Telephone: 34.28.00, 33.23.85

Ente 561
Abs 26/9
See telegram P/A

RECEIVED IN ARCHIVES
11 OCT 1967
A) 14/4

20 September, 1967.

Dear Robin,

Anglo/American Offer on Safeguards

Alan Neidle of the U.S. Delegation raised this problem with me over lunch yesterday. He said that the Minister of State had, at his meeting with Foster on 12 September expressed some doubt on whether it was really a good idea to submit our peaceful nuclear activities to I.A.E.A. safeguards. The Americans also regarded it as noteworthy that, unlike them, we had not reaffirmed our offer at the meeting of the North Atlantic Council on 13 September.

2. Neidle asked me the reason for our misgivings. I said that I thought that there were two points, one political and the other financial. We were concerned lest the Russians should resent this offer as designed to isolate them, and I reminded him that I had first heard this argument from the U.S. Delegation (my letter of 13 March). Neidle said that the U.S. Delegation had certainly taken this point into account before they made their original offer to NATO in April, but they were now quite happy about its effect on the Russians. When this offer is made in the Conference the Soviet position as the only nuclear-weapon state represented which was not willing to accept any safeguards for itself would, of course, be conspicuous; but the Soviet Delegation would be quite content to maintain the same poker face as they had that morning during the U.S. speech on a.b.m.s. Although the Americans had never discussed this question openly with the Russians, they were convinced that the latter were well aware that the U.S. offer was coming and that they recognised that this was part of the price that the U.S. was having to pay to secure the adherence of its allies to the treaty.

3. I explained the financial point briefly by drawing on Ronald Hope-Jones' letter of 6 September to Ian Smart, and told him that this question had been fully discussed in Washington with Sam de Palma (who is now here). Neidle replied that although the cost of these safeguards might well be considerable the Americans looked at it as in the context of their budget for security and defence. Compared to the vast amount of money they spent on their armed forces it was a small price to pay for a step that would make a major contribution towards securing a non-proliferation treaty. He said that he thought

/that ...

R. Mc. C. Andrew, Esq.,
Atomic Energy & Disarmament Dept.
Foreign Office.

TNA FCO 10/200

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that any going back on the offer that the United Kingdom had made to NATO in April would seriously prejudice the prospect of securing the signature of some of the civil nuclear powers such as Germany, Italy and Japan. The effect of such a move on our part would be much worse than if we had never made the offer in the first place.

4. Seen from here, there is some danger that we may end by getting the worst of both worlds. If we give to our non-nuclear allies an impression of dragging our feet, they may assume that we are being pushed into this step by the Americans. We in the Delegation feel that unless we make a final decision soon whether to make our offer we run the risk of getting little credit for our sacrifice, even if we ultimately make it.

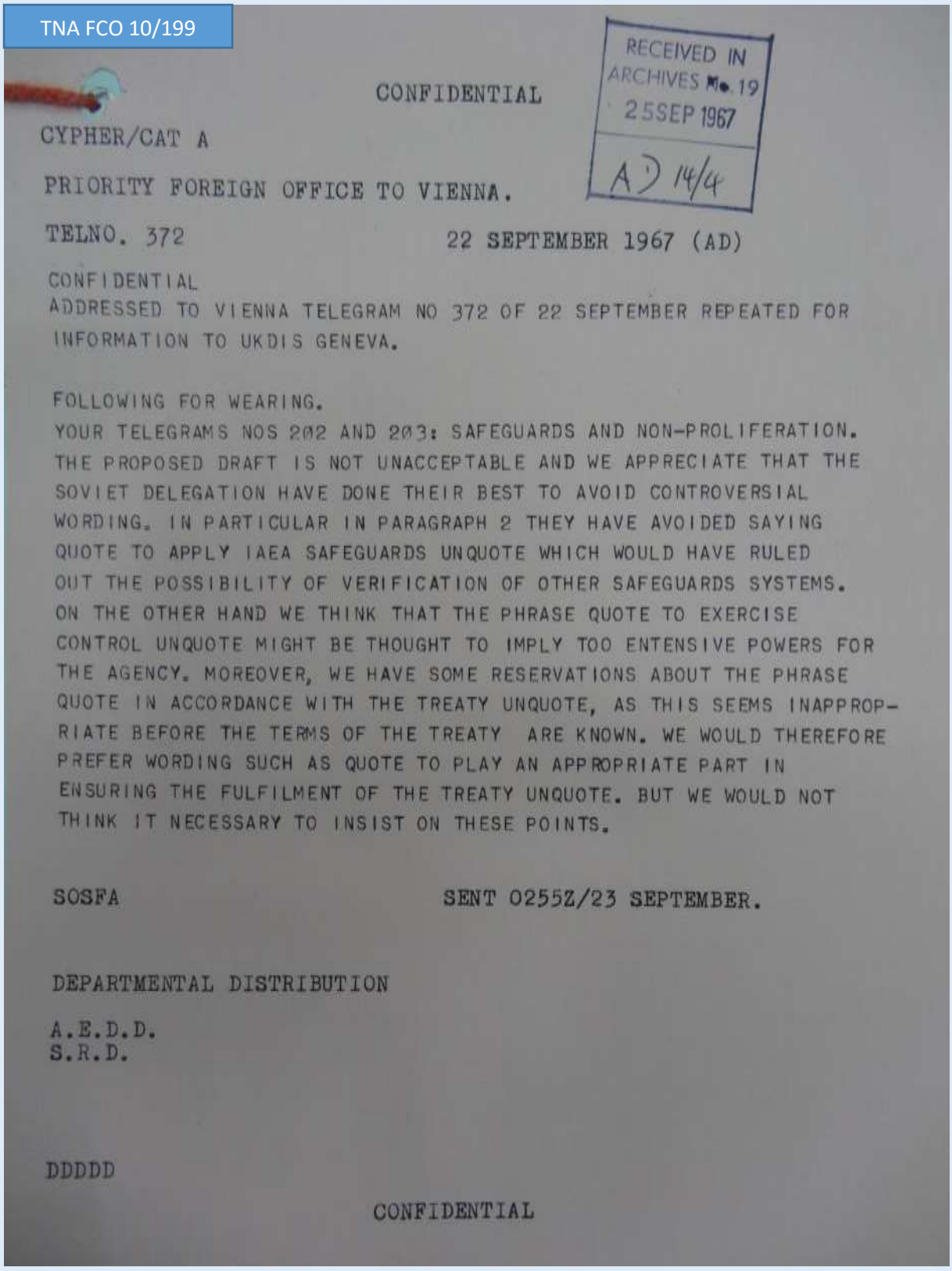
5. I am sending copies of this letter to Ian Smart in Washington and Richard Thomas at UKDel NATO.

Yours ever

Ian.

(R.I.T. Cromartie)

TNA FCO 10/199



RECEIVED IN ARCHIVES No. 19 25SEP 1967 AD 14/4

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CYPHER/CAT A

PRIORITY FOREIGN OFFICE TO VIENNA.

TELNO. 372 22 SEPTEMBER 1967 (AD)

CONFIDENTIAL
ADDRESSED TO VIENNA TELEGRAM NO 372 OF 22 SEPTEMBER REPEATED FOR INFORMATION TO UKDIS GENEVA.

FOLLOWING FOR WEARING.
YOUR TELEGRAMS NOS 202 AND 203: SAFEGUARDS AND NON-PROLIFERATION.
THE PROPOSED DRAFT IS NOT UNACCEPTABLE AND WE APPRECIATE THAT THE SOVIET DELEGATION HAVE DONE THEIR BEST TO AVOID CONTROVERSIAL WORDING. IN PARTICULAR IN PARAGRAPH 2 THEY HAVE AVOIDED SAYING QUOTE TO APPLY IAEA SAFEGUARDS UNQUOTE WHICH WOULD HAVE RULED OUT THE POSSIBILITY OF VERIFICATION OF OTHER SAFEGUARDS SYSTEMS. ON THE OTHER HAND WE THINK THAT THE PHRASE QUOTE TO EXERCISE CONTROL UNQUOTE MIGHT BE THOUGHT TO IMPLY TOO ENTENSIVE POWERS FOR THE AGENCY. MOREOVER, WE HAVE SOME RESERVATIONS ABOUT THE PHRASE QUOTE IN ACCORDANCE WITH THE TREATY UNQUOTE, AS THIS SEEMS INAPPROPRIATE BEFORE THE TERMS OF THE TREATY ARE KNOWN. WE WOULD THEREFORE PREFER WORDING SUCH AS QUOTE TO PLAY AN APPROPRIATE PART IN ENSURING THE FULFILMENT OF THE TREATY UNQUOTE. BUT WE WOULD NOT THINK IT NECESSARY TO INSIST ON THESE POINTS.

SOSFA SENT 0255Z/23 SEPTEMBER.

DEPARTMENTAL DISTRIBUTION

A.E.D.D.
S.R.D.

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Note of Meeting between U.K. and U.S. representatives

Office of U.S. Delegation to I.A.E.A.
Vienna, 16.40 hrs. 25 September 1967

Present :

U.K.	U.S.
Mr. M.I. Michaels	Ambassador H. Smyth
Mr. R.C. Hope-Jones	Mr. P. Sceville , A.C.D.A.
Mr. I. Cromarty	Mr. M. Kratzer (part of meeting)
Mr. H.J. Millen	Mr. Lewis
	Mr. D. Zook

Mr. Michaels said that the U.K. disliked the wording of the reference to the IAEA Safeguards System in ~~the~~ paragraph 1 of the U.S.S.R. Draft of Article III of the N.P.T. because it might be interpreted as invoking the system in force at a particular time, thus preventing development of the system. Even if we were generally agreed that the system could evolve under an N.P.T., it seemed likely that many countries, including the U.S.S.R., would argue that evolution should cover new types of facility and the application of new safeguards techniques, but should not include the fundamental revision the U.K. believed necessary to meet the situation when

(a) the whole nuclear complexes of non-nuclear weapon states would be under safeguards;

(b) the scale of the Agency's safeguarding activities would be greatly extended;

(c) the object would be to prevent diversion of material to weapons and not to the whole range of military applications;

(d) the Agency would be required to "verify" safeguards applied under the basically different Euratom system.

TNA FCO 10/200

Mr. Michaels stated that it was not his purpose to embark on detailed talks on changes desirable, but to ensure that the wording of Article III permitted satisfactory evolution of the safeguards system under a N.P.T. He believed that some countries, notably Germany, were of the same opinion.

2. Ambassador Smyth suggested that the new preamble, which the Germans had helped to draft, should prevent too narrow an interpretation of the reference to safeguards. The U.K. response was that the preamble was of little help, indeed by referring specifically to a type of evolution accepted as implicit in the existing system (application of new technical devices) it tended to rule out more basic changes.

3. The possibility of amending the wording of the reference to the System in the U.S.S.R. draft, perhaps by substitution of a reference to the safeguards provisions in the Statute, was touched on, but the consensus ~~of view~~ was that this might do more harm than good, and that the aim should be to secure a satisfactory interpretation.

4. The U.S. thought that there would be time to deal with the issue during the substantial period between the signing of a N.P.T. and the time when safeguards would be felt in the U.S. and U.K.; but the U.K. view was that, as the necessary agreement between the Agency and countries accepting safeguards in relation to the N.P.T. would be negotiated during this period, it was important that any basic changes in the system should be settled beforehand.

5. It was agreed that when the N.P.T. was put forward to the General Assembly of the U.N., the Agency should set up a Working Group to review the system in the light of the provisions of the draft N.P.T. It would be desirable to include Euratom representatives in the reviewing body.

TNA FCO 10/200

6. Turning briefly to the substance of the changes the U.K. thought desirable, Mr. Michaels mentioned the bonded area concept providing for close Agency surveillance of the inflow and outflow of nuclear materials at nuclear establishments, thus permitting the sensitive area of an R. and D. facility, for example, normally to be free from Agency inspection. The Germans had apparently put forward similar ideas independently at the recent IAEA meeting on safeguards techniques.

7. Mr. Lewis was doubtful about this idea: the hold-up in some plants was very long and a safeguarding body ought to be able to check that the material was in fact there and not being converted into a weapon. The German representative (Dr. Hafele) had considerably modified his views during the meeting and agreed that perimeter inspection would not be adequate. Mr. Kratzer added that under a N.P.T. follow through by the Agency would help to check that countries were not operating clandestine plants.

8. Ambassador Smyth said that the U.S. had been thinking about the preparation of a model safeguards agreement to be linked with the N.P.T. He thought that, after the reorganisation of the Safeguards Division, a team of negotiating lawyers should draw up a model. The U.K. agreed that a model agreement would be needed.

9. Ambassador Smyth mentioned that the U.S.S.R. wished to introduce a resolution at the Conference committing the Agency to exercise control as provided for in the N.P.T. and they were anxious to secure widespread and influential backing for it. It was agreed that such a resolution would be premature as the terms of the N.P.T. had not been settled and the U.S. initiative, in suggesting that a few innocuous references should be made by the President of the Conference in the course of his closing remarks, was endorsed.

10. The U.S. mentioned that the German candidate for the auditor had been withdrawn.

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Mr. Mulley has seen
Atomic Energy & Disarmament Dept

RECEIVED IN ARCHIVES No. 19
3-OCT 1967
AD 14/4

MILLBANK TOWER
MILLBANK
LONDON S W 1

25th September, 1967

Dear Fred.

I am grateful that you brought your anxieties about IAEA safeguards to my notice in your letter of 19th September, and I well realise that a delicate stage has been reached in negotiations on a non-proliferation treaty.

However, as I see it, the issues relating the N.P.T. to I.A.E.A. safeguards are: that the present I.A.E.A. safeguards system is quite unsuitable for application to the circumstances of a non-proliferation treaty - it is too intrusive and will raise difficult questions of international finance; that the text of Article III in such a treaty must, therefore, allow of the revision of the system, and this by the I.A.E.A. itself, and not by some procedure defined in the N.P.T.; that the text must also provide means of avoiding discrimination - so far as peaceful uses are concerned - between France and other European signatories, including possibly ourselves; and that we gain the confidence of the Germans, Italians and Japanese.

As potential members of the European Community, these last two points are particularly important. As a nuclear power prepared to volunteer to place our civil nuclear facilities under I.A.E.A. safeguards, we have to recognise that the French will not do so. Further, while I accept that the German and Italian attitude is partly political, they have also a real fear of commercial espionage under the procedure of the present I.A.E.A. scheme, which we share. Those who would probably most benefit from such commercial espionage would be the Americans, some of whom know this full well.

The Americans do not yet seem to have fully appreciated some of the difficulties inherent in using an autonomous body, the I.A.E.A., to implement the safeguards clause of an N.P.T. The I.A.E.A. system has been up to now an abstract concept in their negotiations.

There are a number of real issues to be resolved before there can be a definitive draft of the safeguards article. The aim of the talks with them in Vienna is to ensure that they really understand the issues involved. Our representatives in Vienna are continually meeting the Americans on many different subjects, so that no particular attention will be drawn to talks on this subject, and no-one else need be aware of them.

/I

The Rt.Hon. Fred Mulley, M.P.

TNA FCO 10/200

I am very glad, therefore, to hear that Ambassador Smyth has now agreed to meet our people in Vienna on Monday. Hope-Jones and Cromartie of your office will be present with Michaels from here.

Since we have told Euratom countries that the Agency system of safeguards could and should be modified for the purposes of an N.P.T., they are bound to ask for our further views. It is, I would have thought, most desirable to have had some discussion on the subject with the Americans before this demand is put to us. We may not have long to wait.

I am sending a copy of this letter to Lord Penney.

Yrs

Tony

-2-

TNA FCO 10/200

NOTHING TO BE WRITTEN IN THIS MARGIN

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Mr. Andrew, A.E.D.D.

I.A.E.A. Safeguards and Non-Proliferation

Mr. Mulley does not much like the attached letter from the Minister of Technology, which he takes it was drafted by Mr. Michaels. He does not think it is true that we are seriously worried about the dangers of commercial espionage under I.A.E.A. safeguards (paragraph 3), and does not accept either the political assumptions which are made in paragraphs 2 and 3 or the views expressed about the non-proliferation treaty. Nor does he accept that we must "educate" the United States urgently on the subject of I.A.E.A. safeguards, or that it is a subject into which we should get drawn by Euratom at the present time.

2. He would therefore be grateful for a very short draft reply expressing doubts as to the assumptions about foreign relations and disarmament on which the letter is based, and saying that he hopes to discuss the matter further with Mr. Benn during the Labour Party Conference at Scarborough next week. Most Ministers will be leaving for Scarborough on Thursday: could you please therefore let us have a draft by tomorrow morning?

R J O'Neill

(R. J. O'Neill)
26 September, 1967

Draft reply attached.

R McC Andrew

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Mr. Hope-Jones e.r.

MINISTRY OF TECHNOLOGY

Millbank Tower, LONDON S.W.1

Telephone: VICtoria 2255

528 Rm 2711

Pl. let me see with refs.

RECEIVED
ARCHIVES No. 19
3-OCT 1967
AD 14/4

26th September, 1967.

Dear Ronald,

I have been rather worried recently about some of the telegrams that have apparently gone out without consultation, so far as I am aware of it, on various aspects of the IAEA safeguards and N.P.T. complex. Worried, because I disagree with some of the opinions expressed and statements made and think that in this field we should at least be considered, even if later over-ruled.

I will not refer to all of them, but concentrate on three. The first is Tel. No. 372 to Vienna of 22 September. Now, whatever may since have transpired in Vienna, I myself feel most strongly that the last sentence of this telegram should have been omitted. I do not see how the Soviet proposal, operative part (2) "Declares that the Agency would be ready to exercise control in accordance with the Treaty to ensure its fulfilment" can safely be accepted.

The Agency cannot know how ready it will be, if at all, until it studies an agreed treaty. It cannot exercise "control", if that is meant literally. And it cannot ensure fulfilment. All it can do surely is to undertake to do its best to meet any requests put to it in this connexion.

The second was Tel. no. 1523 to our NATO delegation. We were consulted about this instruction previously, and were prepared to comment - at however short the notice - but found that apparently all was somehow changed. The actual instruction went out without consultation and was entirely different from what we had previously believed to be going. I won't go into detail here since much water has since gone under the bridge, but had we been consulted we should certainly have challenged the general balance. (We are rather surprised the European Departments did not.)

While the balance of Tel. No. 2306 to Bonn is perhaps more to our liking, again we had no opportunity of commenting or discussing, particularly for example para. 2(b). Frankly, we do not think that the argument deployed there is well founded. What has hitherto happened in Vienna in minor matters, is not in our view a

/safe

R.C. Hope-Jones, Esq.,
Foreign Office,
Whitehall, S.W.1.

TNA FCO 10/200

safe guide on what may now happen in a major, indeed, paramount matter (so far as the Agency's work is concerned).

I realise the difficulties of your present task, and the frequent occasions when there is very little time available - although in my view this is sometimes due to our apparent desire to react to every touch of the U.S. whip with curious alacrity - but I do suggest that where the I.A.E.A. and Euratom are involved, we have a right to be consulted. Foreign policy is for the F.O., but the effects of policy upon our nuclear industry, the results of possible changes in nuclear relations with other countries and with multilateral organisations, and our views on future industrial and commercial possibilities in the field, all seem to me to justify my suggestion.

Yours ever,

James

J. MCADAM CLARK

TNA FCO 10/200

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(527) Dr Anderson
Dr Hope Jones
Enter and P/A
27/9

FROM THE MINISTER
OF STATE

RECEIVED IN
ARCHIVES No. 19
3-OCT 1967
AD 14/4

27 September, 1967

Thank you for your letter of 25 September with your views on the revision of International Atomic Energy Authority safeguards.

I agree with what you say about the need to take into account the Euratom implications of Article III (in this incidentally we seem to have been fairly successful - you may have noticed that the Germans have expressed themselves as being agreeably surprised by our European stand on this matter). But I am afraid that I cannot follow you in your deduction that the revision of the safeguards system is therefore necessary to meet fears of commercial espionage, particularly by the Americans. This reference to the Americans seems to me ungenerous now that they have offered like us to put their peaceful nuclear activities under safeguards

I believe that the political fears of the Germans and Italians, to which you also refer, are what we really have to worry about, and any ill-timed moves on our part over reforming I.A.E.A. safeguards could add greatly to our difficulties in bringing the Euratom countries to accepting the draft treaty, including Article III.

I also think it is less than fair to say that the Americans have not appreciated the difficulties, and that we need to ensure that they understand the real issues. I believe in fact that they have given considerable thought to the issues involved,

/and

The Rt. Hon. Anthony Wedgwood Benn, M.P.

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TNA FCO 10/200

and that they have come to the same conclusion as I have, namely, that it is essential for political reasons to get a non-proliferation treaty first (with a reasonably flexible Article III) and then we can safely exchange views on the modifications necessary and possible.

It seems that we have mentioned to the Euratom countries that in principle we consider some modification of the Agency system on safeguards will be necessary for the purposes of a non-proliferation treaty, and they may therefore ask our views. However I do not think we are committed by this into giving details of possible revisions. Certainly we should take no steps to prompt them to ask and if the question arises we shall have to consider very carefully what our reply should be. I hope you will agree that in no circumstances should an approach be made or a reply given without express Ministerial approval.

Perhaps we can have a further word about this at Scarborough.

I am sending a copy of this letter to Lord Penney.

(Fred Mulley)

TNA FCO 10/200

From: Mr. V.H.B. Macklen.

MINISTRY OF DEFENCE
Main Building, Whitehall, LONDON S.W.1
Telephone: WHItehall 7022, *ext.* 7318

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reference: VHBM/218/67

~~28th September~~ 1967.

RECEIVED IN ARCHIVES No. 19
3-OCT 1967
AD 14/4

Dear Ronnie,

Reference Newley's letter to you of 20th September D/491/67, your own reply and that of Michaels, I am not very happy about several features of this exercise.

2. First, it is only by secondhand means that Defence has heard of much of the arrangements and complications surrounding the exercise.

3. Second, whatever influences were at work it in no way meets the view of the Newley Committee. Therefore I strongly back Newley's suggestion for a further meeting.

4. Third, there seems to be the perennial danger of seeing the Treaty as an end in itself rather than to ensure its provisions are practicable and fulfil the needs for control. If you want a Treaty at any price then drop Article III and you can have it tomorrow.

5. Fourth, you may feel that defence interests are remote and can be ignored, but by this letter I am making it clear that I do not consider we are being either properly consulted or considered. In view of the intermingling of U.K. work this can have serious consequences for our offer.

6. Fifth, it cannot have escaped your notice that many of the Euratom doubts cover points similar to those raised by AEA experts.

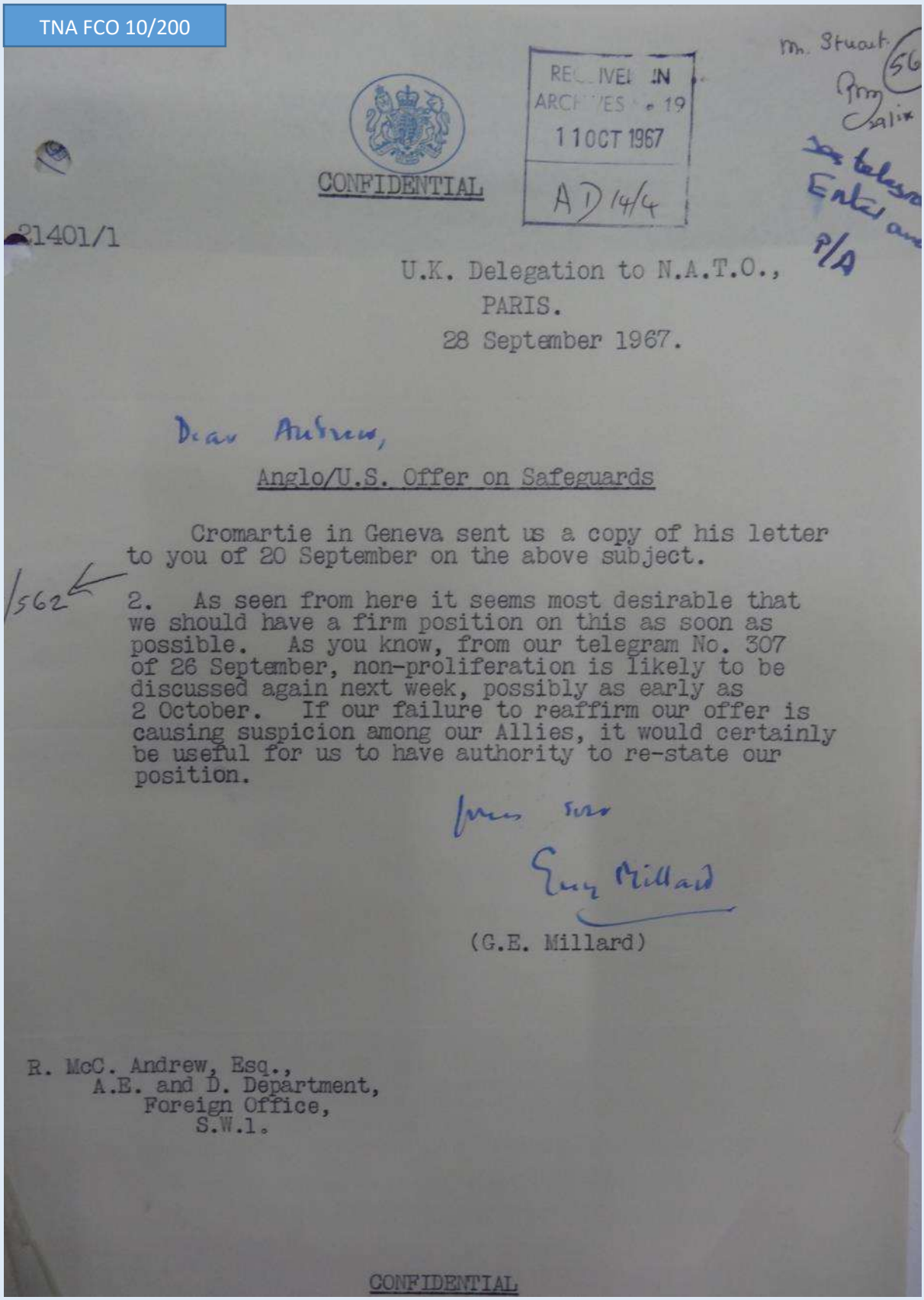
7. Sixth, if the U.S. will not meet us then we should talk to our prospective Euratom partners. By so doing we could remove some of their fears and at least reassure them to the extent that they will know the U.K. will be supporting critical changes in IAEA schemes.

8. Seventh. I can only reiterate to you the dangerous pitfalls of believing that short term political issues can alter what is achievable in practical technical terms.

Yours sincerely,
V H B Macklen

R.C. Hope-Jones, Esq.,
Foreign Office,
S.W.1.

TNA FCO 10/200



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RECEIVED IN ARCHIVES 19
11 OCT 1967
AD 14/4

Mr. Stuart (56)
Rmg
Salix

See telegram
Enter and
P/A

21401/1

U.K. Delegation to N.A.T.O.,
PARIS.
28 September 1967.

Dear Andrew,

Anglo/U.S. Offer on Safeguards

Cromartie in Geneva sent us a copy of his letter to you of 20 September on the above subject.

/562

2. As seen from here it seems most desirable that we should have a firm position on this as soon as possible. As you know, from our telegram No. 307 of 26 September, non-proliferation is likely to be discussed again next week, possibly as early as 2 October. If our failure to reaffirm our offer is causing suspicion among our Allies, it would certainly be useful for us to have authority to re-state our position.

Yours sincerely

Guy Millard

(G.E. Millard)

R. McC. Andrew, Esq.,
A.E. and D. Department,
Foreign Office,
S.W.1.

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11 OCT 1967

AD 14/4

565

Mr. R. J. O'Neill Mr. Mulley has seen. See separate minute.

JDM 6/X

U.K. Offer on Safeguards

The Americans have told us that they are worried by the implications of the Minister of State's talk with Mr. Foster on this subject on 12 September. They think that we may be intending to back out of our undertaking to NATO, and fear the effect that such a retreat might have on the chances of getting the non-nuclear members of the alliance to endorse the treaty. They noted that while the United States had repeated their offer in NATO on 13 September, the U.K. had not yet followed suit.

2. We therefore need either to review or confirm our general position on the U.K. offer. Time is short. The non-nuclear members of NATO have not yet commented on our apparent reticence. But they may do so, and our NATO delegation have asked for authority to restate our position if necessary. Moreover it has always been the Americans' aim to make their offer fully public as soon as an agreed safeguards Article was tabled at the ENDC, if not before, with a view to removing some of the sting from accusations of discrimination and making the maximum tactical effect on the negotiations. We should get no credit whatever if, whatever the form of our offer, we delayed its announcement for long after the Americans had spoken.

3. The decision to offer to submit our peaceful nuclear activities in the U.K. to safeguards was taken by Ministers on 3 April (see minute of the Ministerial Committee on Nuclear Policy at Flag A). The offer was made confidentially to NATO later in the month in the following terms:-

> "At such time as international safeguards are put into effect in the non-nuclear-weapon states in implementation of a non-proliferation treaty, we will be prepared to afford an opportunity for the application of similar safeguards in the U.K., subject to exclusions for military or national security reasons only."

The wording of the offer was agreed interdepartmentally with the aim of being as forthcoming as possible while keeping the timing, extent and nature of the safeguards ultimately in the U.K.'s hands. Unlike the U.S. offer, ours referred not to I.A.E.A. but to "International Safeguards". The reference to "military or national security reasons", which is identical with the wording of the U.S. offer, would also make it possible for us to exclude Capenhurst, for example, from safeguards if we thought it right to do so.

4. We were hurried into the decision to make this offer by the fact that the Americans decided late in March (after relatively unhurried domestic consultations) to make a similar offer /of

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TNA FCO 10/200

of their own to NATO and invited us to join them. We calculated that since one of the major complaints of our European allies was the discriminatory nature of non-proliferation safeguards, we could not afford, in trying to reduce this discrimination, to be seen to drag behind the Americans in point of time.

5. Nevertheless, there are undoubtedly difficulties and drawbacks to the proposal which perhaps were not given the fullest possible consideration because of the shortage of time. Among these are:-

(i) The size of the U.S. and U.K. civil nuclear programmes is such that if they were fully subjected to I.A.E.A. safeguards the Agency's machinery would be seriously strained, thus diverting it from the essential purpose of safeguarding the nuclear programmes of the non-nuclear-weapon states.

(ii) From the strict point of view of non-proliferation our offer is totally irrelevant, since we would remain free to develop nuclear weapons. The Soviet Union, put at a tactical disadvantage by our offer, must be expected to exploit its logical absurdity to the full.

(iii) Few of the non-nuclear states are likely to regard our offer as a decisive factor. A voluntary gesture by two out of the three nuclear parties to the treaty is no substitute for a true balance of obligations.

(iv) The offer was originally designed particularly to meet German complaints that discriminatory safeguards would expose them to industrial espionage and commercial disadvantages which would not be shared by their main commercial competitors, the nuclear states. Since then, the proposed treaty text has been reviewed with the aim of reducing these effects to a minimum (e.g. by putting the emphasis on materials, rather than facilities). Moreover, now that the Russians have apparently accepted the fact that the I.A.E.A. will verify Euratom safeguards rather than impose their own, the Germans have much less cause for concern.

(v) The offer has more serious financial implications than was perhaps realised when the decision was taken. Even the countries that would like to see us accepting safeguards will be reluctant to pay their share of the substantial additional costs involved, and in these circumstances the Russians might well be able to secure a majority decision of the I.A.E.A. Board of Governors that we ourselves should meet the entire costs of applying safeguards in the U.K.

6. On the other hand the offer has certainly enabled us to ride more easily the objections of our Euratom allies to the discriminatory nature of the Treaty, and it will presumably have at any rate some effect on the willingness of the non-nuclear states to accept discriminatory safeguards. Moreover, at the time when the idea was first mooted, it was also argued as a subsidiary consideration that it might be in our interests

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to ensure, if necessary by an offer of our own, that the Americans made an offer to accept safeguards, and that this was as complete as possible. We have always recognised that the U.K. would have to accept safeguards sooner or later as a result of pressure from our suppliers of nuclear material, and this pressure would be increased if our suppliers, e.g. the Canadians and South Africans, were obliged to accept safeguards on themselves under the treaty. Again we have of course already accepted that Euratom safeguards would be applied to us if we joined the European Community. In so far as the industrial espionage and commercial impairment arguments are valid (and our technical people think that the risks are very real, though American industry discounts them entirely), it would be to our advantage to ensure that we took the Americans, as our greatest commercial competitors, along with us. But perhaps the most telling argument against withdrawing our offer at this stage is that it could lead to accusations of bad faith by our European allies, and also to unfavourable comparisons between us and the Americans, who have shown no disposition to hold back.

7. Nevertheless, it might be possible without withdrawing or necessarily amending the wording of our offer, to modify its effect in practice. This is, in fact, the line that has been taken by the Americans, who have stressed to us in private that the offer remains only an offer, the implementation of which is under their own control. We might even, without raising damaging suspicions in NATO, be able to take the line in public that we would put our nuclear facilities under safeguards to the extent necessary to satisfy all parties that we were not gaining any commercial advantage from the treaty. We could also point out that the strict application of total safeguards to the U.S. and U.K. peaceful programmes would mean that threequarters of the I.A.E.A. safeguarding activity would be absorbed by this part of the exercise alone. This would be very costly and would represent a diversion of effort and reduction of effectiveness.

8. I have not consulted other departments in drafting this submission. But my own (rather reluctant) view is that it is now too late to go into reverse, that it would rock the boat badly to show signs of hesitation at this stage, and that the best course is probably to rely on subsequent interpretation rather than amendment of our offer. If however we are to alter course, we shall need, in view of the decision of the Nuclear Policy Committee, and of the possibility that the Americans may decide to make their offer public in the very near future, to prepare a paper for Mr. Mulley to put to Ministers straight away.

R. C. Hope-Jones

(R. C. Hope-Jones)
3 October, 1967.

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CONFIDENTIAL

FOREIGN OFFICE,
S.W.1.

4 October, 1967.

I was sorry to learn from your letter of 26 September that you thought we were not consulting you adequately about the telegrams we have been sending off about the N.P.T. negotiations, with particular reference to Article III. I was also rather surprised, in view of the lengths to which we have, in fact, gone to clear our drafts with you. On several occasions Andrew Stuart has taken our drafts round to you by hand because of the shortness of time available, and we only send off telegrams in which you have an admitted interest without consulting you if we have to choose between clearing the draft with you and missing the boat completely. For example, you refer to our telegram no. 1523 to our NATO delegation. As you know, an earlier draft of this telegram was in fact cleared with you; but while Stuart was still hawking it round, information came in which made it clear that the line we were proposing to instruct our delegation to take would be quite unacceptable both to the Americans and to the Germans. In these circumstances, there was nothing for it but to start again from scratch. I dictated the revised version straight out and then had to run to the main Foreign Office building with it in order to catch Mulley as he was leaving. Unlike you, Mulley thought the balance in the telegram was right.

The time factor also made it impossible for us to consult you on our telegram no. 372 to Vienna. This came in late on Friday afternoon, and as Wearing wanted "earliest practicable comments" we thought it best to get our first thoughts off before the weekend, knowing that both Michaels and I would be in Vienna on the Monday to discuss the implications at greater length. The draft was written at 6.45 p.m. on the Friday, an hour at which there are obvious difficulties in the way of full inter-departmental consultation. On the question of whether, if all delegations had thought it best to accept the original Russian wording (in order to avoid open debate about alternative wording, which would have been highly dangerous), we should have died in the last ditch to have the wording altered, we must agree to differ. As the Russians did not, I understand, proceed with their draft resolution, the question is in any case somewhat academic.

/As

J. A. McAdam Clark, Esq.,
MINISTRY OF TECHNOLOGY.

Dick D.

TNA FCO 10/200

As regards our telegram no. 2366 to Bonn, I cannot off-hand remember the circumstances in which this was drafted, except that as we drafted it on Friday, 22 September, and wanted action taken and reported to us by Monday, 25 September, it was obviously essential to get it off straight away. Your objections to paragraph 2(d) I find difficult to understand. It is true, as you say, that approval of a Safeguards Agreement between the Agency and Euratom would be a much more important matter than the Euratom issues on which the Soviet Union have had to bow to the will of the majority in the past. But I cannot see that this is relevant. The Board will take its decisions by majority vote just the same, and the Russians undoubtedly realise this and have accepted the risk entailed. The only circumstances in which this might not be the case would be if there was some private understanding between the Americans and the Russians that the Americans would not support a draft Safeguards Agreement between Euratom and the I.A.E.A. which was unacceptable to the Russians. I asked the Americans about this in Vienna, and they assured me that there was no such understanding.

We do indeed recognise that where the I.A.E.A. and Euratom are involved you have every right to be consulted on the telegrams that we send out. At the same time, the object of the exercise is to get a non-proliferation treaty, with minimum adverse repercussions on our own nuclear industry and our relations with other countries whose cooperation is important to our own industry. I am entirely satisfied in my own mind that we have so far pursued our objective without damage to our Euratom image, and I hope that we shall be able to continue to do so. In this connexion I am not sure whether you have seen the attached copy of Bonn telegram no. 166 Saving.

...

(R. C. Hope-Jones).

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Mr. Hope-Jones (A.E.D.D.)

RECEIVED IN ARCHIVES No. 19
11 OCT 1967
AD 14/4

U.K. Offer on Safeguards

Mr. Mulley has seen your submission of 3 October and agrees with the conclusion in paragraph 8.

2. He feels that although we have earned little gratitude from our European allies for our offer, we certainly cannot go back on it now.

3. Mr. Mulley considers that the line for the U.K. Delegations to NATO and in Geneva to take is for them to stand pat on our April offer if they are asked about it (including the reservations we made at the time) but to refuse to be drawn any further. They could answer any questions about the implementation of our offer by saying that it will be time to talk about that when everyone has agreed to the draft non-proliferation treaty; in the meantime surely priority should be given to the treaty.

(D. J. Moss)
6 October, 1967

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The advantage of this course from the point of view of European policy is self-evident. From the point of view of disarmament policy it might allow a little more time in which to urge on our prospective European partners the need to take a broader, more constructive view of world politics. It might also allow us time to get into negotiation with the Community before we have to face the decision whether or not to initial later in New York.

N. Statham

(N. Statham)
19 October, 1967

Copy to:

Sir C. O'Neill
Sir H. Jackling
Mr. Morgan
Mr. Andrew
Mr. Hall