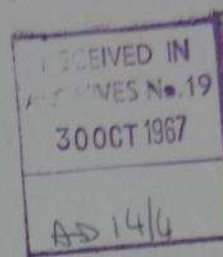


CONFIDENTIALSECRETARY OF STATETHE NON-PROLIFERATION TREATY NEGOTIATIONS

The negotiations for a non-proliferation treaty entered a new phase on 24 August, when the United States and Soviet co-Chairmen of the Eighteen Nation Disarmament Committee (E.N.D.C.) tabled a draft text, complete except for Article III (the Safeguards Article) which was left blank. They hoped that within a few weeks they would be able to fill this blank and that in the meantime the rest of the draft would be examined in the E.N.D.C. and provisional agreement reached on a final version, so that by the time a text of Article III was finally tabled there would be little left to do.

2. These hopes have not been realised. Though the E.N.D.C. has met regularly, little real progress has been made, and the draft text has come in for a great deal of criticism, some of it constructive and some unconstructive. Constructive criticism, for example, has come from the Mexican representative, who has proposed, with a view to meeting the wide demand for a treaty that provided for a balance of obligations between the nuclear and non-nuclear powers, that some of the pious aspirations in the preamble should be transformed into positive commitments in the body of the treaty. In particular, he has proposed that the nuclear powers should undertake definite obligations, first, to press ahead with meaningful discussion of genuine disarmament measures, and second, to ensure that the non-nuclear powers are not deprived of the potential benefits of peaceful nuclear explosions by their renunciation of the right to conduct such explosions themselves. Though the exact wording may cause difficulty, the idea behind such proposals is sensible enough and they attract a wide measure of support from the non-aligned nations represented on the E.N.D.C. On the other hand, some representatives have indulged in purely destructive criticism; none more so, unfortunately, than the Indian representative, who seems to think

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that non-proliferation means (or should mean) disarmament by the nuclear-weapon states as a first step and non-acquisition by the non-nuclear states as the second.

3. The only redeeming feature of the Indian reaction to the draft text is that they have not been pressing for security guarantees. Their line has been that security guarantees are no substitute for real security, which can only be based on nuclear disarmament. Other members of the E.N.D.C., however, are still concerned with security guarantees, and the Russians have recently been pressing the Americans to start discussions about how this demand can best be met. The co-Chairmen are agreed that some action will need to be taken, e.g. a U.N. resolution, possibly in conjunction with unilateral declarations by the nuclear powers, but so far Mr. Rusk has refused to focus on this problem. His view has been that it would be a tactical error to start working on Congress until there is a clear-cut need for security guarantees in order to get a non-proliferation treaty.

4. So far, the Americans and Russians have for the most part been content to sit back and listen to the debate. It was not easy for them to reach an agreed text and now that they have done so they understandably do not want to tinker with it more than is absolutely necessary. They are agreed on the need to avoid tying the treaty to other disarmament measures; on the other hand, they are anxious to show themselves as responsive as possible to non-aligned opinion.

Article III

5. While one set speech has followed another at Geneva with all too little visible result, the real centre of interest for the past six weeks has been the new Soviet compromise draft Article III, which the Americans have been trying to sell to

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their NATO allies. (There is a good deal of evidence that the draft was, in fact, a joint effort and owed at least as much to the Americans as to the Russians.) This draft represented a substantial shift in the Soviet position. Previously, they had always refused to recognise the existence of Euratom as an entity in its own right, and had insisted that the safeguards to be applied under the treaty must be exclusively those of the IAEA safeguards system. Their new draft made no explicit reference to Euratom or to safeguards systems other than that of the IAEA. There were however ambiguities in the text which, according to the Americans, the Russians were prepared to interpret in a way that would permit the negotiation of a safeguards agreement between Eur atom and the Agency of a kind which would make it possible for the Agency to verify Eur atom's safeguards system instead of applying its own.

6. The Soviet draft has on several occasions been discussed in the North Atlantic Council, but so far the Americans have been unable to obtain the agreement of the Council that it should be tabled in the E.N.D.C. As with the rest of the treaty, it is the Germans and Italians who have been giving the most difficulty. The Germans have contended that it is by no means clear that the text will permit what is apparently intended to permit, and that they cannot accept an ambiguous text on which a strained interpretation has to be put to give the required result. The Italians have supported them in this and have in addition continued to trot out the old rigmarole about discriminatory safeguards and commercial espionage, in spite of the confidential offers by ourselves and the United States to put our own civil nuclear facilities under IAEA safeguards. The Italians are not open to rational argument on this subject, but it seems to be generally assumed that they will give way if the Germans do.

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7. Much will depend on their reaction to the views of the Euratom Commission, which have just been formulated. These are that all five non-nuclear states of Euratom must adopt the same position towards the provisions of the treaty, otherwise they will jeopardise the nuclear common market; that member states should seek amendments to the Soviet proposed text of Article III; but that if these amendments are not obtained or are inadequate, they should formulate a reservation at an appropriate stage in the negotiations. It is expected that a final decision on this report will be taken by the Council of Ministers of the Community on 24 October.

Difficulties for Her Majesty's Government

8. From our point of view the Soviet text of Article III is by no means ideal, partly because we have applied for membership of Euratom and so share Euratom preoccupations to some extent, but partly for other reasons. The Ministry of Technology and the UKAEA are convinced that the IAEA's present safeguards system will need extensive alteration to meet the requirements of a non-proliferation treaty, and they have been afraid that the Soviet text would have the effect of freezing the present system. One reason why they are so concerned about this is that we shall ourselves be offering to put our civil nuclear facilities under IAEA safeguards, and fears have been expressed that the present system, if rigorously applied, could have adverse effects on our industry. Fortunately, these fears have now to some extent been dispelled by American assurances that everyone recognises the need for the Agency safeguards system to evolve and that the Soviet wording would not make this impossible. Subject to one or two amendments which the Americans think should prove negotiable with the Russians, we could now accept the Soviet text ourselves without real difficulty; but the same is not yet true of the Euratom countries.

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9. It has been difficult in recent weeks to strike the right balance between supporting the Americans in their attempts to get an agreed text and showing a proper regard for the difficulties of our European friends. So far we have been not unsuccessful in playing it both ways, and have been able to make one or two constructive suggestions for re-wording crucial passages in the draft. But the time is probably coming when we shall have to stand up and be counted. The First Committee of the U.N. General Assembly has altered the order of the items on its agenda in order to give the E.N.D.C. more time to conclude its work, but the E.N.D.C.'s session can hardly be continued beyond the end of the month. Though all will not necessarily be lost if the E.N.D.C. is not able to present a complete text to the General Assembly, the chances of getting a non-proliferation treaty will be greatly increased if they can do so. The Americans are therefore very anxious to join the Russians in tabling the Soviet text of Article III, with such amendments as they can negotiate, as soon as possible. Our European partners need not in fact do more than acquiesce in the tabling of a draft by the co-Chairmen on their own responsibility and without commitment by their allies. This is as far as the Germans and Italians have gone on the rest of the tabled treaty text. Even so, they may be reluctant to agree that the Soviet draft Article III should be tabled at all, as they realise that this could be regarded as tacit acceptance of the text on their part. We may therefore be faced with a situation in which the Germans and Italians refuse to agree that the Americans should table the text. Much would then depend on the attitude of Belgium and the Netherlands. If they were prepared to agree to the tabling of the text, we could clearly do so too. But if, as is much more likely, they reluctantly support their Euratom partners, we shall be in a real quandary.

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10. Even if the Euratom countries do agree, without commitment, to the text being tabled, we shall not be out of the wood, as the co-Chairmen will then probably try to get members of the Committee who favour the draft of the whole treaty to initial it before discussion in New York. Given our public stand on non-proliferation and the attitude of Parliament, it would be most difficult for us to stand aside in these circumstances. Unfortunately, the only other "European" member of the E.N.D.C. is Italy; and the Italians, who object to other features of the draft treaty apart from the Soviet draft Article III (they are resolutely opposed to a treaty of unlimited duration) will certainly not be ready to go as far as initialling the draft in the next few weeks. There is therefore a risk that we shall want to initial a treaty of major importance which the only Euratom representative on the E.N.D.C. is not prepared to initial. This will make it very difficult for us to keep our disarmament policy and our European policy in step.

11. I have asked the Department to prepare a separate submission recommending the policy we should follow in the face of this dilemma in various situations in which it is likely to arise over the next few weeks.

Fred Mulley

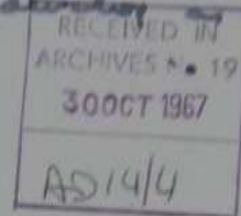
(Fred Mulley)
19 October, 1967

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that the situation is likely to develop as
he suggests in para 9.



J. Kinnis

19/x

Security State

I think the situation in Germany and Italy is frankly rather less simple than Mr. Statham takes it to be in his minute. The fact is that in both countries there are some people who are prepared to see a non-proliferation treaty, but naturally want it to take account of the interests of Euratom, and others who for various reasons do not want a treaty to be concluded at all, or not yet. Much of the play so far has been procrastination on their part to avoid their having to resolve this fundamental conflict within their own Governments. Brosio told me last week that this was certainly the case in Italy.

2. During Dr. Kiesinger's visit I believe we must do our best to get him firmly into the former camp. He must be brought to see that if he genuinely wants to promote a détente with the Soviet Union and other Eastern European countries, Germany cannot escape going through with the non-proliferation treaty. Of course we want to see Euratom's interests safeguarded, but the Euratom countries must tell the United States what they need in time for them to be able to negotiate on an acceptable basis with the Soviet co-Chairman. Many of their objections (never precisely framed) are not well-founded.

3. In the forthcoming discussions in the North Atlantic Council and at Geneva to agree a text for Article III, I think we should continue to speak in a generally European sense, but avoid getting out in front on any point.

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4. I cannot agree with Mr. Statham's comments as to timing. I would like to start the process of persuading our prospective European partners to take "a broader, more constructive view of world politics" next week with Dr. Kiesinger, as recommended. If we want to give some substance to the frequent claims in the past about our initiatives in this field, now is the time to do something about it. Also, we cannot postpone the issue until negotiations on the E.E.C. are on the way, since if the dilemma is forced upon us in New York it will be before Christmas, probably in 4-5 weeks time.

5. I trust we can avoid a situation arising in which we are called on to initial a text in Geneva which is not acceptable to the Italian Government. (The best solution may be not to have any initialling at all.) If however we can be seen to have supported the European cause right up to the point of tabling, I doubt whether our initial, once the text had passed the point at which we could do anything about it, would really do us serious harm.

6. In the light of our position on non-proliferation over a long period it seems to me impossible to explain to the Party and the House that we are willing to jeopardise a non-proliferation treaty at the behest of Germany and Italy who are, after all, not being so willing to sacrifice anything on our behalf to get us into Euratom.

7. For these reasons I see much merit in making the Federal German Chancellor (and Euratom and Italy) fully aware of the problem for us if this confrontation becomes public, and leave them in no doubt that in such circumstances we must strongly back the draft Treaty. This is the course I recommend.

8. If you wish to consult your colleagues on these issues, the separate submission on the course of the negotiations may prove a suitable basis for a

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paper. I am sorry it is so long. I have seen the brief for the Kiesinger talks on this subject. It seems satisfactory but it may need some amendment, as to emphasis, in the light of your views on this submission. I have also asked for some additional material to be prepared to meet some possible new developments.

Fred Mulley

(Fred Mulley)
20 October, 1967

Copies to: Lord Chalfont
Sir C. O'Neill
Sir J. Rennie
Sir R. Jackling

S.g.s.

Mr Mulley discussed this with Lord Chalfont this morning. Lord Chalfont agrees with the arguments in Mr Mulley's minute.

Meanwhile Sir B Grand has suggested that the Kiesinger brief on non-proliferation should be made more European.

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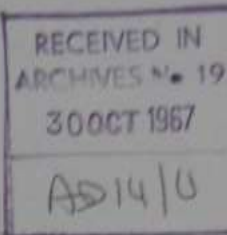
Now see the amendments to the Kiesinger brief proposed in Sir R. Jackling's minute.

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Sir J. RennieNON-PROLIFERATION TREATYProblem

There has been encouraging progress on the non-proliferation treaty in the last two months. But the remaining problems could cause trouble. Specifically we must avoid any conflict between our European and disarmament policies. A number of occasions are likely to arise in the near future when we shall have to balance our policy of seeking to secure a non-proliferation treaty and the general support that exists for it in this country against the danger that can be done by differences with our prospective Common Market partners, in particular the Germans and Italians.

2. This situation is likely to arise specifically during the following occasions in the forthcoming weeks:

- (i) During the visit of the Federal German Chancellor;
- (ii) At the North Atlantic Council meeting, probably to be held on 25 October;
- (iii) In Geneva if the two Co-Chairmen table a text which is not acceptable to Germany, Italy or Euratom;
- (iv) If the Co-Chairmen table a draft Article III on Safeguards at Geneva on their own responsibility, in which the Europeans have acquiesced, and ask that the draft should be initialled before transmission to the U.N. General Assembly; but the Italians find themselves unable to initial.

Recommendation

3. I recommend that:

- (i) During Dr. Kiesinger's visit we should adopt a robust line in urging on him the need to reach a solution of the safeguards problem in the non-proliferation treaty;
- (ii) Unless the Euratom decision is unexpectedly favourable, we should not take a prominent part in the North Atlantic Council meeting on 25 October but should rely, as we have effectively been doing so far, on bilateral approaches coupled with cautious support for the American line;

/(iii)

c.c. Sir R. Jackling;
 Sir Con O'Neill
 Mr. Statham
 Mr. Hall
 Mr. Morgan

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- (iii) We should do our best to ensure that the U.S. does not agree to table a draft text of Article III which Germany, Italy or Euratom have made clear is unacceptable;
- (iv) We should if possible press the Americans in advance to defer initialling at Geneva if the Italians are clearly going to be unable to do so, while urging the alternative of opening the treaty text for initialling at New York; if this solution is not possible we should be prepared to initial.

E.E.I.D. however disagree with this recommendation and are submitting a note of their views.

Background

4. The present stage of the non-proliferation negotiations is set out in the attached note. Briefly, on the all-important safeguards question we have reached the point where the Euratom Commission has put forward strong recommendations regarding Article III which are not likely to be welcome to the Russians, but nevertheless seem to offer the possibility of agreement in NATO that the Americans should go ahead with their discussions with the Russians on a compromise text to be tabled by the two Co-Chairmen on their own responsibility and without commitment by their allies.

5. We do not yet know what view the member states of Euratom will adopt on these recommendations. We should know more clearly after the Council of Ministers has considered this question at luncheon on 24 October. The Americans intend to call for a further special meeting of the North Atlantic Council as soon as a decision has been reached, presumably on 25 October.

6. We have already given instructions for further bilateral approaches to the Euratom countries concerned to urge the need for a rapid and reasonable solution of this problem. The German Chancellor's visit, once the major question of our E.E.C. application has been dealt with, offers an opportunity to reinforce the official approach by pointing out to him the strength of support for a non-proliferation treaty in this country and the prevalent feeling that time is running out if we are to seize the chance of a treaty. There is reason to believe that if we can persuade the Germans, the Italians, in spite of their apparently stronger objections, should follow the same line.

7. If, as can be assumed, the non-nuclear members of Euratom generally adopt the Commission's recommendations on 24 October, this will give the Americans an opening to seek authority to continue negotiations on a compromise wording for Article III with the Russians at Geneva. We should cautiously support this line but should not get out ahead of the Americans since this move will only be very reluctantly agreed by the Germans and Italians.

8. If the American and Russian Co-Chairmen were to go ahead and table in the face of a flat veto from the Europeans, this /would

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would prejudice the chance of a treaty. The Canadians have recently advocated this course to us, but the Americans, on the other hand, have shown much more awareness of the need to carry the Euratom countries with them. I do not think we need rate this danger very high, but we should see that the Americans remain aware of the European aspects and our need to take them into account. It is of course possible that the Russians might table by themselves, but this should not pose the same dilemma as it would probably mean that they had given up immediate hope of a treaty and intended to revert to propaganda.

9. The most likely situation to arise is that the Americans will get the Europeans initially to acquiesce in the tabling of a draft at Geneva by the Co-Chairmen on their own responsibility and without commitment by their allies. The Americans have said that they would then hope that members of the Eighteen Nation Disarmament Committee who favour the draft would initial it before forwarding the treaty text to the U.N. General Assembly. There is a danger that Italy, which is the only E.E.C. member in the E.M.D.C., would not be able to initial. Even if the Safeguards Article had been settled satisfactorily from their point of view, there are other Italian objections to the treaty on which they may wish to stand. Given our public attitude on non-proliferation, and that of Parliament, it would be most difficult for us to stand aside in these circumstances.

10. In this situation our first efforts should be directed towards persuading the Americans, and the Russians as well, to defer initialling the treaty until it has been presented to the General Assembly. In this wider forum our initialling would not be regarded so much as a blow at our European image, and we might even count on Belgium and the Netherlands initialling with us. If, however, we fail to get the initialling deferred in this way, which is a distinct possibility, then we shall have to declare openly our support for the treaty text in whose negotiation we have played such a part, and explain our reasons frankly to our European allies. Any other course would not be understood in this country.

R. McC. Andrew

(R. McC. Andrew)
19 October, 1967.

*We are faced with a strongly dissenting
view by EECD (Mr. Blathorn's minute of 19 October).
On balance I support Mr. Andrew. I believe
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[that*

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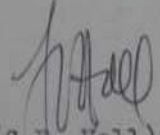
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Lord Hood
Sir J. Rennie*(away till 30/10)*NON-PROLIFERATION TREATY -629

Mr. Andrew's submission to you of 19 October was seen and agreed by me at an early stage when it did not contain the recommendations to which Mr. Statham objects. I did not see the version submitted to you, nor do I agree with it.

2. Apart from the points made by Mr. Statham in his minute of 19 October, with which I agree, I should add that taking "a robust line" with Dr. Kiesinger and being prepared to initial the draft Treaty at Geneva if the Italians are unable to do so, could adversely affect our commercial nuclear interests in both Germany and Italy.


(G.E. Hall)
20 October 1967.

Copied to: Mr. R. Mc. Andrew
Sir R. Jackling
Sir C. O'Neill
Mr. Statham
Mr. Morgan

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NE(67) 6th Meeting

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CABINET

COMMITTEE ON SAFEGUARDS FOR NUCLEAR MATERIALS

MINUTES of a Meeting held in
Conference Room 'G', Cabinet Office, S.W.1., on
MONDAY, 23rd OCTOBER 1967 at 2.30 p.m.PRESENT:Mr. E.F. Newley,
Atomic Energy Authority
(In the Chair)Mr. R.C. Hope-Jones,
Foreign OfficeMr. V.H.R. Macklen,
Ministry of DefenceMr. M.I. Michaels,
Ministry of TechnologyDr. R. Press,
Cabinet OfficeTHE FOLLOWING WERE ALSO PRESENT:Mr. R. McC. Andrew,
Foreign OfficeMr. A.C. Stuart,
Foreign OfficeMr. C. Hall,
Foreign OfficeDr. P.H. Panton,
Ministry of DefenceMr. J. McAdam Clark,
Ministry of TechnologyMr. J.L. Croome,
Atomic Energy AuthoritySECRETARIAT:Dr. T. Swain
Mr. K.W.N. GeorgeC O N T E N T S:

<u>Item No.</u>	<u>Subject</u>	<u>Page</u>
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2.	A REPORT ON THE RECENT DISCUSSIONS WITH THE UNITED STATES REPRESENTATIVES AT VIENNA	3
3.	PEACEFUL NUCLEAR EXPLOSIONS IN THE CONTEXT OF A NON-PROLIFERATION TREATY	5

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1. REPORT ON THE LATEST POSITION IN ENDC

MR. ANDREWS said there had been several developments during the last month in relation to the nuclear proliferation treaty. The United States had set out a number of proposals for changes in the Russian text of Article III on which we had made comments. The United States Disarmament Agency had taken up one of the alternative proposals we had made (that "each non-nuclear weapon State party to this treaty undertakes to accept IAEA safeguards as set forth in an agreement to be negotiated for this purpose with the IAEA") but wanted to know whether EURATOM support would be forthcoming. The Americans appeared to us to be taking the easy way out, but it was possible that they had not fully understood the implications of the other alternatives we put before them. Discussions with the Canadians had tended to confirm this suspicion, and our proposals had, therefore, been outlined more fully in the bilateral approaches we had made to EURATOM countries. The Americans, although initially restive, had now agreed that they should hold no further discussions with the USSR until the EURATOM response was known. The discussions held in NATO again confirmed that our alternative proposals for Article III were not entirely understood by our partners and no positive line has emerged. It seems possible, however, that the next meeting of the NATO Council might lead to some definite agreement, since by then the attitude of the EURATOM countries should be known. The EURATOM Commission had now outlined its own proposals in relation to the non-proliferation treaty. Briefly these were that -

- (i) all five non-nuclear states must adopt the same attitude in relation to the provisions of the treaty;
- (ii) that the Russian draft Article III should be amended; and
- (iii) that if amendments to Article III were regarded as inadequate then a formal reservation should be entered.

The United States reaction to the Commission's report was that the idea of a "formal reservation" would not be negotiable with the Russians. The Belgians are also opposed to the idea of a formal reservation, and proposed that no country should ratify the treaty until a satisfactory IAEA-EURATOM agreement had been reached. The Germans are also against reservation, and instead have put forward a number of amendments to the Soviet draft Article III which, to our mind, are not negotiable. The full text of the German proposals has now been received and would be discussed during the present visit to this country of the German Chancellor, Dr. Kiesinger who was accompanied by Dr. Schnippenkoetter. The Italians had only outlined their views in general terms, but these were unhelpful. They had held a debate in their Senate in which our intention to offer certain of our facilities to safeguards was mentioned, but this does not seem to have aroused much comment.

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In discussion it was suggested that the United States, although acknowledging that our approach to the European Economic Community precludes us from outspoken comment, were anxious to know our real views on the proposals formulated by the EURATOM countries. The difficulty facing the United Kingdom, was that our approach to safeguards provisions for the non-proliferation treaty was more in accord with the views of EURATOM countries than it was with those of the United States. It would be better, therefore, to hold out hand until the Council of Ministers of the EEC had met to decide their line on the EURATOM Commission report.

The ENDC was expected to report to the United Nations General Assembly by mid-November and, therefore, a text of the draft non-proliferation treaty, including Article III, should be tabled in about two weeks' time. Although a number of amendments had been suggested to other sections of the treaty, it was believed that these could be agreed by the Co-Chairman before the report was tabled. If the whole of the treaty had been agreed before submission to the General Assembly, it seemed unlikely that any further amendments would be allowed. There was a danger, however, that if the treaty was incomplete, or contained alternative versions of any section, the General Assembly might agree to a text which was unacceptable to any of the signatories. For this reason the United States had asked for agreed articles to be initialled by signatories. We had resisted this until we had more knowledge of the attitude of EURATOM countries, especially Germany and Italy.

The Committee -
Took note.

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RECORD OF DISCUSSION WITH DR. SCHNIPPENKÖTTERON WEDNESDAY, 25 OCTOBER, 1967

Place: Foreign Office,
4 Central Buildings,
Matthew Parker Street.

Present:

Dr. Schnippenkötter

Mr. Hope-Jones
Mr. Andrew
Mr. Stuart
Mr. Steven

*Copies have
been sent to
Geneva, Brussels
Bonn, Washington
copy to Dr. O'Neill
then R/A
21/10*

Dr. Schnippenkötter said that in order to explain the decisions reached at Luxembourg on 24 October he would first have to fill in the background a little. There had been difficulties in the German Cabinet over Article III, and Ministers were not willing to depart lightly from the principles established by Mr. Rusk's letter of May. The German intention was to find a wording for the Article compatible with the Euratom treaty and at the same time negotiable to the Soviet Union.

2. The six Foreign Ministers had discussed this at luncheon on 24 October, but not surprisingly no agreement had been reached at this level on such a technical subject. The only point on which they had agreed was that the five non-nuclear States of Euratom must adopt a common attitude: they then handed the details over to the experts to solve in the afternoon. The experts' meeting was also not a complete success, but agreement was reached on certain principles. It emerged from the Euratom Commission Report that the Soviet text and the Netherlands amendments thereto, and the Western draft of May, were all considered incompatible with the Euratom Treaty. If a version /was

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was put forward ~~under Article 105~~ on which there were legal doubts about the possibility of signatures by the members of Euratom, then this would have to be referred to the High Court of Justice and the result would be interminable wrangles. It had been agreed therefore that this course must be avoided.

3. Dr. Schnippenkötter mentioned in this connexion that there was a specific German problem in that the Federal German Republic was peculiarly liable to defamation by the Soviet Union. For this reason the Germans required a clear and unambiguous text. The reservation formula would jeopardise their position and expose them to such attacks. It was true therefore that they had more interest than the Dutch and Belgians, for instance, in a water-tight text. Mr. Hope-Jones pointed out that if the multilateral negotiations for the Euratom/I.A.E.A. Safeguards Agreement produced results unwelcome to the Soviet Union, the latter's fire would have to be directed against the Board of Governors just as much as Euratom. Dr. Schnippenkötter did not seem certain of this in view of the previous Soviet record.

4. Dr. Schnippenkötter listed the principles on which the Euratom countries were agreed:-

- (a) Safeguards must be only on source and fissionable materials;
- (b) Nothing should be in the text of the Article which could prevent Euratom from playing its part in the negotiations, this implied that it must be possible for Euratom itself to conclude an agreement under the Treaty;
- (c) The substance of such an agreement should clearly allow for verification of Euratom safeguards;
- (d) Nothing should jeopardise the existing position regarding supply of fissile material (this was an Italian point and

/he

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he did not quite know what they had in mind);

(e) No guillotine.

5. He said he now recognised that there were two aspects to the guillotine,

(i) A fall-back to compulsory I.A.E.A. safeguards if agreement was not reached within the necessary period, although he realised that in practice this might be impossible, it was nevertheless envisaged in the U.S. and Soviet drafts;

(ii) The imposition of sanctions if agreement had not been reached after the delai impératif. It had, for example, been suggested that fissile material could not be supplied to a state which had not completed an agreement within the time limit.

6. In reply to questions about what the next steps would be, Dr. Schnippenkötter said that the representatives would try for common language for amendments on 26 October. If agreement could then be reached they would ask for an early meeting of the North Atlantic Council to discuss the Euratom draft. The Commission had said that the proposed German text was compatible with the Euratom Treaty. An agreed text must be worked out. From the German point of view, the original American text had been regarded as compatible but the Commission had objected to the guillotine provision.

7. Discussion then turned to the text of the German and United Kingdom proposals. Dr. Schnippenkötter said that the Germans had followed the basic philosophy of the United Kingdom in replacing the reference to the acceptance of I.A.E.A. safeguards by an undertaking to reach an agreement with the I.A.E.A. This was both more realistic, since it reflected the normal process /of

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of applying safeguards through an I.A.E.A. agreement, and also more acceptable to Euratom since it left open the possibility of verification.

8. Mr. Hope-Jones asked whether the Germans were insistent on running together the first sentences of paragraphs 1 and 4 of the Soviet draft. We ourselves started from the position that, provided we got what we wanted, it would be better to change the Soviet draft as little as possible since this would be more negotiable. Although he himself had originally suggested the transfer of the substance of the first sentence of paragraph 4 of the Soviet text to paragraph 1, we now wondered whether it might not be better to leave paragraph 4 as far as possible in its present form, while at the same time introducing the concept of Agreements into paragraph 1.

9. Dr. Schnippenkötter replied that the Germans were not bound to any particular language, they wanted simply to establish their requirements. These were first a text which did not refer to "I.A.E.A. safeguards". This they regarded as absolutely essential, since any reference to I.A.E.A. safeguards would rule out verification. Second, the text must leave open the possibility of all three types of agreement with the I.A.E.A., (a) bilateral, (b) multilateral, and (c) agreement with an organisation (i.e. Euratom). Although the Russians had said that their reference to the I.A.E.A. Statute in paragraph 4 was intended to cover all three types of agreement, they had in fact only referred specifically to the first two. Although the Germans were prepared to accept agreed interpretations which underlined the meaning of the text, they would not be satisfied /if the

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if the interpretations appeared to run counter to the actual language of the treaty. Since agreements with organisations appeared to have been deliberately excluded, and since Article XIV of the I.A.E.A. Statute ostensibly dealt with Relationship and not Safeguards Agreements, they were not satisfied that interpretations would be enough to make the Russian text acceptable.

10. Although they had proposed rather complicated language for paragraph 1 in order to rectify this defect, he himself wondered whether it might not also be possible to do without any reference to types of agreement and to refer simply to the I.A.E.A. Statute. The deletion of specific references to the first two forms of agreement might make it possible to establish all three types by means of interpretations. He emphasised, however, that he was speaking personally; that the German draft had been cleared by the Federal German Cabinet; and that he had no authority to change it on his own.

11. Mr. Hope-Jones said that although we had no knowledge of what was or was not negotiable, apart from what the Americans told us, he thought that if Dr. Schnippenkötter's idea proved acceptable to Euratom it would greatly improve the chances of Russian agreement.

12. Dr. Schnippenkötter said that, if this was agreed, the redraft of the first sentence of paragraph 1 of the Soviet draft would then read:-

" . . . to have safeguards as set forth in agreements negotiated and concluded with the International Atomic Energy Agency as provided in the Agency's Statute. Conclusion of such /agreements

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agreements shall be facilitated by members of the International Atomic Energy Agency and other parties to the treaty."

He also pointed out that " - to accept safeguards - " in the Soviet draft had been changed to " - to have safeguards - " in the German text. The reason was that they wanted verification of Euratom safeguards, which already existed. There was no question of accepting something new.

13. Mr. Hope-Jones then asked about the proposed German amendments to the second and third sentences of the first paragraph. The Americans had said that the Russians would not accept the deletion of all reference to the I.A.E.A. Safeguards System and would probably insist on keeping the rest of the second and third sentences as well. We preferred deletion, but had suggested ways in which this passage might be improved if deletion was impossible. What did the Germans think?

14. Dr. Schnippenkötter replied that although they thought the U.K. suggestions were an improvement on the Russian and American proposals, the German Government were insistent on the deletion of the third sentence, since they did not want any reference to safeguards on facilities. And while, unlike the Dutch, they were prepared to let the second sentence stand, the reference to the I.A.E.A. system must be deleted, since this implied both that the system would be frozen and also that it would have to be applied, thus ruling out verification.

15. The German Government also required the deletion of the words " . . . or carried out by it anywhere" in the fourth sentence of the first paragraph. For the Euratom area these words were /unnecessary,

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unnecessary, since Euratom safeguards would continue to operate under verification arrangements and would cover, for example, German installations in France. In the rest of the world, if a party to the treaty tried to set up a nuclear plant in the territory of a non-nuclear non-party, then safeguards would be automatically applied to the transferred materials and equipment by the operation of paragraph 2.

16. Mr. Hope-Jones suggested that the latter would not in fact be the case. Paragraph 2 dealt with the provision of materials and equipment to other states. But if the exporting state used the material itself in another country, then there would be no such provision and paragraph 2 would not apply.

17. Mr. Hope-Jones then turned to the German suggestion that paragraph 2 should apply to transfers for peaceful purposes to nuclear-weapon states as well as non-nuclears. We did not believe that the Russians would accept this. We also doubted whether France would in the long run, whatever they might say now. Even verification would involve some form of I.A.E.A. "checking", which would be unwelcome to the French. We would also have some difficulty about the proposal ourselves.

18. Dr. Schnippenkötter expressed some surprise that the proposal would cause any problem for the U.K. in view of our own safeguards offer. He had been assured that the French would accept it. It was important to introduce the principle of non-discrimination as far as possible.

19. It was agreed that the German proposal to insert a reference to preambular undertakings in paragraph 3 was acceptable. Finally Dr. Schnippenkötter explained that the idea of leaving /blanks

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blanks in paragraph 4 instead of the proposed fixed periods during which agreements must be reached, derived from the Italians, who were worried about the guillotine.

ATOMIC ENERGY & DISARMAMENT DEPARTMENT

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CONFIDENTIALNON-PROLIFERATION

In our attitude to the non-proliferation treaty, and in particular to the draft Article III on safeguards which is the principal concern of Euratom and its European members, we have managed so far to perform an adequate balancing act: we have taken satisfactory account of the Euratom objections and at the same time assisted the Americans by steering our European allies towards more acceptable solutions.

2. Time is now getting short. It is generally assumed that the Eighteen Nation Disarmament Committee must report to the United Nations Secretary General by mid-November at the latest. This means that unless the Russians show themselves unexpectedly sympathetic towards amendments of their draft Article III which meet Euratom requirements in full, the Americans are likely to find themselves at loggerheads with the Euratom countries. Both sides would then look for our support.

3. It is difficult to foresee the exact course of the future negotiations, but the following are the main possibilities:-

/(a)

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- (a) No agreement is reached on the text of Article III on safeguards and the non-proliferation treaty text is forwarded to the United Nations with this Article left blank. This, as we have emphasised to our European friends, could leave a dangerous gap which might well be filled by U.N. members proposing an Article III that would be unpalatable. It might also, like the Swedish draft, be unpalatable to us, but in that case it would probably be unacceptable to the Russians too. If, however, it was acceptable to us but not to Euratom, we should face a difficult decision.
- (b) No agreement is reached on Article III and the Russians and Americans forward the treaty, both tabling at the same time their own version of the Article. Provided the text tabled by the Americans was acceptable to Euratom (which cannot be taken completely for granted), our course would be clear. But in these circumstances there would be little hope of final agreement.
- (c) The Americans and the Russians as co-chairmen go ahead on their own and table a joint draft Article III which is quite unacceptable to the members of Euratom. The Canadians have in fact already urged this course. Such an Article III would probably be acceptable to us as a nuclear power, but we should face the same kind of decision as at (a). Fortunately, this situation is rather unlikely to arise because the /Americans

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Americans are now showing themselves more fully aware of the need to carry the European allies with them.

- (d) The Americans get the Europeans to acquiesce in the tabling of a draft Article III at Geneva by the co-chairmen on their own responsibility and without commitment by their allies. This would suit us best, but the Americans have said that they would then hope that members of the E.N.D.C. who favoured the complete draft treaty would initial it.

4. This last possibility is the one that is of most immediate concern to us, since it is most improbable that Italy (the only representative of Euratom in the E.N.D.C.) would feel able to initial the draft, and we ourselves would obviously wish to do so. Fortunately, however, there are signs that the Americans may not find initialling at Geneva practicable. For one thing, governments will presumably require some time to consider the draft, and time is running out. In addition, even such a reasonable non-aligned member as Sweden has been expressing doubts about the possibility of early approval. If initialling were to be deferred until the draft was in the hands of the U.N. General Assembly, we should not find quite as much difficulty in differing with the Italians in that wider forum.

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5. The Minister of State has said in the attached minute:-

"I trust we can avoid a situation arising in which we are called on to initial a text in Geneva which is not acceptable to the Italian Government. (The best solution may be not to have any initialling at all.) If however we can be seen to have supported the European cause right up to the point of tabling, I doubt whether our initial, once the text had passed the point at which we could do anything about it, would really do us serious harm."

6. There remains our policy towards the Euratom position during the intervening period. On this the Minister of State has minuted:-

"In the forthcoming discussions in the North Atlantic Council and at Geneva to agree a text for Article III, I think we should continue to speak in a generally European sense, but avoid getting out in front on any point."

7. This recommendation accords with the further information we now have on the German position from Dr. Kiesinger and Dr. Schnippenkötter, and on the likely progress towards agreement in Euratom. It is clear that the two main /German

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reservations remaining on the treaty concern Article III and the Russian propaganda campaign against them. On the propaganda point we are making separate recommendations. As regards Article III, the eventual Euratom position seems likely to be based on the German proposals for amendments. We should try to assist in ensuring that these proposals are negotiable with the Russians while still compatible with Germany's true interests. In this we shall work with and, we hope, be supported by the Dutch and the Belgians who favour moderation. The Italian objections to the treaty remain multifarious and vague. But since their recent Parliamentary debate there are signs that they are taking a more moderate line, and our estimate is that if we can reach a solution satisfactory to the Germans we should not at any point during the process have to reckon with serious Italian opposition.

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NI(67) 6th Meeting

COPY NO. 24

CABINET

COMMITTEE ON SAFEGUARDS FOR NUCLEAR MATERIALS

MINUTES of a Meeting held in
Conference Room 'C', Cabinet Office, S.W.1., on
MONDAY, 23rd OCTOBER 1967 at 2.30 p.m.

PRESENT:

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

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

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. McC. Andrew,
Foreign Office

Mr. A.C. Stuart,
Foreign Office

Mr. C. Hall,
Foreign Office

Dr. F.H. Panton,
Ministry of Defence

Mr. J. McAdam Clark,
Ministry of Technology

Mr. J.L. Croome,
Atomic Energy Authority

SECRETARIAT:

Dr. T. Swain
Mr. K.W.N. George

C O N T E N T S:

<u>Item No.</u>	<u>Subject</u>	<u>Page</u>
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2.	A REPORT ON THE RECENT DISCUSSIONS WITH THE UNITED STATES REPRESENTATIVES AT VIENNA	3
3.	PEACEFUL NUCLEAR EXPLOSIONS IN THE CONTEXT OF A NON-PROLIFERATION TREATY	5

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1. REPORT ON THE LATEST POSITION IN NPT

MR. ANDREJS said there had been several developments during the last month in relation to the nuclear proliferation treaty. The United States had set out a number of proposals for changes in the Russian text of Article III on which we had made comments. The United States Disarmament Agency had taken up one of the alternative proposals we had made (that "each non-nuclear weapon State party to this treaty undertakes to accept IAEA safeguards as set forth in an agreement to be negotiated for this purpose with the IAEA") but wanted to know whether EURATOM support would be forthcoming. The Americans appeared to us to be taking the easy way out, but it was possible that they had not fully understood the implications of the other alternatives we put before them. Discussions with the Canadians had tended to confirm this suspicion, and our proposals had, therefore, been outlined more fully in the bilateral approaches we had made to EURATOM countries. The Americans, although initially restive, had now agreed that they should hold no further discussions with the USSR until the EURATOM response was known. The discussions held in NATO again confirmed that our alternative proposals for Article III were not entirely understood by our partners and no positive line has emerged. It seems possible, however, that the next meeting of the NATO Council might lead to some definite agreement, since by then the attitude of the EURATOM countries should be known. The EURATOM Commission had now outlined its own proposals in relation to the non-proliferation treaty. Briefly these were that -

- (i) all five non-nuclear states must adopt the same attitude in relation to the provisions of the treaty;
- (ii) that the Russian draft Article III should be amended;
- and
- (iii) that if amendments to Article III were regarded as inadequate then a formal reservation should be entered.

The United States reaction to the Commission's report was that the idea of a "formal reservation" would not be negotiable with the Russians. The Belgians are also opposed to the idea of a formal reservation, and proposed that no country should ratify the treaty until a satisfactory IAEA-EURATOM agreement had been reached. The Germans are also against reservation, and instead have put forward a number of amendments to the Soviet draft Article III which, to our mind, are not negotiable. The full text of the German proposals has now been received and would be discussed during the present visit to this country of the German Chancellor, Dr. Kiesinger who was accompanied by Dr. Schnippenkoetter. The Italians had only outlined their views in general terms, but these were unhelpful. They had held a debate in their Senate in which our intention to offer certain of our facilities to safeguards was mentioned, but this does not seem to have aroused much comment.

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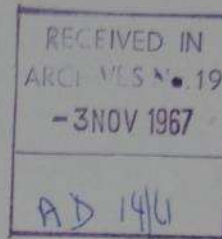
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In discussion it was suggested that the United States, although acknowledging that our approach to the European Economic Community precludes us from outspoken comment, were anxious to know our real views on the proposals formulated by the EURATOM countries. The difficulty facing the United Kingdom, was that our approach to safeguards provisions for the non-proliferation treaty was more in accord with the views of EURATOM countries than it was with those of the United States. It would be better, therefore, to hold out hand until the Council of Ministers of the EEC had met to decide their line on the EURATOM Commission report.

The ENDC was expected to report to the United Nations General Assembly by mid-November and, therefore, a text of the draft non-proliferation treaty, including Article III, should be tabled in about two weeks' time. Although a number of amendments had been suggested to other sections of the treaty, it was believed that these could be agreed by the Co-Chairman before the report was tabled. If the whole of the treaty had been agreed before submission to the General Assembly, it seemed unlikely that any further amendments would be allowed. There was a danger, however, that if the treaty was incomplete, or contained alternative versions of any section, the General Assembly might agree to a text which was unacceptable to any of the signatories. For this reason the United States had asked for agreed articles to be initialled by signatories. We had resisted this until we had more knowledge of the attitude of EURATOM countries, especially Germany and Italy.

The Committee -
Took note.

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I attach the paper asked for by Mr. Maitland and Mr. Wright in their minutes of 24 October. I realise that it is not quite what was envisaged, but the request was based on the assumption that there is a continuing difference of opinion within the Office on the line we should follow. In fact this difference of opinion was resolved

Flag B

by Mr. Mulley's minute of 20 October, since the arguments in this minute were accepted by Lord Chalfont.

2. Though the paper has been slightly amended since being agreed with E.E.I.D., none of the amendments involve policy issues.

R. C. Hope-Jones

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

c.c. Mr. O'Neill;
Mr. Morland;
Sir C. O'Neill;
Sir R. Jackling;
E.E.I.D.;
S.R.D.;
Western Dept.

Since there is at
this moment no difference of
opinion within the Office
I see no need to
alter the V/S with the

M. Wright
M. Maitland

ST PAPER

V/S
28/11

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Now see new
paper P/A AD 2/10

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NON-PROLIFERATION

In our attitude to the non-proliferation treaty, and in particular to the draft Article III on safeguards which is the principal concern of Euratom and its European members, we have managed so far to perform an adequate balancing act: we have taken satisfactory account of the Euratom objections and at the same time assisted the Americans by steering our European allies towards more acceptable solutions.

2. Time is now getting short. It is generally assumed that the Eighteen Nation Disarmament Committee must report to the United Nations Secretary General by mid-November at the latest. This means that unless the Russians show themselves unexpectedly sympathetic towards amendments of their draft Article III which meet Euratom requirements in full, the Americans are likely to find themselves at loggerheads with the Euratom countries. Both sides would then look for our support.

3. It is difficult to foresee the exact course of the future negotiations, but the following are the main possibilities:-

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- (a) No agreement is reached on the text of Article III on safeguards and the non-proliferation treaty text is forwarded to the United Nations with this Article left blank. This, as we have emphasised to our European friends, could leave a dangerous gap which might well be filled by U.N. members proposing an Article III that would be unpalatable. It might also, like the Swedish draft, be unpalatable to us, but in that case it would probably be unacceptable to the Russians too. If, however, it was acceptable to us but not to Euratom, we should face a difficult decision.
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- (c) The Americans and the Russians as co-chairmen go ahead on their own and table a joint draft Article III which is quite unacceptable to the members of Euratom. The Canadians have in fact already urged this course. Such an Article III would probably be acceptable to us as a nuclear power, but we should face the same kind of decision as at (a). Fortunately, this situation is rather unlikely to arise because the /Americans

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- (d) The Americans get the Europeans to acquiesce in the tabling of a draft Article III at Geneva by the co-chairmen on their own responsibility and without commitment by their allies. This would suit us best, but the Americans have said that they would then hope that members of the E.N.D.C. who favoured the complete draft treaty would initial it.

4. This last possibility is the one that is of most immediate concern to us, since it is most improbable that Italy (the only representative of Euratom in the E.N.D.C.) would feel able to initial the draft, and we ourselves would obviously wish to do so. Fortunately, however, there are signs that the Americans may not find initialling at Geneva practicable. For one thing, governments will presumably require some time to consider the draft, and time is running out. In addition, even such a reasonable non-aligned member as Sweden has been expressing doubts about the possibility of early approval. If initialling were to be deferred until the draft was in the hands of the U.N. General Assembly, we should not find quite as much difficulty in differing with the Italians in that wider forum.

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RECORD OF CONVERSATION BETWEEN
THE MINISTER OF STATE FOR FOREIGN AFFAIRS AND
THE INSPECTOR-GENERAL OF THE
INTERNATIONAL ATOMIC ENERGY AGENCY
AT THE FOREIGN OFFICE
AT 11 a.m. ON 30 OCTOBER, 1967

Present: Rt. Hon. Fred Mulley, M.P. Mr. Alan McKnight
Mr. R. C. Hope-Jones
Mr. R. J. O'Neill

Invited by Mr. Mulley to comment on the negotiations over the Safeguards Article in the draft non-proliferation treaty, Mr. McKnight said that, as seen from Vienna, the Soviet Union and other Eastern European countries except Rumania were leading the field in pressing for a strong safeguards system. India seemed less obdurate in her opposition to safeguards than in the past, but he thought she would still take some months to come round. Mr. Mulley commented that he thought India was bound to sign the treaty in the end, and Indian objections were less to safeguards than to the ideas underlying the treaty itself.

2. On the scope for negotiating an agreement between the International Atomic Energy Agency (I.A.E.A.) and Euratom, Mr. McKnight said that the Agency considered the Euratom safeguards system to be quite good, in particular their methods for recording transfers of nuclear material, but Euratom should pay more attention to the technical verification of inventories. A complete record was maintained in Brussels of the quantities and whereabouts of all nuclear materials within the Community. An agreement between I.A.E.A. and Euratom would, in his opinion, have to provide for the I.A.E.A.:-

- (i) To receive full details of the Euratom system;
- (ii) To be able to assure itself that the Euratom system remained effective, e.g. by a 5 per cent. check on notifications of transfers;
- (iii) To be able to check the methods used in book audits;

/(iv)

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- (iv) To receive the written instructions given to Euratom inspectors for the physical verification of book returns. This should enable the Agency to satisfy itself of the efficacy of the Euratom system, and that it was compatible with that of the I.A.E.A. The Agency would also require -
- (v) The power to ascertain by physical verification that Euratom inspections were in fact carried out. The Agency would need the right to do this on a random and sample basis.

3. Taking the problem of inspection of the Eurochemic plant as an example, the I.A.E.A. would want to be able -

- (i) To put in its own standard samples for analysis by the Eurochemic control team;
- (ii) To follow through the process of inspection; and also
- (iii) To carry out an independent verification of a proportion of the analyses carried out by Eurochemic.

This last power was necessary since if, as was likely, the normal method of safeguards control was to be through mass spectroscopy, the accuracy of the instruments used was of vital importance. There would also be political value in being able to carry out these checks in laboratories in a neutral country, e.g. Sweden or Yugoslavia. The Agency would not need to keep an inspector permanently in the Eurochemic plant (where there were four Euratom inspectors), but would wish to visit the plant some six to ten times a year. The details of how the I.A.E.A. would verify the Euratom safeguards system need not be written into the agreement between Euratom and the I.A.E.A. In practice, many of the fears expressed by Euratom would be likely to prove groundless: the British experience of the I.A.E.A. inspections at Bradwell, for example, tended, he thought, to bear this out.

4. Mr. Mulley commented that it was a question of striking the delicate balance between an agreement which Euratom felt able to accept without losing "face", and one which was also acceptable to the Soviet Union as being effective. The Soviet Government would not accept "self-inspection". Mr. Hope-Jones said he thought that for this reason the I.A.E.A./Euratom agreement would /Probably

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probably have to be rather more specific than Mr. McKnight had suggested. Both sides would wish to be clear from the outset what obligations they were accepting.

5. Mr. McKnight said he would wish to see provision made in any agreement for a review of its provisions after they had been in operation for twelve months. Euratom had in fact already given the United States the right to verify the Euratom safeguards system, where appropriate. The United States had however sent only low-level representatives, to meetings held as infrequently as every six months; and this agreement was now under attack in the United States as ineffective. It must be remembered however that whilst the United States Government had advocated safeguards energetically for political reasons, they had not done much work on the technical implications. For that matter, Euratom had a safeguards staff of only about 25 out of a total of more than 3,000 employees.

6. Mr. Mulley said the first requirement was to get some formulation of the obligation of signatories of the non-proliferation treaty to conclude agreements with the I.A.E.A., in order to complete the treaty. Thereafter the problem would be handed on to the Agency. Would the Agency aim to conclude standard agreements as far as possible? Mr. McKnight said certainly. The Mexican Government had asked the Agency to produce a draft safeguards agreement for use in the Latin American nuclear-free zone, and this draft could be virtually identical with the draft of the agreements to be made under the non-proliferation treaty.

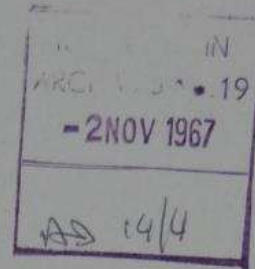
7. Mr. Mulley said that the other concern of Her Majesty's Government was that the non-proliferation treaty should not "freeze" the I.A.E.A. control system. At the same time it would be most unwise to raise the question of reforming the I.A.E.A. system at present, since this would give India and other like-minded Governments an opportunity to delay the conclusion of the non-proliferation treaty. Mr. McKnight said he agreed that the I.A.E.A. safeguards system should be flexible, but he had much sympathy in principle with the wish of the Soviet and other /Governments

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Entu. 6

Sir J. Rennie ✓

Non-Proliferation

I understand this subject was in fact discussed at the Under-Secretary's meeting this morning and it was agreed that a new and rather simpler paper should be put up to the Secretary of State on this subject.

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2. Since then we have had a report by telephone of yesterday's meeting of the NATO Council (their reporting telegram should be in by the time you attend the meeting). It seems to have been reasonably successful for the Americans. Briefly, Mr. Cleveland acted on the instructions contained in Washington telegram No. 3392 but softened them somewhat so as not to offend Euratom. Sir B. Burrows spoke on the lines of the instructions in our telegram No. 1693 suggesting that the Americans should at least try the various possibilities on the Russians.

3. The result of the meeting was that the Americans got the green light to start negotiations with the Soviet co-chairman in Geneva. The stage will now therefore move to Geneva. The Americans said that they would make the maximum effort in their negotiations to protect Euratom's interests as defined in Euratom's five principles, but they did not apparently refuse to put forward elements from other texts such as, for instance, the German illustrative text. The Germans are of course in a rather weaker position since their text has not been accepted unanimously by the other four members of Euratom. In fact the only disagreement at the meeting of the Council was when the Germans claimed that the Euratom five principles were their minimum demands whereupon the Dutch said that some people's minimum was other people's maximum.

4. The Americans are still aiming to get an agreed text by the middle of November. Now that they can go ahead in Geneva the chances of reaching a solution are much better. All the same, time is so short that we do not anticipate that the Americans can possibly now ask for any agreed draft text to be initialled by members of the E.N.D.C. We therefore need not fear now the possibility of having a confrontation with the Italians if we initial and they do not.

5. Sir R. Jackling asked me about the position today and said that he thought that a short paper should be prepared for the Secretary of State as soon as the reporting telegram is received by the Department from NATO.

R. McC. Andrew

Many thanks

J. H. 1/4

(R. McC. Andrew)
31 October, 1967CONFIDENTIAL

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U.S.
AIDE-MEMOIRE

The United States wishes to inform its Allies of the status of the negotiations with the Soviet Union on Article III of the Non-proliferation Treaty.

1. The United States Draft of November 2. On November 2, 1967, the US co-chairman of the ENDC proposed to the Soviet co-chairman the draft Article III which is attached. At the same time, the US co-chairman gave the Soviet co-chairman the five principles set forth below as well as the text of the interpretation contained in the US Aide-Memoire of October 5, 1967. see 667 para 2

2. The United States November Draft and the Five Euratom Member Principles. We believe this text and these interpretations protect the five principles agreed by Belgium, Germany, Italy, Luxembourg, and The Netherlands in the following manner:

Principle 1: "Safeguards under the NPT would be applied to source and special fissionable material and not to facilities."

The November 2 US draft deletes the third sentence of the Soviet compromise text which provided that safeguards procedures "should also extend to facilities . . ." (emphasis added). As suggested by some of our Allies, the second sentence is retained except for its reference to the IAEA safeguards system.

Principle 2: "There should be no misunderstanding that as far as EA member states are concerned, safeguards

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under NPT will be applied on the basis of an agreement to be concluded between EA and IAEA."

The first sentence of the November 2 US draft adds language stating that safeguards under NPT would be "as set forth in an agreement to be . . . concluded with the IAEA." It also makes clear that these safeguards would have to be "in accordance with the statute of the IAEA . . .". The fourth paragraph of the text would permit non-nuclear-weapon states to conclude IAEA agreements "either individually or together with other states in accordance with the statute of the IAEA."

In presenting the revised text to the Soviet Union, the US representative made clear that the US relies on the provisions of the IAEA statute dealing both with "bilateral and multilateral arrangements" for safeguards and with "relationship" agreements between IAEA and other international organizations the work of which is related to that of the IAEA. He stated: "The US is of the opinion that this language permits parties to the Treaty to negotiate and conclude an agreement with the IAEA through Euratom to carry out their safeguards obligation and that an IAEA-Euratom agreement would result from these negotiations."

Finally, the US representative told the Soviet representative that the US would state the following interpretation to the ENDC and to the IAEA Board of Governors: "The first sentence of paragraph 4 of the draft Article III permits the IAEA to enter into an agreement, concerning the safeguards obligations of the parties, with another international organization, the work of which is related to the IAEA and the membership of which includes the parties concerned."

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into between the IAEA and another international organization the work of which is related to the IAEA and the membership of which includes the parties concerned."

3. "In order to avoid unnecessary duplication, the IAEA should make appropriate use of existing records and safeguards, provided that under such mutually agreed arrangements the IAEA can satisfy itself that nuclear material is not diverted to nuclear weapons or other nuclear explosive devices."

Principle 4: "Pending the conclusion of the agreement between Euratom and IAEA, EA member states concerned wish to stress that there should be no misunderstanding that the obligations with regard to Euratom entered into by any party to a NPT shall not be affected by provisions of Article III dealing with supply."

The United States takes this to be more directed toward future action of the US than toward the provision of Article III dealing with supply. This provision is essentially the same as the corresponding provision of the US draft approved in NAC on April 20, 1967.

Like the April 20 draft, the undertaking concerning safeguarded supply of nuclear materials to non-nuclear-weapon states does not apply until a specified period after the Treaty enters into force. This period does not begin to run until a substantial (30-40) number of non-nuclear-weapon states have ratified. These ratifications will probably require substantial time. The US, whose ratification is also necessary to entry into force, will obviously have to take into account the status of the IAEA-Euratom negotiations before ratifying. We do not expect any conflict to arise

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between our NPT obligations and the supply obligations we have to Euratom and its members. We believe the time available for conclusion of an IAEA-Euratom agreement is sufficient, and we do not contemplate failure to achieve agreement in that period.

Principle 5: "Euratom member states concerned, determined to act in common, have to be sure that the position of Euratom when negotiating to arrive at a satisfactory agreement with IAEA will not be prejudiced by any eventual provision of Article III, as for example on a time period."

Like the US draft approved in NAC on April 20, 1967, the November 2 US draft contains a time period for conclusion of Euratom's negotiations with IAEA.

Unlike the April 20 draft, the November 2 draft makes that period applicable to IAEA negotiations with all states, not just with Euratom members.

Without some time period, we see no way to secure worldwide implementation of NPT safeguards. We believe the time period is adequate if there are good faith negotiations on both sides.

To sum up our views with respect to the five principles, we believe the November 2 US draft protects them to the greatest extent possible under the circumstances. Insofar as this protection appears inadequate to our Allies, they may follow procedures available to any sovereign state to insure that a satisfactory agreement with the IAEA is worked out.

3. Other Provisions in November 2 Draft. There are two other significant changes reflected in the November 2 draft which do not relate to the five principles but are

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designed to meet the requests of certain Euratom members. The first is to add the word "control" to the last sentence of paragraph 1 so that safeguards would be applicable to nuclear material in a peaceful nuclear activity of a non-nuclear-weapon party "carried out under its control anywhere." In presenting this change, the US representative made clear again that Article III would not require the application of safeguards to the French-Belgian or French-German facilities in France.

The second such change is to add a provision to paragraph 3 referring to the preambular principle on instrumented safeguards. The last phrase of paragraph 3 would be amended to make clear that safeguards would be implemented in accordance with "the principle of safeguarding set forth in the preamble."

4. Soviet Response to US November 2 Draft. At first, the Soviets objected to several key points of the US draft and questioned some of the interpretations. Then, at a meeting on November 9, 1967, the Soviet co-chairman said that he would recommend to his government as a package all US proposals of November 2 provided the US agreed to a reformulation of the first sentence. He said he would forego introducing other changes only because of the need to make progress as quickly as possible. He said he would wish to make an ENDC statement to the effect that IAEA safeguards would be generally applicable as the NPT safeguards system. He added that he would not take issue with the interpretive statements planned by the US.

The reformulation of the first sentence involves the deletion of the word "negotiation," which the Soviet

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Governments to control more closely the safeguards work of the Agency. Any revision of the present I.A.E.A. control system would take a long time: two years had been required to draw up the present system, and to prepare a revised system might take even longer. He did not think that the recruitment of staff to carry out the safeguards required by the non-proliferation treaty would present an unsurpassable problem. The Agency's salaries were attractive for staff from all but three or four countries, and he thought it was generally accepted that the voluntary inspection which the United States and United Kingdom might accept should be introduced only gradually. The first requirement would be to inspect the non-nuclear signatories of the treaty, and it would be sufficient at the start to carry out token inspections only in Britain and the United States.

ATOMIC ENERGY & DISARMAMENT DEPARTMENT,
FOREIGN OFFICE.

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SECRET*See
667 para 2*

U.S. Draft Article III Submitted to
Soviet Union November 2, 1967.

1. Each non-nuclear-weapon state party to the treaty undertakes to accept safeguards, as set forth in an agreement to be negotiated and concluded with the IAEA in accordance with the statute of the IAEA and the agency's safeguards system, for the exclusive purpose of verification of the fulfillment of its obligations assumed under this treaty with a view to preventing diversion of nuclear energy from peaceful uses to nuclear weapons or other nuclear explosive devices. Procedures for the safeguards required by this article shall be followed with respect to source or special fissionable material whether it is being produced, processed, or used in any principal nuclear facility or is outside any such facility. The safeguards required by this article shall be applied on all source or special fissionable material in all peaceful nuclear activities within the territory of such state, under its jurisdiction, or carried out under its control anywhere.

2. Each state party to the treaty undertakes not to provide:

- a.) Source or special fissionable material, or
- b.) Equipment or material especially designed or prepared for the processing, use or production of special fissionable material, to any non-nuclear-weapon state for peaceful purposes, unless the source or special fissionable material shall be subject to the safeguards required by this article.

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3. The safeguards required by this article shall be implemented in a manner designed to comply with Article IV of this treaty, and to avoid hampering the economic or technological development of the parties or international cooperation in the field of peaceful nuclear activities, including the international exchange of nuclear material and equipment for the processing, use or production of nuclear material for peaceful purposes in accordance with the provisions of this article and the principle of safeguarding set forth in the preamble.

4. Non-nuclear-weapon states party to the treaty shall conclude agreements with the IAEA to meet the requirements of this article either individually or together with other states in accordance with the statute of the IAEA. Negotiation of such agreements shall commence within 180 days from the original entry into force of this treaty. For states depositing their instruments of ratification after the 180-day period, negotiation of such agreements shall commence not later than the date of such deposit. Such agreements shall enter into force not later than eighteen months after the date of initiation of negotiations.

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CYPHER/CAT A

PRIORITY FOREIGN OFFICE TO UKDIS GENEVA

TELNO 562

7 NOVEMBER 1967

(AD)

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ADDRESSED TO UKDIS GENEVA TELEGRAM NUMBER 562 OF 7 NOVEMBER
AND TO WASHINGTON REPEATED FOR INFORMATION TO UKDEL NATO,
UKDEL BRUSSELS, BONN, ROME, BRUSSELS, THE HAGUE AND VIENNA.

U.S./U.K. OFFER ON SAFEGUARDS.

WE PRESUME THAT WHEN ARTICLE III IS TABLED BY THE CO-CHAIRMEN
THE AMERICANS WILL WISH TO MAKE THEIR OWN SAFEGUARDS OFFER
PUBLIC SIMULTANEOUSLY. ALWAYS ASSUMING, AS WE DO, THAT THE
TABLED SAFEGUARDS TEXT WILL BE ONE THAT WE CAN ACCEPT, WE SHALL
WANT TO MAKE OUR OFFER AT THE SAME TIME AS THE AMERICANS.

2. OUR PRESENT INTENTION IS TO CONFINE OURSELVES INITIALLY
TO A STATEMENT TO THE EFFECT THAT WHILE WE APPRECIATE HAT A
COMPLETELY NON-DISCRIMINATORY SAFEGUARDS ARTICLE MAY NOT BE
POSSIBLE, AND INDEED THAT THE APPLICATION TO THE NUCLEAR-WEAPON-
STATES OF SAFEGUARDS AGAINST DIVERSION TO NUCLEAR WEAPONS IS
NOT STRICTLY LOGICAL, NEVERTHELESS WE RECOGNISE THE JUSTIFICATION
FOR THE DEMAND THAT DISCRIMINATION SHOULD BE ELIMINATED AS FAR
AS POSSIBLE IN ALL MATTERS PERTAINING TO THE NON-PROLIFERATION
TREATY. WE ARE THEREFORE PREPARED, IF IT WOULD HELP THE NEGOTIATION
OF THE TREATY TO MAKE AN OFFER IN THE WORDS SET OUT IN MY TELEGRAM
NO. 971 OF 18 APRIL TO PARIS.

3. WE WOULD WISH TO AVOID QUALIFYING OR COMMENTING ON THIS
STATEMENT INITIALLY, AS ANY QUALIFICATIONS COULD ONLY HAVE THE
RESULT OF LESSENING THE IMPACT OF THE OFFER, AND COMMENT WOULD
BE UNDESIRABLE WHEN THE DETAILED APPLICATION OF OUR OFFER WAS
STILL UNSETTLED. IF, HOWEVER, WE WERE DIRECTLY QUESTIONED ABOUT
THE EXACT NATURE AND EXTENT OF OUR COMMITMENT, WE WOULD SAY THAT
WHILE OUR STATEMENT MEANT WHAT IT SAID, ITS IMPLEMENTATION WOULD
OBVIOUSLY HAVE TO DEPEND ON THE COURSE OF THE NON-PROLIFERATION
NEGOTIATIONS. IF ASKED ABOUT THE TYPE OF SAFEGUARDS TO BE APPLIED
WE COULD POINT OUT THAT OUR OFFER SPOKE OF SIMILAR INTERNATIONAL
/ SAFEGUARDS
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FOREIGN OFFICE TELEGRAM NO. 562 TO UKDIS GENEVA

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SAFEGUARDS TO THOSE ACCEPTED UNDER THE TREATY. AS PROSPECTIVE MEMBERS OF EURATOM WE WOULD NATURALLY HOPE THAT THOSE SAFEGUARDS WOULD INCLUDE A SATISFACTORY AGREEMENT BETWEEN THE I.A.E.A. AND EURATOM.

4. IT IS POSSIBLE THAT THE SOVIET UNION MIGHT SEEK, AS THEY HAVE DONE OVER THE LATIN AMERICAN NUCLEAR-FREE ZONE TREATY, TO DIVERT ATTENTION FROM THEIR OWN RIGIDITY BY DERIDING THE UNREALITY AND INADEQUACY OF OUR OFFER, AND PARTICULARLY THE LOOPHOLE THAT IS PROVIDED BY QUOTE NATIONAL SECURITY REASONS UNQUOTE. TO THIS OUR REPLY WOULD BE THAT AT LEAST OUR OFFER HAS BEEN MADE. WE HAVE ACCEPTED THAT IT MAY NOT BE POSSIBLE TO GET A FULLY NON-DISCRIMINATORY, TREATY, BUT WE WOULD WELCOME ANY SIMILAR OFFER FROM THE SOVIET UNION.

5. PLEASE GO OVER THESE POINTS WITH THE AMERICANS IN GENEVA AND WASHINGTON (LETTING THEM KNOW THAT WE ARE DOING THIS IN BOTH PLACES FOR REASONS OF CONVENIENCE ONLY). WE WOULD LIKE TO KNOW WHETHER THEIR OWN IDEAS ON TIMING OR TACTICS DIFFER FROM OURS.

SOBFA

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Sir John Rennie

*Sir P. Gore-Booth may wish to see.**In reply*ags A
B

Geneva telegrams nos. 229 and 230 give a rather gloomy impression of the progress of the negotiations between the Soviet Union and the United States on a Safeguards Article III, and of the prospects of early agreement between the co-chairmen leading to the tabling of such an Article and a shift of the debate to New York.

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2. Sir Harold Beeley may well be right in saying that the U.S. delegation in New York are over-optimistic in hoping that the co-chairmen could finalise a text before the end of next week, and that the E.N.D.C. would then agree to close the debate at Geneva before the end of the month (New York telegram 3059). But it is not inconceivable that the U.S./U.S.S.R. discussions may already be rather further ahead than the Americans have allowed us to know in Geneva.

3. Mr. Hennes of the U.S. Embassy here has shown us on a personal and confidential basis (which should not be made known to his superiors or to Geneva) the American telegram of instructions on which Mr. Foster's report to the Western Four on 8 November was based. This telegram made the same points as those in Geneva telegram 230, but also made it clear that there was a text, to which it implied that Mr. Roschin's initial reaction had been not unfavourable. However, because this reaction had been unofficial and in view of the danger of leaks, the existence of a text was not to be revealed to or discussed with the Western Four.

4. It therefore seems that, as in the case of the earlier "Soviet" text, the Americans are, not unreasonably, playing this one very close to the chest, and that we may not be informed officially of any text until after final agreement has been reached.

R. C. Hope-Jones.

(R. C. Hope-Jones)
9 November, 1967

T. Manning
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IMMEDIATE FOREIGN OFFICE
TELEGRAM NO 1771TO UK DEL NATO BRUSSELS
13 NOVEMBER 1967.

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ADDRESSED TO UKDEL NATO BRUSSELS TELEGRAM NUMBER 1771 OF
13 NOVEMBER REPEATED FOR INFORMATION TO UKDIS GENEVA.
NATO MEETING ON SAFEGUARDS.

WE HAD THOUGHT THAT THE AMERICANS WANTED TO AVOID FURTHER
DISCUSSION IN NATO, AND DO NOT UNDERSTAND WHY THEY HAVE NOW
PROPOSED THIS. WE OURSELVES HAVE NOT HAD TIME TO REACH A CONSIDERED
VIEW ON THEIR REVISED TEXT BUT WOULD NOT EXPECT THE GERMANS
AND ITALIANS TO LIKE E.G. THE FIRST SENTENCE OF PARAGRAPH 1,
AS EXPLAINED BY THE AMERICANS THEMSELVES, I.E. THAT NPT
SAFEGUARDS MUST BE IN ACCORDANCE WITH THE IAEA SAFEGUARDS
SYSTEM. IN THESE CIRCUMSTANCES WE SHOULD FIND IT DIFFICULT
TO GIVE THE REVISED DRAFT OUR WHOLE-HEARTED SUPPORT, UNLESS
OF COURSE OUR ESTIMATE OF GERMAN/ITALIAN REACTION PROVES TOO
PESSIMISTIC.

2. THERE APPEAR TO BE TWO DISTINCT DANGERS OF CONFLICT AT
TOMORROW'S MEETING. THE FIRST IS DISAGREEMENT ON THE SUBSTANCE
OF THE U.S. AIDE MEMOIRE. THIS DANGER IS LESSENED BY THE FACT
THAT GOVERNMENTS WILL NOT HAVE HAD TIME TO CONSIDER THE TEXT.
BUT FROM THIS FLOWS THE SECOND DANGER, THAT THE EURATOM COUNTRIES
MAY DEMAND TIME TO CONSIDER THE TEXT AMONG THEMSELVES, FOLLOWED
BY FURTHER NATO DISCUSSIONS. IF THE U.N. TIMETABLE IS TO BE
MET IT WOULD BE MOST DIFFICULT TO ALLOW MORE THAN A WEEK OR SO
FOR THIS, AND THE AMERICANS MAY TAKE A FAIRLY HARD LINE ON
REQUESTS FOR MORE TIME.

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FOREIGN OFFICE TELEGRAM NO. 1771 TO UKDEL NATO BRUSSELS

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3. IF A MAJOR DISPUTE ARISES ON EITHER OF THESE TWO POINTS BETWEEN THE AMERICANS AND EUROPEANS YOU SHOULD AIM TO AVOID INVOLVEMENT. IF, AS SEEMS MORE LIKELY, THE GERMANS AND ITALIANS ARE VAGUELY DISCOURAGING AND ASK FOR TIME, YOU MAY, IF YOU THINK IT ADVISABLE TO SPEAK, TAKE THE FOLLOWING LINE:-

A. WE CONGRATULATE THE AMERICANS ON HAVING WRUNG CONCESSIONS FROM THE RUSSIANS ALMOST ALL THE WAY ALONG THE LINE, SUCH AS, FOR EXAMPLE, THE ABANDONMENT OF THE REFERENCE TO IAEA SAFEGUARDS, THE RECASTING OF PARAGRAPH 1 TO REFER TO AGREEMENTS AND THE DROPPING OF THE REFERENCE TO THE SAFEGUARDING OF FACILITIES:

B. WE ARE STUDYING URGENTLY OTHER POINTS IN THE TEXT SUCH AS THE REFERENCE TO THE IAEA SYSTEM AND WILL LET OUR EUROPEAN FRIENDS HAVE OUR COMMENTS AS SOON AS WE POSSIBLE CAN. WE HOPE THEY WILL DO THE SAME FOR US:

C. WE THINK IT IS MOST IMPORTANT, HAVING GOT THE RUSSIANS SO FAR, AND IN VIEW OF THE U.N. TIMETABLE, TO WASTE NO TIME.

4. IF OTHERS COMPLAIN THAT THE AMERICANS MISLED US LAST WEEK IN DESCRIBING THEIR NEGOTIATIONS WITH THE SOVIET UNION WITHOUT LETTING NATO KNOW THAT THEY HAD ALREADY GIVEN THEM A TEXT, YOU SHOULD AVOID INVOLVEMENT. WE IN FACT HAD A CONFIDENTIAL AND PERSONAL HINT FROM THE AMERICANS THAT A TEXT HAD BEEN HANDED OVER.

5. ON THE QUESTION OF OUR OWN SAFEGUARDS OFFER, WE AGREE THAT WE SHOULD GIVE NATO AS WELL AS THE EURATOM COMMISSION FORMAL ADVANCE NOTICE (MY TELEGRAM NUMBER 1135 TO UKDEL BRUSSELS) BUT WOULD PREFER NOT TO DO SO AT THIS MOMENT, AS AGREEMENT ON THE TABLING OF ARTICLE III HAS NOT BEEN REACHED.

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IMMEDIATE FOREIGN OFFICE TO WASHINGTON

TELNO 11949 15 NOVEMBER, 1967

(AEDD)

SECRET

ADDRESSED TO WASHINGTON TEL NO 11949 OF 15 NOVEMBER REPTD FOR
INFMN TO UKDIS GENEVA AND UKDEL NATO.

UKDIS GENEVA TEL NO 237: SAFEGUARDS AND NON-PROLIFERATION.
MOSCOW'S UNFAVOURABLE REACTION TO BOTH THE AMERICAN AND
ROSHCHIN'S VERSION OF THE FIRST SENTENCE OF PARA 1 CREATES A
NEW SITUATION, BUT AS THESE VERSIONS WILL PRESUMABLY BE TAKEN INTO
ACCOUNT IN THE ATTEMPT TO ELABORATE SOME NEW FORMULA WE THINK THE
AMERICANS WILL STILL WISH TO HAVE OUR COMMENTS ON THEM, WHICH
ARE AS FOLLOWS.

2. WE THINK THE MAJOR POINT OF DIFFICULTY FOR EURATOM IS LIKELY TO BE
THE INCLUSION OF THE REFERENCE TO THE IAEA SAFEGUARDS SYSTEM. WE
RECOGNISE THE NEED FOR SOME SUCH REFERENCE, GIVEN THE SOVIET
INSISTENCE AND ON FIRST READING THE TEXT WE THOUGHT IT SHOULD BE
ACCEPTABLE EVEN TO THE GERMANS AS THE PHRASE QUOTE IN ACCORDANCE
WITH THE STATUTE OF THE IAEA AND THE AGENCY'S SAFEGUARDS SYSTEM
UNQUOTE SEEMED TO RELATE TO THE NEGOTIATION AND CONCLUSION OF THE
NECESSARY AGREEMENT. WE WERE THEREFORE SURPRISED TO SEE FROM THE
AIDE-MEMOIRE THAT THE AMERICANS THEMSELVES REGARDED THIS PHRASE AS
RELATING TO THE SAFEGUARDS AS SUCH. APART FROM THE FACT THAT WE WOULD
NOT EXPECT THE GERMANS TO AGREE THAT THE SAFEGUARDS TO BE APPLIED TO
IT SHOULD BE IN ACCORDANCE WITH THE IAEA SAFEGUARDS SYSTEM, SINCE
THIS MAKES NO PROVISION FOR VERIFICATION OF OTHER SAFEGUARDS THIS
INTERPRETATION WOULD APPEAR TO REQUIRE A COMMA AFTER THE FIRST
REFERENCE TO THE IAEA IN THE SENTENCE.

3. GIVEN THIS AMERICAN INTERPRETATION OF THEIR OWN DRAFT WE
FIND IT DIFFICULT TO UNDERSTAND THEIR REJECTION OF ROSCHIN'S
DRAFT. INDEED WE THINK THIS HAS SOME ADVANTAGES OVER THEIR
DRAFT. ADMITTEDLY IT SAYS THAT THAT SAFEGUARDS MUST BE IN
ACCORDANCE WITH THE AGENCY'S SAFEGUARDS SYSTEM, BUT IT CAN
BE READ AS MEANING THAT THE SYSTEM HERE REFERRED TO IS NOT
NECESSARILY THAT SET FORTH IN THE SAFEGUARDS DOCUMENT BUT
WILL CONSIST FOR EACH PARTY OF THE REQUIREMENTS SET OUT IN
THE RELEVANT SAFEGUARDS AGREEMENT. HOWEVER WE RECOGNISE THAT
THIS WAS PRESUMABLY NOT WHAT ROSCHIN INTENDED.

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FOREIGN OFFICE TELEGRAM NO. 11949 TO WASHINGTON

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4. EVEN IF AGREEMENT CAN BE REACHED ON THE TEXT OF THIS SENTENCE, WE THINK THAT IT MAY STILL BE DIFFICULT TO GET EURATOM TO ACCEPT THE FIRST SENTENCE OF PARAGRAPH 4. IF THIS PROVES TO BE THE CASE, WE SUGGEST THAT FURTHER CONSIDERATION SHOULD BE GIVEN TO THE GERMAN PROPOSAL THAT IF SPECIFIC REFERENCE CANNOT BE MADE TO ALL THREE TYPES OF AGREEMENT BILATERAL MULTILATERAL AND BETWEEN ORGANISATIONS IT WOULD BE PREFERABLE TO DROP THE FIRST TWO AND RELY SOLELY ON A REFERENCE TO THE STATUTE. WE SEE NO REASON WHY THE RUSSIANS SHOULD NOT ACCEPT THIS.

5. PLEASE PUT THESE COMMENTS TO THE AMERICANS, MAKING IT CLEAR THAT THEY ARE NOT MADE IN A CRITICAL SPIRIT AND THAT IN FACT WE THINK THE AMERICANS HAVE DONE REMARKABLY WELL IN GETTING THE RUSSIANS TO COME SO FAR TO MEET THEM. YOU SHOULD ALSO TELL THEM THAT WE DO NOT INTEND TO DISCUSS THE LATEST TEXT WITH OTHER COUNTRIES UNTIL WE KNOW THE AMERICAN REACTION TO OUR COMMENTS, BUT THAT WE WOULD BE GLAD TO LEARN HOW THEY INTEND TO ANSWER THE BELGIAN POINT ABOUT THE SUPPLY OF FISSILE MATERIAL IF NEGOTIATIONS EXTEND BEYOND THE PERIOD ALLOWED IN THE TREATY.

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RECORD OF MEETING BETWEEN THE MINISTER
OF STATE FOR FOREIGN AFFAIRS AND
DR. SCHNIPPENKÖTTER IN GENEVA ON 15 NOVEMBER

Those present:-

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

His Excellency

Dr. S. Schnippenkötter

His Excellency Sir Harold Beeley,
K.C.M.G., C.B.E.

Dr. J. Diesel

Mr. D.J. Moss

Dr. Schnippenkötter said that the West German Cabinet would be meeting the next day to consider their attitude towards the Non-proliferation Treaty and in particular towards the latest U.S. text of Article III. He personally was not hopeful that the new text would meet the position of the Euratom countries but the decision would of course rest with the Cabinet.

2. Mr. Mulley pointed out that during the recent Belgian visit to London M. Harmel had not seemed worried by the U.S. text except for his concern that the United States should not cut off supplies of fissile material to Euratom countries after the entry into force of a Non-proliferation Treaty but before any agreement had been reached between Euratom and the IAEA on safeguards. Mr. Mulley thought that this particular doubt could be met by the United States giving the Euratom countries a private undertaking that they would not ratify the Treaty until the Euratom/IAEA position had been settled.

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3. Dr. Schnippenkötter said that the German Government did not agree with the Benelux countries who said that the Euratom countries should withhold ratification of the Treaty until a satisfactory agreement on safeguards had been concluded with the IAEA. The Germans thought that this would leave them open to propaganda attacks from the Soviet Union and were therefore concerned that the Treaty text itself should be amended at this stage to take account of Euratom's position.

4. Dr. Schnippenkötter said that he was worried about the present wording of the first sentence of paragraph 4 of the U.S. text of Article III. If there could be no reference to concluding agreements with international organisations in this paragraph it would be better to delete "individually or together with other states" completely and leave the text to be interpreted in accordance with the Statute of the IAEA which would of course cover agreements concluded with such organisations.

5. Mr. Mulley then suggested a possible amendment to the first sentence of the first paragraph of the U.S. text which would delete the words "in accordance with the Statute of the IAEA and the Agency's safeguards system" and would insert instead "IAEA" between "accept" and "safeguards". Dr. Schnippenkötter said that he would much prefer that "safeguards" should appear without "IAEA" before it, at least until we knew whether the Russians would accept the less specific formula.

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6. Mr. Mulley asked Dr. Schnippenkötter whether the West German Government had any other objections to the present U.S. text. Dr. Schnippenkötter said that he would like to see the words "Agency's safeguards system" deleted from the first sentence of paragraph 1 as he thought that this formula might be understood as meaning that only the present safeguards system could be applied and that any amendments to the system would require amendments to the Treaty. Mr. Mulley pointed out that the Americans had already said that their understanding was that this wording would not freeze the present IAEA safeguards system. Dr. Schnippenkötter then said that in the second sentence of paragraph 1 he thought that the words "Procedures for" were superfluous and that the sentence could well read "The safeguards required by this Article shall be applied....." However, if the words "Agency's safeguards system" could be deleted he personally would not place any great importance on deleting the words "Procedures for" as well. He would also like to see the vague words "nuclear energy" in the first sentence replaced by the words "source and other fissionable material".

7. Sir Harold Beeley suggested that the individual members of Euratom might conclude separate agreements with the IAEA which would endorse the terms of any Euratom/IAEA agreement on safeguards. Dr. Schnippenkötter said that in his view this was a helpful suggestion.

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8. Dr. Schnippenkötter said that he wondered whether a clause could be inserted in Article III which would have the effect of excluding inspectors of those countries who do not accept safeguards on their own civil facilities from inspecting the facilities of other countries which are parties to the Treaty. (A text of the proposed German clause is attached at Appendix A.) Mr. Mulley pointed out that apart from the impossibility of negotiating such a clause with the Russians there would be the very practical difficulty that some hundreds of inspectors would be required to supervise the civil facilities in the U.S.A. and the United Kingdom and that according to the German text until all these facilities were so inspected both countries would be precluded from sending inspectors to supervise facilities in other countries. This was surely nonsense. Dr. Schnippenkötter agreed that in practical terms it would be easier merely to inspect all the non-nuclear countries. Mr. Mulley added that in any case the Russians had a logical case if they pointed out that for them such inspections were pointless since under the present terms of the Treaty they would already be empowered to manufacture nuclear weapons.

9. In conclusion Dr. Schnippenkötter touched upon the question of the duration of the Treaty. He thought it would obviously have to be longer than five years but wondered whether it need be as long as twenty. Mr. Mulley pointed out that the Russians would oppose any short duration to the Treaty.

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Appendix A.

No State which does not have safeguards as set forth in agreements with the IAEA with regard to all of its own peaceful nuclear activities within its territory or under its jurisdiction shall have the right to participate in the framing of regulations governing safeguards required by this Article and in their application. No State party to this Treaty shall be obliged to admit as inspectors nationals of States which refuse such safeguards.

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MINISTRY OF TECHNOLOGY

Millbank Tower, LONDON S.W.1

Telex: 263171 Telegrams: Mintec London Telex
Telephone: VICTORIA 2255

Mr. Stuart
Ente
Pm
w/h.
dmt

17th November 1967

RECEIVED IN
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23 NOV 1967

AD 14/4

Leon Ronald.

If, as now seems possible, we may soon have to say something publicly about our "offer" to submit our civil nuclear activities to "similar" safeguards to those the non-nuclears are required to accept on all their activities, it does seem necessary to try to ensure somehow that it is clearly understood by all concerned that the exact form and extent of such an offer -

- (a) is entirely within our own competence and not subject to bargaining with any others,
- and (b) will depend upon the nature of the safeguards that will apply at the relevant time,
- and (c) will be inevitably much restricted owing to the mixed civil military nature of many of our facilities if, contrary to our hopes, the I.A.E.A. system is not modified to make it more logically and practically useful for N.P.T. purposes.

How this should be done may require further discussion, but we should be interested to have the views of those to whom this letter is being sent, Hall, Croome, Newley, Macklen and Press.

Yours sincerely,
J. McAdam Clark

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

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IMMEDIATE U.K. DEL. NATO PARIS TO FOREIGN OFFICE TO UKDEL NATO
BRUSSELS

TELNO. 1964

23 NOVEMBER, 1967

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ADDRESSED TO UKDEL NATO TELEGRAM NO 1964 OF 23 NOVEMBER REPEATED FOR INFORMATION TO UKDIS GENEVA WASHINGTON BONN ROME BRUSSELS THE HAGUE UKDEL BRUSSELS.

SAFEGUARDS AND NON-PROLIFERATION.

THE AMERICAN EMBASSY HERE HAVE TOLD US THAT THE U.S. ARE REQUESTING A MEETING OF THE NORTH ATLANTIC COUNCIL ON 24 NOVEMBER TO REPORT ON THE CO-CHAIRMAN'S DISCUSSIONS PARTICULARLY ON ARTICLE III.

2. THEIR INSTRUCTIONS TO THEIR DELEGATION IGNORE THE GERMAN AIDE MEMOIRE. THEY ADMIT THAT THE SOVIET UNION HAVE REJECTED THE U.S. FIRST SENTENCE (PARA 2 OF MY TELEGRAM NO 2862 TO BONN) BUT SOMEWHAT BLUR THE QUESTION OF WHETHER THE SOVIET GOVERNMENT HAVE ALSO REJECTED THEIR OWN REPRESENTATIVE'S COUNTER DRAFT. THEIR APPARENT INTENTION IS TO ASK NATO WHAT THEY THINK OF BOTH THESE POSSIBILITIES IN THE LIGHT OF THE RUSSIAN REACTION.

3. THEY ARE HOWEVER ADDING A THIRD, WHICH THEY HAVE DESCRIBED AS QUOTE THE BRITISH PROPOSAL UNQUOTE AND WHICH THE MINISTER OF STATE DID IN FACT DISCUSS ON A TENTATIVE BASIS WITH SEVERAL WESTERN REPRESENTATIVES IN GENEVA INCLUDING THE GERMANS AND ITALIANS. THE VERSION OF THIS WHICH THE AMERICANS INTEND TO USE, AND WHICH IS PROBABLY THE MOST PROMISING, WOULD REPLACE THE FIRST FORTY WORDS OF THE U.S. DRAFT WITH THE FOLLOWING:- QUOTE EACH NON-NUCLEAR-WEAPON STATE PARTY TO THE TREATY UNDERTAKES TO ACCEPT IAEA SAFEGUARDS AS SET FORTH IN AN AGREEMENT TO BE CONCLUDED WITH THE IAEA IN ACCORDANCE WITH THE STATUTE OF THE AGENCY UNQUOTE.

4. THE AMERICANS MOTIVE FOR TAKING THIS LINE MAY BE TO TRY TO OUTFLANK THE GERMANS. THE TONE OF WHOSE AIDE MEMOIRE APPEARS TO LEAVE LITTLE ROOM FOR COMPROMISE, BY ENLISTING THE SUPPORT OF THE /OTHER

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U.K.DEL. NATO TELEGRAM NO. 1964 TO FOREIGN OFFICE.

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OTHER EURATOM COUNTRIES FOR FURTHER EFFORTS TO GET THE SOVIET UN TO ACCEPT ONE OF THE THREE PROPOSALS DESCRIBED ABOVE. BUT ALTHOUGH WE AGREE WITH THE AIM OF SEEKING AGREEMENT WITH THE SOVIET GOVERNMENT WE MUST BE CAREFUL TO AVOID BECOMING IDENTIFIED WITH ANY ANTI-GERMAN IMPLICATIONS.

5. THE LANGUAGE DISCUSSED BY THE MINISTER OF STATE WAS NOT A U.K. PROPOSAL, BUT WAS MERELY INTENDED TO EXPLORE POSSIBLE ACCEPTABLE WAYS OUT OF THE IMPASSE BETWEEN EAST AND WEST. BUT THE GERMAN AIDE MEMOIRE LISTS AS ONE OF THE MAIN ADVANTAGES OF THE U.S. DRAFT THAT IT HAS GOT RID OF THE REFERENCE TO QUOTE IAEA SAFEGUARDS UNQUOTE, AND ACCORDING TO THE U.S. EMBASSY IN BONN THE GERMANS HAVE FOLLOWED THIS UP WITH A COMMENTARY ON THE RUSSIAN RESPONSE IN WHICH THEY SAY THAT THE REINSERTION OF THESE WORDS WOULD BE UNACCEPTABLE. IF THIS IS SO, WE CERTAINLY DO NOT WISH TO PRESS THE IDEA.

6. NEVERTHELESS IF THE U.S. PRESENTATION DOES TAKE THE LINE SUGGESTED ABOVE YOU WILL CLEARLY NEED TO SPEAK. WE WOULD ALSO, WITHOUT TRYING TO OVERPERSUADE THE EURATOM COUNTRIES, LIKE TO REVIEW FOR THEM THE POSSIBLE IMPLICATIONS OF OUR SUGGESTION AS CONTRASTED WITH THE U.S. DRAFT, SINCE WE STILL THINK THAT, IF SUITABLY INTERPRETED, IT IS CAPABLE NOT ONLY OF SATISFYING THE RUSSIANS BUT ALSO OF PROVIDING ADEQUATELY FOR THE VERIFICATION OF EURATOM SAFEGUARDS.

7. YOU MAY THEREFORE IF YOU WISH TO SPEAK, DRAW ON THE FOLLOWING AS APPROPRIATE:-

A. SINCE THE MEETING OF THE COUNCIL ON 14 NOVEMBER WE HAVE BEEN STUDYING WITH GREAT CARE THE U.S. AND SOVIET DRAFTS OF 2 AND 9 NOVEMBER. IN DOING SO WE HAVE TAKEN INTO ACCOUNT THE UNFORTUNATELY NEGATIVE REACTION OF THE SOVIET GOVERNMENT. WE HAVE ALSO JUST RECEIVED AN AIDE MEMOIRE ON THE DRAFTS FROM THE FEDERAL GERMAN GOVERNMENT WHICH WE ARE NOW STUDYING.

B. IT APPEARS TO US THAT THE CRUX OF THE PROBLEM LIES IN THE FIRST SENTENCE OF THE FIRST PARAGRAPH OF THE U.S. AND SOVIET DRAFTS. THE PROBLEM IS TO RECONCILE THIS PASSAGE, OR ANY OTHER LANGUAGE WHICH THE SOVIET GOVERNMENT MAY NOW WISH TO PUT IN ITS PLACE, WITH THE SECOND AND THIRD EURATOM PRINCIPLES AS EXPOUNDED BY THE GERMAN REPRESENTATIVE ON 31 OCTOBER.

/C.

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U.K.DEL. NATO TELEGRAM NO. 1964 TO FOREIGN OFFICE

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C. THERE ARE OTHER PROBLEMS ARISING OUT OF THE APPLICATION OF THE TEXT TO THE FIVE PRINCIPLES, BUT IT SEEMS TO US THAT THESE ARE SOLUBLE WITHIN THE FRAMEWORK OF THE PRESENT TEXT. FOR EXAMPLE THERE IS THE DIFFICULTY OF RELATING THE WORDS QUOTE INDIVIDUALLY OR TOGETHER WITH OTHER STATES UNQUOTE IN THE FOURTH PARAGRAPH OF THE DRAFT TO THE REQUIREMENT OF THE SECOND PRINCIPLE THAT THE AGREEMENT SHOULD BE MADE WITH EURATOM AS SUCH. BUT THIS MIGHT WELL BE SOLVED AS SUGGESTED BY THE GERMAN REPRESENTATIVE ON 31 OCTOBER BY DELETING THESE WORDS, WHICH SHOULD SURELY BE ACCEPTABLE TO THE SOVIET UNION.

D. BUT THE PROBLEM IN PARAGRAPH 1 IS OF A MORE FUNDAMENTAL NATURE FOR OUR PART, OUR MAIN DIFFICULTY WITH THE TEXTS PUT FORWARD BY THE U.S. AND SOVIET NEGOTIATORS HAS BEEN THAT THEY BOTH DEMAND THAT THE SAFEGUARDS TO BE APPLIED MUST BE QUOTE IN ACCORDANCE WITH THE IAEA SAFEGUARDS SYSTEM UNQUOTE. THE IAEA SAFEGUARDS SYSTEM AS SET OUT IN THE SAFEGUARDS DOCUMENT OF 1965 PROVIDES FOR FLEXIBILITY IN TH APPLICATION OF THE SAFEGUARDS THEREIN DESCRIBED. BUT IT SEEMS TO US DIFFICULT TO ARGUE THAT THE SYSTEM ITSELF CAN BE STRETCHED TO INCLUDE THE VERIFICATION OF A DIFFERENT EVEN THOUGH COMPATIBLE SYSTEM. AT THE SAME TIME WE ARE FACED WITH THE APPARENT SOVIET REFUSAL TO ACCEPT A TEXT WHICH DOES NOT MAKE USE OF THE ACTUAL WORDS QUOTE IAEA SAFEGUARDS UNQUOTE.

E. IT IS IN THIS SITUATION THAT WE HAVE MADE THE VERY TENTATIVE SUGGESTION OF ALTERNATIVE WORDING ON THE LINES NOW PUT FORWARD BY THE AMERICANS. THIS IS A DEVELOPMENT OF THE IDEAS WHICH WE PUT TO THE COUNCIL ON 10 OCTOBER (YOUR TELEGRAM 315). WE SHOULD LIKE TO STRESS THAT THIS IS NOT A FIRM U.K. PROPOSAL. IT IS EVEN SOMETHING LESS THAN ILLUSTRATIVE LANGUAGE. WHAT WE WANT TO DO IS TO EXPLORE WITH OUR ALLIES WHETHER THERE IS ANYWAY OF IMPROVING THE DRAFT WHILE AT THE SAME TIME PERHAPS DISPOSING OF THE RUSSIAN OBJECTIONS.

F. IN DOING SO WE HAVE STARTED FROM THE ASSUMPTION, ON WHICH WE HOPE THE AMERICANS CAN REASSURE US, THAT THE RUSSIANS HAVE NOT GONE BACK ON WHAT WE UNDERSTOOD WAS THEIR AGREEMENT THAT THE SUBSTANCE

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U.K.DEL. NATO TELEGRAM NO. 1964 TO FOREIGN OFFICE

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OF THE ARRANGEMENTS BETWEEN EURATOM AND THE IAEA SHOULD BE THE VERIFICATION OF EURATOM SAFEGUARDS: AND THAT THEIR REJECTION OF THE U.S. LANGUAGE IS FOR HISTORICAL AND PRESENTATIONAL REASONS ONLY.

G. ON THIS ASSUMPTION WE THINK IT MIGHT WELL BE ARGUED THAT THE THIRD VARIATION OF WHICH THE AMERICANS HAVE SPOKEN MIGHT WELL HAVE ITS ADVANTAGES FOR US, SINCE IT INVOLVES DROPPING THE WORDS QUOTE IN ACCORDANCE WITH THE AGENCY'S SAFEGUARDS SYSTEM UNQUOTE ABOUT WHICH WE HAVE ALREADY EXPRESSED DOUBTS. IT WOULD ALSO INCIDENTALLY DISPOSE OF THE DANGER OF FREEZING THE EXISTING IAEA SAFEGUARDS SYSTEM, TO WHICH THE NETHERLANDS REPRESENTATIVE REFERRED ON 14 NOVEMBER. OUR THOUGHT WAS THAT TO SPEAK OF IAEA SAFEGUARDS AS SET FORTH IN AN AGREEMENT WITH THE IAEA, WITHOUT BRINGING IN ANY REFERENCE TO THE IAEA SYSTEM, COULD IMPLY, AT LEAST IN ENGLISH, THAT THE AGREEMENT WOULD GOVERN THE SAFEGUARDS, AND THAT THE USE OF THE ADJECTIVE IAEA WOULD THEN MERELY DESCRIBE THE LABEL TO BE ATTACHED TO THE AGREED SAFEGUARDS. SO LONG AS THE AGREEMENT PROVIDED FOR VERIFIED EURATOM SAFEGUARDS IT MIGHT MATTER LITTLE WHAT IT WAS CALLED, SINCE WE HAVE ALWAYS AGREED THAT THE LABEL MATTERS LESS THAN THE SUBSTANCE.

H. HAVING SAID THIS HOWEVER WE SHOULD LIKE TO STRESS ONCE AGAIN THAT THIS IS ONLY AN IDEA FOR THE CONSIDERATION OF OUR ALLIES. WE WOULD BE VERY GLAD TO HAVE THEIR REACTIONS, PARTICULARLY THE REACTIONS OF THE EURATOM COUNTRIES. WE SHOULD ALSO BE VERY READY TO DISCUSS ANY OTHER POSSIBLE WAYS OF ACHIEVING AGREEMENT.

SIR B. BURROWS

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J.R.D.

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SECRETARY OF STATE

I have minuted separately on the question of American timing. I support the recommendation since we ought to try and get a little effect ~~about~~ it although, because of the Americans jumping the gun on the official announcement and the fact that it is unofficially widely known following its communication to NATO in April, I think the impact here will be small.

2. The alternative would be to rush a question down today for written answer tomorrow. This would beat the Americans to it by 24 hours but, as you know, there is nothing less calculated to make an impact than a PQ answer on a Friday. I thus reject it. A statement on Friday is also not desirable.

3. In my view there is little merit in the gesture we are making. It will have little effect on persuading non-nuclears of our honourable intentions. It has considerable technical and probable financial problems for us. It irritates rather than impresses the Russians, who say with logical force that there is no point in the nuclears adopting safeguards designed to prevent fissile material supplied for civil purposes being diverted to military purposes when the Treaty will license the nuclears to go on doing just that.

4. However the decision had been taken - again following the Americans - in April last and had been communicated to our NATO allies. I decided therefore against re-opening the issue when I came into this field and suppose we must live with it, despite the problems it will create for us in the future.

5. I do not know whether you will wish to make a statement or suggest to the P.M. that he should. I am, of course, willing to do so but if the President is making the U.S. announcement and if we are to get some political advantage from it, I think a higher level than myself is desirable.

(Fred Mulley)
30 November, 1967

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Sir J. Rennie
Mr. O'Neill

U.K. SAFEGUARDS OFFERProblem

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The U.S. Administration have told us (Washington telegram no. 3767) that on Saturday, 2 December, they will formally announce their offer to put the peaceful nuclear activities of the United States under safeguards, at such time as the non-nuclear-weapon states accept safeguards under the Non-Proliferation Treaty. The statement may be made by Dr. Seaborg, the Chairman of the U.S. Atomic Energy Commission, but it is very probable that it will in fact be made by President Johnson himself.

Flag B

2. In April of this year Ministers decided that if the Americans made such an offer we should make a similar one and should seek to obtain the maximum political advantage from doing so. (PN(67)2)

Recommendation

FLAG D

- (i) If President Johnson or Dr. Seaborg makes the U.S. offer as forecast, either the Prime Minister or the Foreign Secretary should make a Parliamentary statement in the terms of the attached draft on Monday, 4 December.
- (ii) We should simultaneously inform NATO, the Euratom Commission, Canada, Australia, New Zealand, India and Nigeria of our offer.
- (iii) As soon as the statement is made, we should also repeat our offer in the Eighteen Nation Disarmament Committee at Geneva and in ENDC capitals.
- (iv) We should tell the Americans what we plan to do.

Background

1. The texts which have been considered for inclusion in the Non-Proliferation Treaty by the United States and Soviet Union would all apply mandatory safeguards only to the peaceful nuclear activities of the non-nuclear-weapon states. This is logical, since to require the nuclear-weapon-states to accept safeguards against the diversion of their peaceful nuclear activities to weapons purposes, while continuing to permit them to make nuclear weapons, would have no non-proliferation significance.

2. However, the non-nuclear-weapon states, particularly the Federal German Republic, have always complained of the discrimination /involved,

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involved, and have said that to leave the civil activities of the nuclear-weapon states uninspected would give them an unfair commercial advantage, since they would be spared the risk of commercial espionage, and the administrative and financial burden of safeguards.

3. The Soviet Union has always been impervious to these arguments, but the U.S. and U.K. agreed in April that they could in principle accept safeguards on their civil nuclear activities, by means of a separate undertaking in parallel with the Non-Proliferation Treaty. We and the Americans therefore told NATO in confidence of our decision, and undertook to make the offer public at a moment chosen to have the maximum effect on the non-proliferation negotiations.

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...

4. The U.K. offer to NATO was on the same lines as the attached draft statement. This ties the offer to the conclusion of the Non-Proliferation Treaty. It also, by the reference to exclusions and the use of the words "similar safeguards", reserves the U.K.'s decision on the extent of the safeguards to be applied. Finally, by referring simply to "International Safeguards" it leaves open the possibility of accepting Euratom safeguards in fulfilment of the obligation.

5. We have always hitherto agreed with the Americans that tactically the most effective moment to make our offer public would be when the Safeguards Article was tabled at Geneva. We do not know why the United States are now considering a different course. There may be domestic political reasons for this, and we have asked our Embassy in Washington to probe the American motives more closely. *(I am submitting separately on this)*
But

6. /Whatever the reason, if the Americans decide to speak now, we cannot afford to withhold our own statement. To do so would deprive the U.S. and U.K. offers of much of their joint force. Moreover, a belated offer from us would seem grudging and might gain us little political advantage.

7. Although we are now ready to make our offer in general terms, we should avoid spelling out its implications, and especially its limitations, at this stage. There are two reasons for this. First, any detailed reservation of particular parts of our nuclear programme from safeguards would inevitably detract from its public impact; second, the demarcation of the line between the safeguarded and unsafeguarded areas poses peculiar problems for the U.K. These problems are not shared by the non-nuclear-weapon states, all of whose peaceful nuclear programmes would be under safeguards, or by the United States, whose civil and military programmes are largely distinct, while ours are intermingled for reasons both of economy and of size. We shall therefore need to wait until we see the shape of the safeguards to be applied under the Non-Proliferation Treaty, and also the details of the U.S. safeguards offer, before we can take firm decisions on the contents of the package which we ourselves can offer for safeguarding.

8. Finance poses a further problem. Up to now the cost of I.A.E.A. safeguards has been borne on the general budget of the Agency, to which we of course contribute. But the Non-Proliferation Treaty

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Treaty will inevitably involve a massive increase in safeguarding costs, and if to this is added the even greater task of safeguarding the whole of the civil nuclear programmes of the U.S. and U.K., we may well be faced with a demand that individual countries should pay for their own safeguarding. It is only prudent to reserve our decision on the extent of our safeguarding commitment until this point is cleared up.

9. These considerations lead to the conclusion that we should keep closely at the present time to the generalised replies which are suggested as supplementary answers to the attached statement.

...

10. The Soviet Union have made it clear that in no circumstances will they make a similar submission of their own civil nuclear industry to safeguards. The Offer will therefore be a U.S./U.K. one only. We have been somewhat concerned that the Soviet Union might react badly to what they could regard as an attempt to isolate them. However, the Americans appear to be confident that there are no grounds for such concern. It is also possible that the Soviet Union may try to divert attention from their own failure to match the U.S./U.K. offer by pouring scorn on this offer and representing it as meaningless in view of the exclusions on "national security" grounds. This is the line that they have followed in the context of the Latin American Nuclear-Free Zone Treaty. To this, our answer would be that at least our offer has been made, and we would welcome a similar offer from the Soviet Union.

11. The French Government have also made it clear that they will neither make a similar offer nor sign the Non-Proliferation Treaty. We should as far as possible avoid discussion of this at this stage.

Flag C

12. The most recent precedent dealing with joint action by the U.S. and U.K. in the disarmament field was the announcement in 1964 of a cut-back in fissile material production for weapons purposes. At that time the then Prime Minister made known the United Kingdom's position by means of a statement to the House (Hansard Col. 1097-1100 of 21 April, 1964). It would seem appropriate to follow the same procedure in this case.

...

FLAG E

13. I submit, together with the draft Statement and Supplementaries, a draft ~~Memorandum~~ from the Secretary of State to the Prime Minister for use if it is decided that it is the Prime Minister who should make the Statement to the House. In this event these background notes would also serve as a Background for the Statement. All these have been agreed by the Cabinet Office, the Treasury, the Ministry of Defence and the Atomic Energy Authority, as well as by Scientific Relations Department and European Economic Integration Department.

14. The Ministry of Technology, while generally agreeing with the statement, have proposed that it should include language to the effect that H.M.G. have already informed their allies of this decision, and now welcome the similar statement made by President Johnson. The purpose of this would be to avoid giving the impression that we have been forced into making this offer by the American statement made two days previously. However, while we concede the need to avoid this impression, it would be equally /erroneous

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erroneous to imply that this was really our idea and that the Americans had followed our lead. The House might also dislike the implication that our allies had been informed before Parliament.

15. The Ministry of Technology have also suggested that the statement should be expanded to say that H.M.G. were making this offer despite the fact that it would not be required of them under the Non-Proliferation Treaty. This however appears to involve a statement about the contents of the Treaty which have not yet been agreed.

R. C. Hope-Jones.

(R. C. Hope-Jones)
30 November, 1967.

I support the recommendation.

c.c. Mr. Day;
Mr. O'Neill (2);
Mr. Statham;
Mr. Hall;
Parliamentary Office;
Mr. McAdam Clark, Min. of Tech.

J. Kinnear

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Sir J. Rennie
Mr O'Neill.

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 DES No. 19
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The Prime Minister has asked for a report on the current progress towards a Non-Proliferation Treaty. I submit a report for this purpose.

2. The major part of the report deals with the difficulties over Article III on safeguards. It points out that in this vital area instead of making progress we are now in danger of slipping back. The key factor in this is the attitude of the German Government, which we believe has a decisive influence on Euratom.

Flag B

3. We have proposed compromise wording for the vital first sentence of Article III, which we think should provide a solution of the problem if the Germans can be brought to accept it. First reactions have admittedly been somewhat discouraging, perhaps because the significance of our wording does not seem to have been fully understood. We have now circulated a memorandum in NATO and are taking soundings in Bonn at an official level, to ensure that they understand our case.

4. We should not necessarily abandon our own proposal if the reaction at the official level is unfavourable. I think we are approaching the point where the only chance of breaking the deadlock may lie in going over Dr. Schnippenkötter's head and urging our solution on the Germans at the highest level. When the ground has been sufficiently prepared with the Germans and other non-nuclear members of Euratom, I shall probably wish to recommend such an approach.

R. C. Hope-Jones

(R. C. Hope-Jones)
 30 November, 1967.

C. Mr. Statham;
 Mr. Lambert;
 Mr. O'Neill.

[Signature] 30/11

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IMMEDIATE FOREIGN OFFICE TO WASHINGTON

TEL. 12843

1 DECEMBER, 1967 (AD)

RECEIVED IN ARCHIVLS No 19 - 4 DEC 1967 AD 14/4
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ADDRESSED TO WASHINGTON TELEGRAM NO 12843 OF 1 DECEMBER AND TO UKDIS GENEVA, UKDEL NATO, UKDEL BRUSSELS REPEATED FOR INFORMATION TO BONN, ROME, BRUSSELS, THE HAGUE.

MY IMMEDIATELY PRECEDING TELEGRAM : U.K. OFFER ON SAFEGUARDS.

THE FOLLOWING IS THE TEXT OF THE STATEMENT TO BE MADE BY MR. MULLEY ON 4 DECEMBER.

WITH PERMISSION, MR. SPEAKER, I WISH TO MAKE A STATEMENT.

AS THE HOUSE WILL KNOW, A KEY ISSUE IN THE NEGOTIATIONS AT PRESENT TAKING PLACE IN GENEVA TO SECURE A NON-PROLIFERATION TREATY HAS BEEN THE SAFEGUARDS TO BE APPLIED IN ORDER TO ENSURE THAT THERE IS NO DIVERSION BY THE NON-NUCLEAR WEAPON SIGNATORIES OF THE TREATY OF MATERIALS FROM THEIR CIVIL NUCLEAR PROGRAMMES TO NUCLEAR WEAPON PURPOSES.

IN ORDER TO ASSIST THESE NEGOTIATIONS HER MAJESTY'S GOVERNMENT HAVE DECIDED THAT, AT SUCH TIME AS INTERNATIONAL SAFEGUARDS ARE PUT INTO EFFECT IN THE NON-NUCLEAR WEAPON STATES IN IMPLEMENTATION OF THE PROVISIONS OF A TREATY, THEY WILL BE PREPARED TO OFFER AN OPPORTUNITY FOR THE APPLICATION OF SIMILAR SAFEGUARDS IN THE UNITED KINGDOM SUBJECT TO EXCLUSIONS FOR NATIONAL SECURITY REASONS ONLY. HER MAJESTY'S GOVERNMENT WELCOME THE SIMILAR DECISION ANNOUNCED BY SQUARE BRACKET PRESIDENT JOHNSON SQUARE BRACKET ON BEHALF OF THE UNITED STATES.

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J.I.P.G.D.

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AD 14/4

STATEMENT BY THE MINISTER OF STATE FOR FOREIGN
AFFAIRS, THE RIGHT HONOURABLE FRED MULLEY, M.P.,
IN THE HOUSE OF COMMONS ON NON-PROLIFERATION
ON 4 DECEMBER, 1967

With your permission, Mr. Speaker, and that of the House, I wish to make a statement on non-proliferation.

As the House will know, a key issue in the negotiations at present taking place in Geneva to secure a non-proliferation treaty has been the safeguards to be applied in order to ensure that there is no diversion by the non-nuclear weapon signatories of the Treaty of materials from their civil nuclear programmes to nuclear weapon purposes.

In order to assist these negotiations Her Majesty's Government have decided that, at such time as international safeguards are put into effect in the non-nuclear weapon states in implementation of the provisions of a treaty, they will be prepared to offer an opportunity for the application of similar safeguards in the United Kingdom subject to exclusions for national security reasons only. Her Majesty's Government welcome the similar decision announced by President Johnson on behalf of the United States.

CONFIDENTIAL

4 December, 1967

In your letter to Donald Maitland of 27 November you asked if we could let you have a note on the present state of play in the negotiations for a non-proliferation treaty.

...

I enclose a note which has been seen by the Foreign Secretary and which sums up the present situation. The only additional points that I should perhaps add are that the Foreign Secretary is now considering what action we should take if the reaction to our own proposal (paragraph 9 of the enclosed note) is unfavourable at official level. We may be approaching the point where the only chance of breaking the deadlock may be to take this up with the Germans, who are being difficult at the highest level. When the ground has been sufficiently prepared with the Germans and other non-nuclear members of EURATOM we may wish to recommend some such approach.

As regards the transfer of discussions from Geneva to New York you will see from paragraph 12 of the note that we hope the discussions in New York can be kept to the minimum and then referred back immediately to the ENDC. In this way we would hope to guard against the dangers that the Prime Minister has in mind.

(Sd.) D. M. Day

A. M. Palliser, Esq., C.M.G.,
10 Downing Street.

CONFIDENTIAL

P/A

CONFIDENTIALMr. R. J. O'NeillGermany and the Non-Proliferation Treaty

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On 30 November I submitted a report for the Prime Minister on the current progress towards a Non-Proliferation Treaty. Paragraphs 5-10 of this report dealt with the problem of the Safeguards Article, with particular reference to the first sentence of paragraph 1 of this Article. This sentence is not the only one in the current draft that gives the Germans difficulty, but I believe it to be the crucial one, and that if only we could get the Germans to accept our proposed wording for this sentence, the log-jam would begin to break up. The essence of our proposal is that parties to the Treaty should undertake to accept, not "Safeguards in accordance with the I.A.E.A. Safeguards System" (which makes no provision for verification of other safeguards systems), but "I.A.E.A. Safeguards, as set forth in an agreement to be concluded with the I.A.E.A." The merit of this formulation is that it can legitimately be regarded as covering whatever measures the I.A.E.A. may take, either by the direct application of its own system or by the verification of the Euratom safeguards, to ensure that the obligations imposed by the Treaty are fulfilled. There is also every indication that it will be welcome to the Russians, who set great store by an appropriate reference to "I.A.E.A. Safeguards". The proposal is explained in full in the paper which Sir B. Burrows circulated to NATO on 30 November.

Flag B

2. I think it doubtful whether Dr. Brandt is aware of our proposal, or at any rate whether he has read the explanatory paper. Dr. Kiesinger and he are concerned about other aspects of the Treaty, such as its duration and the contribution that German signature of it could make to an improvement in German/Soviet relations, but it looks as if they leave the actual text to Dr. Schnippenkötter, who has taken a firm stand against any reference to I.A.E.A. Safeguards and is still trying for a text which could be interpreted as meaning that other non-nuclear states will have I.A.E.A. Safeguards, while Euratom states have their own system. In these circumstances there seems little hope of progress unless Dr. Schnippenkötter can be by-passed.

3. An opportunity for doing this will arise at the weekend, when Dr. Brandt will be at Chequers. It is likely that he will in any case mention non-proliferation, as he has just sent a message to President Johnson, recognising the U.S. safeguards offer as an important contribution to the conclusion of a Treaty, and it is to be presumed that he will shortly be sending H.M.G. a similar message. In these circumstances he is under a clear moral obligation to make some response to our initiative, and I believe that acceptance of our proposed wording (which we think meets German requirements better than any previous U.S. or Soviet wording) would be the ideal response.

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4. I therefore recommend that the Secretary of State should speak to Dr. Brandt over the weekend on the lines of the attached talking points and give him the attached copy of Sir B. Burrow's paper.

R. C. Hope-Jones

(R. C. Hope-Jones)
5 December, 1967

*In fact we had very
little opportunity.
I should write him what
it always has been
Gus?*

CONFIDENTIAL

TALKING POINTS

I am worried by the delay in reaching agreement on the text of the Non-Proliferation Treaty, and am most anxious to do anything I can to break the present deadlock. Our willingness to accept I.A.E.A. safeguards on our own civil nuclear activities in order to reassure other parties to the Treaty, but particularly Germany, that we are not prescribing a medicine for them that we are not prepared to swallow ourselves, is sufficient evidence of that. In fact, we are prepared to take a stiffer dose ourselves than we expect the Germans to take, because we do not expect them to accept I.A.E.A. safeguards - only I.A.E.A. verification of Euratom safeguards.

2. The problem that is holding everything up is that of finding language which, without explicitly referring to verification of Euratom safeguards by the I.A.E.A., can nevertheless reasonably be interpreted as permitting this. We ourselves could accept any of the versions of the first sentence of the Article that have been suggested, but we understand and sympathise with German objections, both to the latest U.S. version and to Mr. Roschin's variant of it, which are in any case unacceptable to Moscow.

/3.

3. In these circumstances I would draw your attention to our own proposal, explained in the paper we circulated to NATO last week. The essence of this is that parties to the Treaty should accept "I.A.E.A. safeguards as set forth in an agreement to be concluded with the I.A.E.A." I am sure you will agree that I.A.E.A. must be permitted to take some measures, on a continuing basis, to check that Euratom safeguards are watertight. The scope and content of these measures will have to be negotiated between Euratom and the I.A.E.A., and we, for our part, will do everything in our power to ensure that I.A.E.A. demands are not excessive. But the point I want to make is that whatever measures are finally agreed on can properly be regarded as "I.A.E.A. safeguards", if this is qualified by the further phrase "as set forth in an agreement to be negotiated with the I.A.E.A." Our wording leaves the door not just ajar but wide open for verification, and we shall of course be prepared to state our interpretation in the E.N.D.C. and have it written into the record. We are pretty sure that the Russians will jump at this wording, and that they will not contest our interpretation.

4. Naturally I do not expect you to give me an immediate reply, but I do hope that you will read our paper yourself, and that the German Government will consider very seriously whether they cannot accept our formulation. There must be a compromise, and we think that this is much the best one from the German point of view.

ATOMIC ENERGY AND DISARMAMENT DEPARTMENT,
FOREIGN OFFICE.

