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International Atomic Energy Agency

Board of Governors

GOV/CR.413
8 September 1969
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OFFICIAL RECORD OF THE FOUR HUNDRED AND THIRTEENTH MEETING

Held at Headquarters, Vienna,
on Thursday, 12 June 1969, at 10.40 a.m.

CONTENTS

*/ GOV/1353

Attendance

(The list below gives the name of the senior member of each delegation who attended the meeting, as well as that of any other member whose statement is summarized in this record. The full composition of all delegations is given at the end of document GOV/OR.411.)

Mr. AFSHAR	Chairman (Iran)
Mr. QUIHILLALT	Argentina
Sir Philip BAXTER	Australia
Mr. ERRERA	Belgium
Mr. BITTENCOURT	Brazil
Mr. IVANCHEV	Bulgaria
Mr. McCORDICK	Canada
Mr. PEIRIS	Ceylon
Mr. LAURILA	Finland
Mr. GOLDSCHMIDT	France
Mr. TRIVEDI	India
Mr. SHIRAZI	Iran
Mr. SALVETTI	Italy
Mr. NIISEKI	Japan
Mr. RAZAFINDRATANDRA	Madagascar
Mr. LAFOSSE	Peru
Mr. SIAZON	Philippines
Mr. GROMOTOWICZ	Poland
Mr. TAN SENG CHYE	Singapore
Mr. SOLE	South Africa
Mr. TÜREMEN	Turkey
Mr. MOROKHOV) Mr. ARKADIEV)	Union of Soviet Socialist Republics
Mr. WEARING) Mr. McADAM CLARK)	United Kingdom of Great Britain and Northern Ireland
Mr. SMYTH	United States of America
Mr. OLAVARRIA	Venezuela
Mr. DOLLINGER	Representative of the Secretary-General of the United Nations
Mr. MEILLAND	World Health Organization

Mr. EKLUND	Director General
Mr. HALL	Deputy Director General for Administration
Mr. BOLTON	Secretary of the Board

RESOLUTIONS ADOPTED BY THE CONFERENCE OF NON-NUCLEAR-WEAPON STATES (continued[1])

(b) FUND OF SPECIAL FISSIONABLE MATERIALS (GOV/1348)

1. Mr. SMYTH (United States of America) said that his Government had not yet studied in detail the draft of the paper for the General Conference on a fund of special fissionable materials annexed to the Director General's note in document GOV/1348, but would submit its views to the Secretariat in due time. In the meantime, however, he wanted to recall that the United States had in the past often supplied requesting States with fissionable materials, especially enriched uranium, and the amounts of such materials it had pledged to the Agency[2] had actually been far in excess of the amounts requested.

2. He realized that special provisions were sometimes incorporated in bilateral arrangements between his country and other States in order to meet specific individual circumstances, especially in the supply of enriched uranium for power reactors, and such provisions were not reflected in the general supply agreement between his country and the Agency; however, he did not believe that that affected the Agency's intermediary function and was sure it had never proved a handicap to the other States concerned. As far as he knew, no firm request for the supply of power reactor fuel through the Agency had yet been made. To sum up, he believed that power reactor fuel could be supplied through the intermediary of the Agency just as easily as it could be supplied under bilateral agreements.

3. Mr. MOROKHOV (Union of Soviet Socialist Republics) said that the draft paper would have to be considered at Government level in view of the importance of the questions involved. However, he pointed out that the existing agreements for the supply of nuclear materials provided for the establishment of a fund though in fact only a negligible quantity of the materials pledged and available had actually been used. He wondered why the establishment of a new fund was considered necessary. In the circumstances, he saw no advantage in discussion of the proposed new fund either by the Board or by the General Conference and suggested, as an alternative, that Member States and the Secretariat of the United Nations should be informed of the existing supply arrangements.

1/ GOV/OR.412, paras 11-23.

2/ Under the agreement reproduced in document INFCIRC/5, part III.

4. Mr. McADAM CLARK (United Kingdom) said that his delegation's views on the subject would be made known as soon as it had been properly studied.

5. Mr. SIAZON (Philippines) expressed the hope that the Agency would display more vigour in providing non-nuclear-weapon States and developing countries with fissionable materials under the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). At the same time, he wanted to thank those nuclear-weapon States, especially the United States, which had made fissionable materials available through the Agency. Referring to paragraph 18(a) in the draft paper, he said he hoped the Agency could extend the duration of the supply arrangements so that nuclear power stations in non-nuclear-weapon States would be assured of a supply of fuel for the entire life of a reactor; the Agency should endeavour to ensure that the non-nuclear-weapon States were supplied with fissionable materials for five or ten years. He welcomed the Agency's attempts to liberalize the supply arrangements and hoped the nuclear-weapon States would respond favourably.

6. Mr. SOLE (South Africa) wondered whether it would not be helpful to annex to the Director General's note the statements made by the Governors from the United States, the Soviet Union and the United Kingdom.

7. The CHAIRMAN took it that the Board approved the communication of the paper annexed to document GOV/1348 to the General Conference.

8. It was so agreed.

APPOINTMENT OF THE DIRECTOR GENERAL (GOV/1350, 1355)

9. The CHAIRMAN said he understood it to be the sentiment of the Board that the appointment of the Director General should be discussed in a more confidential atmosphere than that in which the Board normally conducted its business, in accordance with the pattern which had been followed by the Director General over the years in his consultations with Governors about appointments of senior members to the staff. He therefore proposed that only each Governor - or, in the Governor's absence, only the senior members of his staff - should be present in the room, and accordingly asked all other persons present, except the Deputy Director General for Administration and the Secretary of the Board, to withdraw.

10. He then invited the Governor from Finland to introduce the joint draft resolution set forth in document GOV/1355 dealing with the terms of the Director General's appointment.

11. Mr. LAURILA (Finland) pointed out that since 1957 there had been no change in the Director General's base salary, although the salaries of the executive heads of other organizations in the United Nations family had been increased. The draft resolution proposed that the Director General's salary should be increased to $30 100, to bring it into line with the salaries of other executive heads. The representation allowance received by the latter was now $10 000 and in one case $15 000 per annum, and it was proposed that the Director General's present representation allowance of $10 000 should be maintained. The other executive heads, with the exception of the Secretary-General of the United Nations, received no housing allowance, but the Director General received a housing allowance of $10 000 per annum; the draft resolution proposed that that allowance be reduced to $8000.

12. Mr. GOLDSCHMIDT (France) drew attention to the fact that the Director General's base salary was less than that of the Deputy Directors General.

13. Mr. SOLE (South Africa) said his delegation supported the draft resolution. It was his understanding, however, that the salary referred to in paragraph (c)(i) was related to the salaries which executive heads of other organizations in the United Nations family had been receiving on 1 January 1969. Any post adjustments that became applicable in Vienna after 1 December 1969 would be applied to the Director General's salary at a rate conforming to that applicable to other executive heads. The Director General's salary and allowances would be subject to review and adjustment by the Board, after consultation with the Director General, to bring them into conformity with any provision regarding the conditions of employment of staff members which the Board might decide to apply at a future date, or with the levels which might from time to time be generally agreed upon in respect of the salaries and allowances of the executive heads of other organizations.

14. He realized that the draft resolution would make the Director General's total emoluments considerably greater than those of other executive heads, but he considered that the special nature of the Director General's task called for attractive remuneration. Finally, he pointed out that senior officers of the Agency would have to deal with new and difficult problems relating to the NPT, and he stressed his delegation's view that the Agency's staff should be small but well paid.

15. Mr. McCORDICK (Canada) supported the draft resolution although he had received no instructions from his Government; he agreed that it was necessary to offer an adequate salary to get the best man for the job, especially in view of the new tasks that would result from the NPT. He hoped the fact that the Director General's total emoluments, as proposed by the draft resolution, would be greater than those received by other executive heads would not lead to escalation.

16. Mr. MOROKHOV (Union of Soviet Socialist Republics), Mr. SHIRAZI (Iran), Mr. NIISEKI (Japan) Mr. RAZAFINDRATANDRA (Madagascar), Mr. PEIRIS (Ceylon), Mr. HERRERA (Belgium), Mr. McADAM CLARK (United Kingdom), Mr. SIAZON (Philippines), Mr. GROMOTOWICZ (Poland), Mr. QUIHILLALT (Argentina), Mr. TAN SENG CHYE (Singapore), Mr. TÜRKEN (Turkey) and Mr. IVANCHEV (Bulgaria) also supported the draft resolution.

17. Mr. GOLDSCHMIDT (France) pointed out that in four years' time the Board would again be required to discuss the Director General's salary and he hoped that it would be possible to arrange for that discussion to take place in a different meeting from that in which the Director General's appointment would be discussed.

18. Mr. SALVETTI (Italy) supported the draft resolution. However, he pointed out that the Deputy Directors General were often required to replace the Director General and he hoped that the proposed increase in the Director General's salary would not be to their disadvantage.

19. Mr. TRIVEDI (India) said that although, like several other Governors, he had received no formal instructions, he supported the draft resolution. He thought it was wrong to compare the Agency with specialized agencies: the Agency was regarded by the United Nations as a "related" agency. Moreover, the Director General's role differed from that of other executive heads and called for special qualifications.

20. Mr. SMYTH (United States of America) also supported the draft resolution and shared the understanding of the Governor from South Africa.

21. The CHAIRMAN took it that the Board was prepared to adopt the draft resolution in document GOV/1355 and, at the same time, to record an understanding on the lines of that formulated by the Governor from South Africa.

22. It was so decided.

23. The CHAIRMAN asked the Board to appoint the Director General who was to take office on 1 December 1969. He informed the Board, that, following consultations, the present Director General, Mr. Eklund, had been asked whether he would be prepared to serve for a further period of four years, and he had indicated that he would.

24. He therefore took it that the Board wished to appoint Mr. Eklund Director General to serve for four years from 1 December 1969.

25. It was so decided.

26. The CHAIRMAN reminded the Board that the appointment it had just made would have to be approved by the General Conference, in order to comply with a provision in Article VII.A of the Statute. In document GOV/1350 there was a draft document for the Conference which was designed to obtain such approval. He took it that the Board wished to approve the draft document.

27. It was so decided.

THE AGENCY'S ROLE IN RELATION TO THE USE OF NUCLEAR EXPLOSIONS FOR PEACEFUL PURPOSES (GOV/1352, 1357)

28. Mr. SALVETTI (Italy), introducing the amendments submitted by his delegation (GOV/1357) to the revised draft of the Board's report to the General Conference on the Agency's responsibility to provide services in connection with nuclear explosions for peaceful purposes (GOV/1352, Annex), wondered why such urgency had been attributed to something which was not really urgent at all. It was acknowledged that nothing practical or concrete could be done with regard to peaceful nuclear explosive technology for five years and yet there was a headlong rush to approve a final report to the General Conference.

29. As a party to the negotiation of the NPT, and a signatory to it, the Italian Government was under an obligation to respect Article V thereof, in accordance with which benefits from the peaceful applications of nuclear explosions would be obtained through an appropriate international body which would be designated by negotiation once the NPT had entered into force. It would be wrong for any signatory to the NPT to take a position which would prejudge the issue.

30. The tone of paragraph 13(b) of the draft report was somewhat reminiscent of the fairy-tale in which the stepmother used to ask the mirror:

"Mirror, mirror on the wall
Who is the fairest one of all?"

The Agency, however, was taking its fairness for granted without even consulting the mirror. While the Agency might well become the prettiest girl in the world of peaceful nuclear explosions, it was somewhat early to say that it was already, although it was the consensus that the Agency's Statute authorized it to disseminate information on the benefits of such explosions.

31. The General Assembly of the United Nations was, at its forthcoming session, to consider the question dealt with in paragraph 13(d); there again, the outcome should not be prejudged.

32. Mr. SMYTH (United States of America) pointed out that the Agency only wished to enter the beauty contest. It was well known that the technology of nuclear explosions was still in the initial stages, yet that fact had not deterred speakers at the Conference of Non-Nuclear-Weapon States[3] and later at the General Assembly from debating the importance of the technology.

33. The first draft report by the Board,[4] prepared by the Secretariat, had met with the approval of the vast majority of the Members that had served on the Ad Hoc Committee on the Use of Nuclear Explosions for Peaceful Purposes. Since that time a few additional changes had been made, at the suggestion of Members, which had not altered the substance of the original document. He therefore urged the Board to approve the revised draft report and to authorize the Director General to transmit it to the General Conference.

34. His delegation was opposed to the deletion of paragraph 13(b), but would accept the proposed amendment to paragraph 13(d).

35. Mr. McCORDICK (Canada) shared the views of the Governor from the United States. He found himself unable to accept the argument presented by the Governor from Italy with regard to paragraph 13(b). He failed to see what that paragraph prejudged or in what way it usurped the authority of Governments. While he was prepared to consider the suggested amendment to paragraph 13(d), he believed the report was perfectly acceptable in its present form.

36. Mr. ERRERA (Belgium), recalling that his Government's views were set forth in document GOV/COM.21/1, approved the draft report, including paragraph 13(b). It seemed appropriate for the Agency to assume the role envisaged under Article V of the NPT and it might be necessary, in order to fulfil the objectives of Resolution 2456 C (XXIII) of the General Assembly of the United Nations,

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3/ Held at Geneva from 29 August to 28 September 1968.

4/ GOV/COM.21/3, Annex.

(a) For the Ad Hoc Committee to be allowed to meet whenever necessary in the future; and

(b) For a separate section to be set up within the Agency which would deal exclusively with matters stemming from that role; that would not require the recruitment of any new staff at present.

37. Mr. NIISEKI (Japan) supported the views expressed by the Governors from the United States and Canada. He was opposed to the deletion of paragraph 13(b).

38. The majority view at the Conference of Non-Nuclear-Weapon States had been that the Agency, by virtue of its long experience, should play the main role in arranging for States to benefit from the technology of peaceful nuclear explosions. It was therefore appropriate that the Agency should now determine whether that role fell within its statutory and technical competence. Peaceful nuclear explosions would give rise to questions of liability in respect of damages to third parties, and the Agency should bear that legal aspect in mind.

39. Mr. ARKADIEV (Union of Soviet Socialist Republics) shared the views expressed by the Governors from the United States, Canada and Japan. The fact that the NPT was not yet in force and that the major benefits of peaceful nuclear explosions would not be available for some time to come certainly did not mean that the Agency should not prepare itself to meet its future responsibilities. He approved the present version of paragraph 13 since the conclusions set out therein were an accurate assessment of the Agency's present and future role.

40. Mr. GOLDSCHMIDT (France) suggested that a sentence should be added to paragraph 13(b) to the effect that the Agency would take the necessary steps to undertake its task when the parties to the NPT decided to entrust that task to it.

41. Sir Philip BAXTER (Australia) supported the views expressed by the Governors from the United States, Canada, the Soviet Union and Japan. He was opposed to the deletion of paragraph 13(b) for two reasons: first, the Agency was the only organization competent to perform the task envisaged under Article V of the NPT; secondly, the entry into force of the NPT was not really relevant to the sub-paragraph under review. Studies were already being carried out on the potential uses of peaceful nuclear explosives and it was desirable that the Agency should interest itself in them now and build up the necessary expertise to play a satisfactory role later on.

42. Mr. IVANCHEV (Bulgaria) approved the draft report in its present form.

43. Mr. SIAZON (Philippines) said his Government, as a signatory to the NPT, considered that the Agency should prepare itself to discharge its responsibilities under the Treaty once it came into force. To enable it to do so Article VI of the Statute, which was under review, should be appropriately amended. Because of its technical competence, the Agency was the organization best qualified to ensure that States Parties to the NPT enjoyed the benefits to be derived from the use of nuclear explosives for peaceful purposes, as provided for in Article V of the Treaty, and he was therefore opposed to the deletion of paragraph 13(b) of the draft report. In that connection he recalled that the Conference of Non-Nuclear-Weapon States had recommended "that the Agency, in relation to the question of nuclear explosives for peaceful purposes, initiate necessary studies that are deemed advisable on its possible functions in this field".5/

44. He approved the draft report in general. He pointed out, however, that the main difficulty encountered by the developing countries in carrying out technically feasible projects was a lack of finance. In Article XI.B of the Statute the Agency was empowered to assist Members to make arrangements to secure necessary financing from outside sources to carry out such projects, and he suggested that that function should be mentioned in paragraph 13 of the draft report.

45. Mr. GROMOTOWICZ (Poland) approved the draft report in its present form and was accordingly opposed to the deletion of paragraph 13(b). The Agency was undoubtedly the only organization competent to perform the functions envisaged in Article V of the NPT, and it would therefore be pointless to set up a new organization for that purpose.

46. While it was true that the use of nuclear explosives for peaceful purposes would be extremely beneficial to mankind, the technology was still at an early stage of development and the careful study of the matter which would have to be carried out would take quite a long time.

47. His delegation agreed with the view that nuclear explosive devices should be subject to the control of the nuclear-weapon States supplying them and also subject to observation by the Agency. That would be fully in conformity with the NPT and would preclude the possibility of such devices being used for non-peaceful purposes.

5/ United Nations document A/7277, Resolution H.IV.

48. Mr. RAZAFINDRATANDRA (Madagascar) approved paragraph 13(b) as it stood, but was prepared to agree to the addition of the sentence suggested by the Governor from France.

49. Mr. ERRERA (Belgium) was also in favour of adding the sentence suggested by the Governor from France, especially since the words "would take the necessary steps" reflected the proposal that a separate section be set up.

50. Mr. QUIHILLALT (Argentina) endorsed the view that the Agency should start to prepare for its eventual role with regard to the technology of peaceful nuclear explosions before the NPT came into force. He approved the draft report in its present form although he was prepared to accept the Italian amendment to paragraph 13(d).

51. Mr. McCORDICK (Canada) supported the views expressed by the Governor from Argentina.

52. Mr. SALVETTI (Italy) said that he had certainly not wished to convey the impression that he thought that any organization other than the Agency was competent to fulfil the role envisaged under Article V of the NPT, but only that he thought the decisions of States Parties to the NPT should not be anticipated.

53. His delegation would be prepared to accept the addition of the sentence to paragraph 13(b) suggested by the Governor from France.

54. Mr. SMYTH (United States of America) felt that the present version of paragraph 13(b) did not prejudge the situation. He did not believe that the sentence suggested by the Governor from France would clarify the situation and therefore did not support the addition of that sentence.

55. Mr. ARKADIEV (Union of Soviet Socialist Republics) agreed with the Governor from the United States. It sufficed to say that the Agency was competent to perform the functions envisaged under Article V of the NPT.

56. Mr. GOLDSCHMIDT (France) believed that nothing could be gained by further discussion of his suggestion; it had been made in a spirit of compromise. He felt that in any case it was only logical to assume that the Agency would be designated and that it would be indulging in false modesty to give a different impression.

57. Mr. TÜREMEN (Turkey) approved the report as it stood.

58. Mr. SALVETTI (Italy) said there was clearly no point in continuing discussion of his delegation's amendment to paragraph 13(b). He would, however, be grateful if the Italian position could be briefly reflected in the report by replacing the bracketed sentence in paragraph 3 of the draft by a sentence on the following lines: "The Board took into account the recommendations made by the committee when preparing this report, which it generally approved on 12 June; one delegation, however, expressed reservations with regard to paragraph 13(b) below which it considered inconsistent with Article V of the NPT."

59. Mr. SIAZON (Philippines) suggested that a reference to Article XI.B of the Statute should be incorporated in paragraph 13 of the report.

60. Mr. TÜREMEN (Turkey) supported the suggestion of the Governor from the Philippines.

61. Sir Philip BAXTER (Australia) considered that nothing would be gained by including such a reference.

62. Mr. ARKADIEV (Union of Soviet Socialist Republics) said that, in the opinion of the Soviet delegation, the inclusion of such a reference would be entirely unjustified.

63. Mr. TRIVEDI (India) felt that, to meet the wishes of some developing countries, the report should be made to reflect Article XI.B but not in paragraph 13. He therefore proposed that the first sentence in paragraph 5 of the draft report be amended by adding some such words as "and upon request to assist any Member or group of Members to make arrangements to secure necessary financing for projects in this field from outside sources".

64. Mr. McCORDICK (Canada) considered that the interests of the developing countries would be adequately served without such an amendment.

65. Mr. SIAZON (Philippines) welcomed the proposal made by the Governor from India.

66. Mr. McADAM CLARK (United Kingdom) said that he found the proposal of the Governor from India reasonable and had no objection to it.

67. Mr. SMYTH (United States of America) supported the view expressed by the Governor from the United Kingdom.

68. The CHAIRMAN assumed, in the light of the discussion, that the Board wished to approve the draft report annexed to document GOV/1352, with paragraphs 3 and 5 changed to meet the suggestions made by the Governors from Italy and India respectively and paragraph 13(d) replaced by the new text submitted by Italy in document GOV/1357.

69. It was so agreed.

STATEMENT BY THE DIRECTOR GENERAL ON HIS REAPPOINTMENT

70. The DIRECTOR GENERAL expressed his appreciation of the confidence in him which the Board had shown in appointing him to the post of Director General for a further term; he would do all in his power to realize at least some of the expectations of Member States.

71. It was a great privilege to be invited to continue serving as Director General at a time when the Agency was preparing to face such major challenges as those arising out of the NPT. In particular, he was aware of the importance of meeting the needs of the non-nuclear-weapon States - a question which was closely related to the provision of technical assistance to the developing countries under the Statute.

72. Such challenges could be met and such questions solved only if there was a close relationship of trust between the Board and the Secretariat. That close relationship had existed in the past, and he took the Board's unanimous decision as an indication that it would continue to exist in the future.

The meeting rose at 12.55 p.m.

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