

~~CONFIDENTIAL~~

DO NOT TYPE IN THIS SPACE

By                      NARA, Date                      (Security Classification)

**FOREIGN SERVICE DESPATCH**

398.1901/8-458

This document must be returned to the RMR Center

FROM : US Resident Delegation, Geneva, Switzerland

ECOSOC 8  
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

August 11, 1958

REF :

DECLASSIFIED  
E.O. 13526, Sec. 3.3

398.1901

ID Rep Rank Over IRC 100  
CIA/OSD-1 100

For Dept.	ACTION	DEPT	DATE
Use Only	REC-4	REC-5	REC-6
	8/9	7/51A-10	

SUBJECT: Australian Comments IAEA

STATE DEPT. DECLASSIFICATION REVIEW

Retain class'n  
 Declassify

Change/classify to with concurrence of

EO 12958, 25X after 11/24/99

The following confidential memorandum prepared by a member of the Australian Department of External Affairs is an evaluation of the International Atomic Energy Agency. It was prepared at the request of External Affairs because of the "waves of pessimistic reports" which have emanated from Vienna to London, Paris and Canberra.

It was given to a member of the United States Delegation to ECOSOC, not by the Australian Delegation but by a third party and its confidential character should be carefully protected.

"One of major factors in situation appears to be recent moves by Euratom. We understand that EURATOM is planning to install million kilowatts of nuclear power by 1963 and that to achieve this goal it is negotiating agreement with United States for technical assistance, materials and equipment and financial aid. United Kingdom is also apparently seeking to conclude an agreement with Euratom.

It appears that major hold-up in United States Euratom negotiations is Euratom insistence that safeguards should be applied and policed by Euratom itself, and not by IAEA or United States. United States would only be allowed to carry out periodic "audit" checks, to see that Euratom safeguards system was working properly, and IAEA would have no rights. We understand that Euratom stand has caused considerable difference of opinion amongst United States authorities, with State Department generally sympathetic and USAEC generally opposed (although itself divided on issue). Outcome of negotiations appears to be in doubt, but, in view of United States interest in West European integration and economic development, its interest in rapid development of peaceful uses of atomic energy, and commercial stake in proposed agreement (Euratom would use United States "water" reactors) it seems unlikely that negotiations will ultimately break down.

SPECIAL ASSISTANT TO THE SECRETARY  
S/AE

OFFICE OF INTERNATIONAL ECONOMIC AFFAIRS  
BRANCH AND SOCIAL AFFAIRS  
AUG 13 1958  
Action transferred to S/AE Mr. Smith

Should

NOV 10 1958

FILED

OCT 30 1958

Kathleen Bell

~~CONFIDENTIAL~~

ACTION COPY - DEPARTMENT OF STATE

AUG 13 1958

The action office must return this permanent record copy to DC/R files with an endorsement

398.1901/8-458 HBS

CONFIDENTIAL FILE

DECLASSIFIED  
E.O. 13526, Sec. 1.1  
By: [Signature]  
Date: 11/20/01

CONFIDENTIAL

(Classification)

Page 2 of  
Encl. No. \_\_\_\_\_  
Disp. No. ECOSOC 8  
From \_\_\_\_\_

Should agreement be concluded in above lines, it will mean that international arrangements to assist atomic energy development and guard against its diversion of nuclear materials to non-peaceful uses for a most important part of world (including nations most likely to develop nuclear power in near future) will be completely outside control of Agency. Effect on I.A.E.A. could be serious. Similar arrangements might be concluded for other advanced countries (e.g., in Eastern Europe) and result could be that Agency would be confined to minor task of assisting underdeveloped countries which will not be able to make significant use of atomic energy for considerable time. In these circumstances it could well be difficult for many nations to sustain active interest in Agency. And yet Western countries at least have made something of a political investment in setting up the Agency, not to mention the fairly substantial contributions entailed in a budget of around \$7 million.

Removal of Euratom countries from I.A.E.A. safeguards system would also tend to confirm apprehensions of India and many "under-developeds" that Agency safeguards obligations will rest only on "have-not" countries, and could also expose United States to Soviet charge of insincerity in its sponsorship of Agency safeguards system. Adverse effect on future of Agency, as well as on feasibility of establishing Agency safeguards system are obvious.

Another factor which bears on future of Agency is development of atomic energy programmes by specialised agencies and other international bodies. We have consistently supported primary responsibility of I.A.E.A. for development of all aspects of atomic energy but it appears that some agencies will not only be reluctant to concede Agency primacy in atomic energy fields already entered by them but are actually entering new fields. Thus F.A.O. and W.H.O. have recently adopted programmes for the use of radio active isotopes for agricultural and medical purposes, and despite nominal recognition of need for consultation with I.A.E.A. and avoidance of duplication it appears that specialised agencies will be inclined to pursue their programmes without too much regard for I.A.E.A. claims. I.L.O. and UNESCO likewise have atomic energy programmes. In radiation field, there also appear likely to be some tendency towards duplication of functions, and differences of opinion regarding division of responsibility between IAEA and Radiation Committee may develop.

Value of Agency will clearly be affected by result of these developments, which could reduce considerably its real scope and practical responsibility for international atomic energy development. If it were to become only another international agency carrying out atomic energy functions not otherwise allocated (and not including, for the moment, power reactors) it might be hard to justify continuance of its present special status.

It is

CONFIDENTIAL

~~CONFIDENTIAL~~

(Classification)

Page 3 of

Encl. No. \_\_\_\_\_

Disp. No. ECOSOC 8

From \_\_\_\_\_

It is even possible that Agency may not be able to pay role envisaged by sponsors of "broker" for transactions involving nuclear materials and equipment. Direct supply (as to Euratom) and competition between suppliers may make it difficult if not impossible for Agency to set up effective measure of handling such transactions.

Another factor is difficulty experienced, for technical and political reasons, in getting Agency under way and starting on effective programme of work. This may be to some extent inherent, in that Agency is attempting to co-ordinate efforts of countries of widely differing levels of technical and economic development and may continue even after initial period.

We understand that above and other considerations have caused some pessimism about future of Agency in minds of some of people closely associated with its work so far."  
July 24, 1958

*Walter Kotschnig*

Walter Kotschnig  
Deputy U.S. Representative

~~CONFIDENTIAL~~

*AL*



National Security Archive,  
Suite 701, Gelman Library, The George Washington University,  
2130 H Street, NW, Washington, D.C., 20037,  
Phone: 202/994-7000, Fax: 202/994-7005, [nsarchiv@gwu.edu](mailto:nsarchiv@gwu.edu)