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**DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.**

**NUMBERED LETTER**

UNCLASSIFIED

**TO:** THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA, CANADA.

**FROM:** The Canadian Embassy, Washington, D.C.

**Reference:** Our Telegram No. 1482, June 26.

**Subject:** Amendments to Atomic Energy Act of 1954.

**Security:** UNCLASSIFIED

**No:** 1015

**Date:** June 30, 1958.

**Enclosures:** - 1 -

**Air or Surface Mail:** Courier

**Post File No:**

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| 50219-D-40 | |
| 20 | 57 |

**References**

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JUL 4 1958

Enclosed is a copy clipped from the Congressional Record of Friday, June 27, showing the official text of the decision of the Joint Conference Committee after consideration of Senator Anderson's two amendments. This verifies the contents of our telegram under reference.

2. The decision was passed by the House on Friday and was passed by the Senate on Monday, June 30. The bill has now gone to the White House. Attempts are being made to expedite the usually laborious consideration of the bill by the Bureau of the Budget but no forecasts are being made on when the bill will be signed. One can assume however that the delay will be minimal and therefore the bill is likely to be signed this week.

H. Williamson

for The Embassy.

**Internal Circulation**

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[illegible]

Ext. 182A (Rev. 2/52)

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1958 JUL 3 PM 2 40

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# DEPARTMENT OF EXTERNAL AFFAIRS

*Subject* TO AMEND THE ATOMIC ENERGY ACT OF 1954, AS AMENDED

*Date* JUNE 27, 1958 *Publication* THE CONGRESSIONAL RECORD

## TO AMEND THE ATOMIC ENERGY ACT OF 1954, AS AMENDED

Mr. DURHAM submitted the following conference report and statement on the bill (H. R. 12716) to amend the Atomic Energy Act of 1954, as amended:

CONFERENCE REPORT (H. REPT. No. 2051)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12716) to amend the Atomic Energy Act of 1954, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered (1).

That the House recede from its disagreement to the amendment of the Senate numbered (2) and agree to the same with an amendment as follows: On page 2 strike out lines 1, 2, and 3 and substitute in lieu thereof the following:

"(1) nonnuclear parts of atomic weapons provided that such nation has made substantial progress in the development of atomic weapons, and other nonnuclear parts of atomic weapons systems involving Restricted Data provided that such transfer will not contribute significantly to that nation's atomic weapon design, development, or fabrication capability; for the purpose of improving that nation's state of training and operational readiness;

At page 2, line 18, after the word "weapons", strike out the comma and insert in lieu thereof "and atomic weapons systems,"

And the Senate agree to the same.

That the House recede from its disagreement to the amendments of the Senate numbered (3) and (4), and agree to the same.

CARL T. DURHAM,
CHET HOLIFIELD,
MELVIN PRICE,
JAMES E. VAN ZANDT,
CRAIG HOSMER,
*Managers on the Part of the House.*

CLINTON P. ANDERSON,
JOHN O. PASTORE,
ALBERT GORE,
BOURKE B. HICKENLOOPER,
JOHN W. BRICKER,
*Managers on the Part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12716) to amend the Atomic Energy Act of 1954, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate passed the House bill with four amendments, Nos. (1) and (2) pertaining to section 91c and Nos. (3) and (4) pertaining to section 144b of the Atomic Energy Act. The committee of conference has reached agreement on all matters under consideration. The following statement explains the differences between the House bill and the agreement of the conference.

AMENDMENTS TO SECTION 91C OF THE ATOMIC ENERGY ACT OF 1954, AS AMENDED

The House, when it considered H. R. 12716 as reported out by the Joint Committee on Atomic Energy, retained the language contained in the bill as it pertains to amending section 91 of the Atomic Energy Act of 1954, as amended. That language beginning on line 6, page 1, and continuing through line 9, page 3, provides:

"(c) The President may authorize the Commission or the Department of Defense, with the assistance of the other, to cooperate with another nation and, notwithstanding the provisions of section 57, 62, or 81, to transfer by sale, lease, or loan to that nation, in accordance with terms and conditions of a program approved by the President—

"(1) nonnuclear parts of atomic weapons to improve that nation's state of training and operational readiness;

"(2) utilization facilities for military applications; and

"(3) source, byproduct, or special nuclear material for research on, development of, production of, or use in utilization facilities for military applications; and

"(4) source, byproduct, or special nuclear material for research on, development of, or use in atomic weapons: *Provided, however,* That the transfer of such material to that nation is necessary to improve its atomic weapon design, development, or fabrication capability: *And provided further,* That such nation has made substantial progress in the development of atomic weapons, whenever the President determines that the proposed cooperation and each proposed transfer arrangement for the nonnuclear parts of atomic weapons, utilization facilities or source, byproduct, or special nuclear material will promote and will not constitute an unreasonable risk to the common defense and security, while such other nation is participating with the United States pursuant to an international arrangement by substantial and material contributions to the mutual defense and security: *Provided, however,* That the cooperation is undertaken pursuant to an agreement entered into in accordance with section 123: *And provided further,* That if an agreement for cooperation arranged pursuant to this subsection provides for transfer of utilization facilities for military applications the Commission, or the Department of Defense with respect to cooperation it has been authorized to undertake, may authorize any person to transfer such utilization facilities for military applications in accordance with the terms and conditions of this subsection and of the agreement for cooperation."

The Senate retained the language of clauses (1), (2), and (3) but struck out the proviso in clause (4) and inserted a new proviso to apply to both clause (1) and clause (4) to read as follows: *"Provided,* That the transfer of any parts described in clause (1) or any material described in clause (4) to any such nation is necessary to improve its atomic weapon design, development, or fabrication capability and provided that nation has made substantial progress in the development of atomic weapons."

The conference retains clause (4) as originally contained in the bill. It modified clause (1) to read as follows:

"(1) nonnuclear parts of atomic weapons provided that such nation has made substantial progress in the development of atomic weapons, and other nonnuclear parts of atomic weapons systems involving Restricted Data provided that such transfer will not contribute significantly to that nation's atomic weapon design, development, or fabrication capability; for the purpose of improving that nation's state of training and operational readiness."

The conference agreement, therefore, makes provision for the transfer of two distinctly different types of nonnuclear parts. One type, the nonnuclear parts of atomic weapons, relates to the integral components of the weapon itself which could only be transferred to those nations that have made substantial progress in the development of atomic weapons. The other type relates to nonnuclear parts of atomic weapons systems which are not integral to the weapon itself but pertain to various kinds of equipment involving restricted data to make possible the operational use and maintenance of the weapon, such as adaption kits. This latter category of nonnuclear parts relating to the atomic weapons systems is not as sensitive as the first category of nonnuclear parts and would not disclose internal design information of the weapon. This type, under the new language, may be transferred to a nation provided that the transfer will not contribute significantly to that nation's atomic weapon design, development, or fabrication capability.

The transfer of either type must be for the purpose of improving the recipient nation's state of training and operational readiness. Authorization for such transfer would have to comply with all other conditions, provisions, and limitations contained in the bill as passed.

As a technical amendment, the words "or nonnuclear parts of atomic weapons systems" were inserted on page 2 at line 18 of H. R. 12716 to reflect the modification of clause (1) as recommended out by the conference.

AMENDMENTS TO SECTION 144b OF THE ATOMIC ENERGY ACT OF 1954, AS AMENDED

The House, when it considered H. R. 12716, as reported out by the Joint Committee on Atomic Energy, retained section 6 of the bill reading as follows:

"SEC. 6. Section 144 b. of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"'b. The President may authorize the Department of Defense, with the assistance of the Commission, to cooperate with another nation or with a regional defense organization to which the United States is a party, and to communicate to that nation or organization such Restricted Data (including design information) as is necessary to—

"'(1) the development of defense plans;

"'(2) the training of personnel in the employment of and defense against atomic weapons and other military applications of atomic energy;

"'(3) the evaluation of the capabilities of potential enemies in the employment of atomic weapons and other military applications of atomic energy;

"'(4) the development of compatible delivery systems for atomic weapons; and

"'(5) other military applications of atomic energy, except that with respect to this subcategory, Restricted Data concerning research, development, design, or fabrication of atomic weapons, or concerning research, development, or design of military reactors shall not be communicated;

whenever the President determines that the proposed cooperation and the proposed communication of the Restricted Data will promote and will not constitute an unreasonable risk to the common defense and security, while such other nation or organization is participating with the United States pursuant to an international arrangement by substantial and material contributions to the mutual defense and security: *Provided, however,* That the cooperation is undertaken pursuant to an agreement entered into in accordance with section 123.'"

The Senate by amendments (3) and (4) deleted subsection 144b clause (5).

The conference accepted these two amendments and thus eliminates clause (5) from section 144b.

In eliminating clause (5) of subsection 144b it is with the understanding and the intent that restricted data pertaining to the military use of isotopes for medical purposes and restricted data for defense against radiological warfare described during the hearings, could be transferred under authorization contained in subsections 144b (1) and (2), and other provisions of the act. Clause (5) was therefore considered unnecessary.

In reaching agreement the conference received testimony from technical experts of the Department of Defense and the Atomic Energy Commission which assisted the conference in arriving at its agreement.

CARL T. DURHAM,
CHET HOLIFIELD,
MELVIN PRICE,
JAMES E. VAN ZANDT,
CRAIG HOSMER,
*Managers on the Part of the House.*

Mr. DURHAM. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 12716) to amend the Atomic Energy Act of 1954, as amended.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. ALLEN of Illinois. Mr. Speaker, reserving the right to object, I assume the gentleman has cleared this with Members on the minority side.

Mr. DURHAM. With the gentleman from Massachusetts [Mr. MARTIN] and with the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. ALLEN of Illinois. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

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*Subject*.....

*Date*.....*Publication*.....

MR. DURHAM. Mr. Speaker, I ask unanimous consent that the statement on the part of the managers of the House be read in lieu of the report.

THE SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

MR. DURHAM. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

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RESTRICTED

OFFICE OF THE CHAIRMAN, CHIEFS OF STAFF
OTTAWA

Pour file - 50219-D-40

30 June 1958 | 50

Mr. Jules Leger,
The Under-Secretary of State
for External Affairs,
East Block,
Ottawa, Ontario.

Amendments to United States Atomic Energy Act -
Question in the House of Commons

1. Reference is made to your memorandum of 27 June 1958, attaching draft reply which you have prepared for your Minister in reply to the question raised by Mr. Pearson.

2. We are in general agreement with your draft reply with the exception we feel that the wording of paragraph 2 should be slightly modified until we know exactly what amendments have been passed by the Senate and Congress. You will note that we have also suggested one change in the last paragraph to reflect this.

3. With reference to paragraph 4, I shall be speaking to Mr. Pearkes today regarding the suggestion that he should answer any further questions which might relate to the effect of these further amendments to the Act on specific cooperation in the military uses of atomic energy. However, it will be appreciated that until we know exactly what specific amendments are passed by both Houses in Washington, our Minister will not be able to go beyond what is already in the draft reply which Mr. Smith is going to make.

(Charles Foulkes)
General,
Chairman, Chiefs of Staff.

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10M-2-51 (M-3180)
H.Q. 224-15-3

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30 June 1958

DRAFT

Question in the House - Amendments to USA Atomic Energy Act

The Leader of the Opposition on June 25 asked a question in the following terms: "Whether the Canadian Government has made representations to the United States concerning amendments to the United States Atomic Energy Act approved by the Senate in Washington on Monday which would prevent Canada from obtaining United States nuclear weapons of any kind and would make it illegal for the United States even to supply information to enable Canada to design such weapons for use by our Navy, Army or Air Force?".

. . . . . .

I can assure the Leader of the Opposition that we have followed closely the discussions in the United States Congress of the amendments to the United States Atomic Energy Act and (are in our view we feel satisfied) that whatever arrangements it may be necessary for Canada to make in this field will be feasible under the Act as amended. The United States Government is (fully) aware of Canadian requirements and we (are confident) that we would experience (no) difficulty in making any future arrangements with the United States Government in the atomic energy field which may be necessary for our joint defence measures.

continuously being made
anticipate
little

The question of the Leader of the Opposition concerns a situation in which the United States Congress is still considering amendments proposed by the two United States Houses to amendments proposed by the United States Executive to an Act which is already amended from the form in which it was originally conceived. That process is not over yet. Since the question was asked, additional amendments have been introduced and there has been a conference of the two United States Houses, the results of which should be available today. Thereafter the amended Act will have to come to the floor of the two Houses of Congress, where it may again be amended. I am sure

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tne House will understand, therefore, that it would be impossible for me to comment in any detail at this stage on proposed amendments to the Act.

I would, however, like to add a further comment on the implication of the question which has been asked. There is a suggestion in the question, it seems to me, that the process of amending the United States Atomic Energy Act which is going on has in some sense made more restrictive the provisions of that Act. I can with assurance tell the House that this is the exact opposite of the intent of the United States Administration and the United States Congress as indicated in the hearings which have taken place over some months. Late last October, following discussions with the Prime Minister of the United Kingdom, the President of the United States indicated that he would request Congress to amend the Atomic Energy Act in order to permit close and fruitful collaboration in this field between the United States and other friendly countries. He made this commitment in the context of a statement to the effect that the countries of the free world were inter-dependent and that only by combining their resources in genuine partnership could they make progress and find safety.

Again in his message on the State of the Union early this year, the President of the United States emphasized the necessity that Congress enact legislation to enable the United States to exchange appropriate scientific and technical information with friendly countries. The Chairman of the United States Atomic Energy Commission in a letter of January 27 to the appropriate Committee of the United States Congress said in part: "The restrictive provisions of the Atomic Energy Act, though appropriate at the time of their enactment, are now unduly restrictive in the face of the present world situation" and emphasized that the proposed amendments were

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designed to broaden the area in which military cooperation with friendly countries in the atomic energy field could take place.

In giving evidence to the appropriate Congressional Committee on March 27, the United States Deputy Secretary of Defense said in part "We cannot continue to confine our cooperation to the limitations now in effect but must extend it to what will be mutually useful and promote the common defence and security." Again in March of this year the Acting Chairman of the United States Atomic Energy Commission in his evidence to Congress on the amendments, emphasized the intent of the Administration's proposal. He said in part: "The time has arrived when there must be a degree of cooperation in the military atomic energy field substantially greater than that which is authorized under the statute drawn several years ago. ... To assure proper training and planning for nuclear weapon use and for the defence against nuclear war, added information must flow to many of our allies and in degrees to vary with the recipients needs and security."

These are but a few of the statements concerning the intent of the amendments, all of which echo the view that the amendments are intended to liberalize the existing Act. A great deal of the Act will, of course, remain unchanged. However, the amendments which have been proposed and are still being acted upon and which apply to the military applications of atomic energy are designed to increase the area of possible cooperation between the United States and friendly countries. It is for this reason the Canadian Government anticipates (is confident) that when the Act as finally amended is passed, and in the following period when all-important interpretations have to be made of the Act, future Canadian defence need will be served as present needs have been served under the existing legislation.

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SEEN BY THE MINISTER

Pol file - 50219-D-40

RESTRICTED

June 30, 1958

MEMORANDUM FOR THE MINISTER

Amending of the United States Atomic Energy Act

There is attached for your consideration material relevant to the question on this subject asked by the Leader of the Opposition on June 25. The first attachment is a brief summary of the amendments which have been made to the existing United States Act. The second attachment contains the text of a possible reply to the question.

2. The amending process in the United States has been a very complicated one and I would strongly recommend that you not attempt to inform the House in detail of your understanding of the effect of the amendments. It will be some time before there have been sufficient interpretations of the amended legislation to enable us to comment with assurance on the exact effect of the new Act. Furthermore, the United States authorities were prepared in the past to interpret the old Act liberally to meet Canadian needs. We have no reason to believe that the case would be any different in the future.

3. The suggested answer to the question is in general terms. We believe that any question dealing with the specific effect of the revised Act on Canada's national defence programme should be the responsibility of the Minister of National Defence. We have discussed with officials of the Department of National Defence a possible answer to the question along the lines of the attachment, but this exact wording has not been cleared with Mr. Pearkes. We shall be sending the attachments to the Department of National Defence, but thought that you should have them for your own information as soon as possible. You may wish to discuss them personally with Mr. Pearkes with a view to reaching agreement on an early response in the House.

J.L.H.

000370

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CONFIDENTIAL

June 30,1958.

# MEMORANDUM CONCERNING AMENDMENT OF UNITED STATES ATOMIC ENERGY ACT

The following background information concerning the amendments to the United States Atomic Energy Act, which are currently being considered by the United States Congress, has been assembled for use in the event of questions in the House of Commons. Hearings before committees of Congress have been going on since January. Final action has not been taken on the amendments as yet but may be expected within the next few days.

## 2. INTENT

From the statements of various senior members of the Executive Branch of the United States Government, including the President, it is obvious that the purpose of the amendments to the Act submitted by the Executive was to permit increased cooperation with friendly countries in the military applications of atomic energy. The amendments were designed to permit an increased flow of information to friendly countries under certain conditions and the transfer of materials to assist friendly countries to improve their state of training and readiness in the defence field.

## 3. CONTROL

The amendments, however, were not designed to change the effect of the existing Act insofar as it prohibits the transfer to another nation of the nuclear components of weapons. It would still be the case under the amended Act that United States-fabricated nuclear components would have to remain in the custody of United States personnel. (So far as Canada is concerned, the amended Act would still not provide, for example, for the transfer of the nuclear warheads of air defence weapons to Canadian control.)

## 4. AMENDMENTS

(a) Information. The amendments proposed in the information field would expand the areas in which United States information could be given to a friendly country. The amended Act, therefore, would

(i) provide for the communication of such Restricted Data as may be necessary for the development of defence plans, the training of personnel, the evaluation of enemy capabilities and the development of compatible delivery systems for atomic weapons;

Section 144 b

(ii) provide that Restricted Data concerning atomic weapons might be exchanged with a friendly country which has made substantial progress in the development of atomic weapons; the information would be intended to improve that nation's atomic weapon design, development or fabrication capability;

144 c (i)

144 c (2)

(iii) provide for the communication of Restricted Data concerning research, development, or design of military reactors.

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[redacted] Section 9(1)(c) 2.

(b) Materials. The amendments to the Act, if accepted, would permit the transfer by sale, lease or loan from the United States to a friendly country of (i) non-nuclear parts of atomic weapons; (ii) utilization facilities for military applications (e.g., military reactors for propulsion or power); and (iii) special nuclear material for use in weapons or other atomic facilities.

This was changed by the Senate

An important amendment affecting the transmission of materials is that which would eliminate a requirement under the present Act that the recipient country guarantee not to use materials received for military purposes.

(c) U.S. Procurement of Special Nuclear Materials. An amendment to Section 55 of the Atomic Energy Act, if accepted, would authorize the Atomic Energy Commission to enter into contracts for terms up to 15 years for the procurement of special nuclear material, particularly plutonium from sources outside the United States; such material would be used to contribute to the stockpile of nuclear weapons in United States custody in allied countries. It would serve also to encourage the development, construction and operation of nuclear power plants abroad.

This amendment was withdrawn by administration on March 7th

INTERNATIONAL AGREEMENTS

5. The proposed amendments would not affect the section of the present Act which provides that "any provision of this Act or any action of the Commission to the extent and during the time that it conflicts with the provisions of any international arrangement made after the date of the enactment of this Act, shall be deemed to be of no force or effect".

2/3 rd's in favour

6. The effect of this section is that, notwithstanding the terms of the Atomic Energy Act, an international agreement could be made with a friendly country for the transfer of information or materials not permitted by the Act, so long as that agreement were brought for consideration by the two Houses. It is believed by interested Canadian officials that if in the future there was a requirement for Canada to have certain information or materials for the common defence effort, whose transfer was not covered specifically in the Act, an international agreement could be made under this section with the United States Government. So long as it is the desire of the United States Government to cooperate, even beyond the confines of the Act, the means exists for that cooperation to take place. We have been assured on a number of occasions that Canada's needs will be looked after.

7. Aside from this specific section, there is another section of the Act which provides that any cooperation under the terms of the Act must be based on a specific agreement with the United States Government. Canada has already, under the old Act, completed agreements with the United States Government covering both civil and military cooperation. It may eventually prove desirable to renegotiate these bilateral agreements.

8. IMPLICATIONS FOR CANADA

At this stage it is impossible to be certain of all the implications for Canada of the amended Act, since even after the amending process is completed, there will still

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have to be a period of interpretation of the new Act. Our past experience has been that the United States authorities have been prepared to interpret existing atomic energy legislation in the most favorable possible terms so far as Canada is concerned. However, the following implications for Canada are apparent at this moment:

(a) The situation regarding control of completely fabricated weapons with nuclear warheads remains unchanged by the proposed amendments, i.e., United States custody is still mandatory;

(b) The situation would seem to remain unchanged regarding the obtaining of information concerning the design of weapons, since Canada does not have an atomic weapons production programme (para. 4(a)(ii) above);

(c) The amendments will make easier the provision to Canada of additional information with respect to the military applications of atomic energy. (It is our understanding, however, that United States authorities have in any case stretched existing legislation to provide all the information the Canadian services have required in the past (para 4(a)(i) above);

(d) The amendments will permit the transfer of certain materials to Canada which may be of interest to us, e.c., the propulsion and power reactors (para 4(b)(ii) above;

(e) The amendments <u>may</u>, after further interpretation, permit the transfer to Canada of non-nuclear parts of atomic weapons systems. The effect of a last minute amendment in the Senate on this point is somewhat uncertain.

9. The intent of the amendments is obviously to make easier the transfer of essential defence information in the atomic energy field to such countries as Canada, and whether or not exact amendments accepted cover our requirements completely, there is no reason to expect that in future Canada would experience difficulty in getting the information it needed. The experience of our services even under the present restrictive legislation has been good, and there is no reason to suppose that the new legislation would change this basic fact.

<u>SUMMARY</u>

10. Perhaps the briefest judgement which could be made of the amended legislation at this time would be that it would appear to grant more latitude for cooperation between the United States and those countries which have advance atomic weapons programmes (i.e., the United Kingdom), and that it would provide at least as much latitude for cooperation between the United States and all other friendly countries as is provided under the present legislation. The possibility exists as well that interpretation of the amended legislation will liberalize the workings of the Act beyond what is provided for in the actual language of the amendments.

Department of External Affairs

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**OFFICE OF THE UNDER-SECRETARY**

Mr. L[illegible] would like a copy of this. It was redone as amended and all copies sent to Minister under the covering memorandum on 1/7/58 (unfortunately no duplicates were made).

Done 2.7.58 D.A. McDougall.

1/7/58.

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S. Freifeld

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Mr. McCardle

Refile - 55219-D-40

RESTRICTED

June 30, 1958

Question in the House - Amendments to USA Atomic Energy Act

The Leader of the Opposition on June 25 asked a question in the following terms: "Whether the Canadian Government has made representations to the United States concerning amendments to the United States Atomic Energy Act approved by the Senate in Washington on Monday which would prevent Canada from obtaining United States nuclear weapons of any kind and would make it illegal for the United States even to supply information to enable Canada to design such weapons for use by our Navy, Army or Air Force?".

1. I can assure the Leader of the Opposition that we have followed closely the discussions in the United States Congress of the amendments to the United States Atomic Energy Act. The House will appreciate that certain restraint has had to be exercised in discussing the legislation of another country while it is under review by the legislature of that country. The United States Government is being kept fully aware of possible Canadian military requirements and we anticipate that we would experience little difficulty because of the amendments under consideration in making any future arrangements with the United States Government in the military application of atomic energy which may be necessary for our joint defence.

2. The Leader of the Opposition's question concerned a situation last week in which the United States Congress was considering amendments proposed by the two United States Houses to amendments proposed by the United States Executive to an Act which is already amended from the form in which it was originally conceived.

3. (This is appropriate as of June 30.) /That process is not over yet. Since the question was asked, additional amendments were introduced. There has been a conference of the two United States Houses. The final Congressional Report on that conference is not yet in our hands. Senate action on the bill is not yet completed./

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I am sure the House will understand, therefore, that it would be inadvisable for me to comment in any detail at this stage on what has been a very complicated amending process.

3 4. I would, however, like to add a further comment on the implication of the question which has been asked. There is a suggestion in the question, it seems to me, that the process of amending the United States Atomic Energy Act which is going on has in some sense made more restrictive the provisions of that Act. I can with assurance tell the House that this is the exact opposite of the intent of the United States Administration, as indicated in the hearings which have taken place over some months. Late last October, following discussions with the Prime Minister of the United Kingdom, the President of the United States indicated that he would request Congress to amend the Atomic Energy Act in order to permit close and fruitful collaboration in this field between the United States and other friendly countries. Again, in his Message on the State of the Union early this year, the President of the United States emphasized the necessity that Congress enact legislation to enable the United States to exchange appropriate scientific and technical information with friendly countries.

4 5. There have been a number of other statements by senior United States spokesmen which echo the view that the amendments were intended to liberalize existing United States atomic energy legislation. Many features of the Act as it existed before the recent amending process remain unchanged. Even under the earlier provisions of the Act it has been possible to meet Canadian requirements as they have developed. At this stage it is impossible to be certain of all the implications of the amended Act for Canada, or indeed for any other interested country. After the new Act becomes effective,

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there will follow a period when important interpretations have to be made of its terms in the light of specific requirements. Certainly the amendments would seem to provide somewhat more latitude for cooperation between the United States and friendly countries than was provided in the United States law preceding the amendments. It is for this reason that the Canadian Government anticipates that future Canadian defence needs, insofar as this area of cooperation with the United States is concerned, will be served just as in the past the necessary degree of United States cooperation in this field has been possible under existing United States legislation.

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5 6. I have dealt with the general aspects of the question asked by the Leader of the Opposition. He has raised as well two particular points. So far as the first of these is concerned, it is not my understanding that the amendments to the United States Atomic Energy Act insofar as they concern the supply of nuclear weapons to other countries affect in any way the provisions of the Atomic Energy Act ~~in~~ 1954~~, with which he had reason to be familiar~~.

6 7. As to the final part of his question about supply and design information concerning atomic weapons~~, I might recall that the Canadian Government at this time has no intention of producing~~ atomic weapons. I should point out~~, however~~, that the United States Atomic Energy Act as amended will make provision for the supplying of United States Restricted Data necessary for the development of defence plans, the training of personnel in the employment of and defence against atomic weapons, the evaluation of the capabilities of potential enemies in the employment of atomic weapons and the development of compatible delivery systems for atomic weapons.

7 8. The implications of the revised United States Atomic Energy Act for the Canadian defence programme are of primary interest to my colleague, the Minister of National Defence~~, who is prepared to answer any question in this context which may be in the minds of Members of the House~~.

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# TRANSMITTAL SLIP

TO: The Under-Secretary of State for External Affairs, Ottawa.

FROM: The Canadian Embassy, Washington, D.C.

Security: UNCLASSIFIED

Date: June 30/58

Air or Surface: Courier

No. of enclosures: - 2 -

The documents described below are for your information.

Despatching Authority: H. Williamson/md

50219-D-40
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| Copies | Description | Also referred to: |
|---|---|---|
| 2 | S.4051 in the Senate of the USA. A Bill to authorize appropriations for the Atomic Energy Act of 1954, as amended, and for other purposes. | S/R 14003-44-1 Put one copy [illegible] on file "Atomic Energy in U.S." |

2 JUL 1958

Ext. 250 (Rev. 10/51) (Instruction on Reverse Side)

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85TH CONGRESS
2D SESSION

# S. 4051

IN THE SENATE OF THE UNITED STATES

JUNE 25 (legislative day, JUNE 24), 1958

Mr. ANDERSON (for himself, Mr. PASTORE, Mr. RUSSELL, Mr. GORE, Mr. JACKSON, Mr. HICKENLOOPER, Mr. KNOWLAND, and Mr. BRICKER) introduced the following bill; which was read twice and referred to the Joint Committee on Atomic Energy

# A BILL

To authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SEC. 101. PLANT OR FACILITY ACQUISITION OR CONSTRUCTION.—There is hereby authorized to be appropriated to the Atomic Energy Commission, in accordance with the provisions of section 261 a. (1) of the Atomic Energy Act of 1954, as amended, the sum of $386,679,000 for acquisition or condemnation of any real property or any facility or



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for plant or facility acquisition, construction, or expansion, as follows:

(a) SPECIAL NUCLEAR MATERIALS.—

1. Project 59–a–1, plant modifications for processing of nonproduction spent fuels, undetermined sites, $15,000,000.

2. Project 59–a–2, pilot plant for fabrication of new fuel elements, Fernald, Ohio, $335,000.

3. Project 59–a–3, reduction of fire hazards—phase II gaseous diffusion plants, Oak Ridge, Paducah, and Portsmouth, $11,900,000.

4. Project 59–a–4, a new waste storage installations, Arco, Idaho, $3,200,000.

5. Project 59–a–5, production reactor facility for special nuclear materials, convertible type, Hanford, Washington, $145,000,000.

(b) ATOMIC WEAPONS.—

1. Project 59–b–1, weapons production and development plants, locations undetermined, $10,000,000.

2. Project 59–b–2, component fabrication plant, Hanford, Washington, $3,500,000.

3. Project 59–b–3, fabrication plant, Oak Ridge, Tennessee, $12,500,000.

4. Project 59–b–4, special processing plant, Mound Laboratory, Ohio, $2,000,000.

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(c) ATOMIC WEAPONS.—

1. Project 59–c–1, storage site modifications, various locations, $1,500,000.

2. Project 59–c–2, base construction, Eniwetok Proving Ground, $2,342,000.

3. Project 59–c–3, base construction, Nevada Test Site, $1,780,000.

4. Project 59–c–4, test area development, Nevada Test site, $600,000.

5. Project 59–c–5, phermex installation, Los Alamos, New Mexico, $2,250,000.

6. Project 59–c–6, laboratory building, TA–33, Los Alamos, New Mexico, $590,000.

7. Project 59–c–7, test and environmental installations, Sandia Base, New Mexico, $1,488,000.

8. Project 59–c–8, lineal acceleration tester, Livermore, California, $390,000.

9. Project 59–c–9, test assembly building, $510,000.

10. Project 59–c–10, high explosive development plant, Livermore, California, $2,000,000.

11. Project 59–c–11, storage and handling building, Livermore, California, $250,000.

(d) REACTOR DEVELOPMENT.—

1. Project 59–d–1, reprocessing pilot plant, Oak Ridge National Laboratory, Tennessee, $3,500,000.

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2. Project 59–d–2, special purpose test installation, $2,300,000.

3. Project 59–d–3, fast reactor safety testing station Nevada test site, $1,367,000.

4. Project 59–d–4, Army reactor experimental area (AREA), Arco, Idaho, $1,000,000.

5. Project 59–d–5, hot cells, $5,000,000.

6. Project 59–d–6, Army package power reactor No. 2, $3,000,000.

7. Project 59–d–7, modifications to organic moderated reactor experiment (OMRE), experimental boiling water reactor (EBWR), and boiling reactor experiment (BORAX), $6,300,000.

8. Project 59–d–8, heavy water component test reactor, $8,000,000.

9. Project 59–d–9, fuels technology centers addition, Argonne National Laboratory, Illinois, $5,000,000.

10. Project 59–d–10, gas-cooled power reactor, $51,000,000.

11. Project 59–d–11, Project Sherwood plant, $2,000,000.

12. Project 59–d–12, design and engineering study of heavy water moderated power reactor, $2,500,000.

13. Project 59–d–13, design and engineering studies

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of two large-scale power reactors and one intermediate size prototype power reactor, $6,000,000.

14. Project 59–d–14, design and engineering study of a power reactor of advanced design capable of utilizing nuclear superheat, such study to be undertaken either as a cooperative project or conducted solely by the Atomic Energy Commission, $750,000.

15. Project 59–d–15, metals and ceramics research buildings, Oak Ridge National Laboratory, Tennessee, $6,500,000.

16. Project 59–d–16, metals process development plant, Ames, Iowa, $1,900,000.

(e) PHYSICAL RESEARCH.—

1. Project 59–e–1, accelerator improvements, University of California Radiation Laboratory, California, $1,300,000.

2. Project 59–e–2, CP–5 reactor improvements, Argonne National Laboratory, Illinois, $500,000.

3. Project 59–e–3, two accelerators, beam analyzing system and magnet, Pennsylvania State University, Pennsylvania, $950,000.

4. Project 59–e–4, cyclotron, University of California Radiation Laboratory, $5,000,000.

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5. Project 59–e–5, central research laboratory addition, Oak Ridge National Laboratory, $3,500,000.

6. Project 59–e–6, chemistry building addition, University of California Radiation Laboratory, $2,000,000.

7. Project 59–e–7, chemistry hot laboratory, Argonne National Laboratory, $4,400,000.

8. Project 59–e–8, expansion of stable isotopes production capacity, Oak Ridge National Laboratory, $900,000.

9. Project 59–e–9, high energy physics building, Columbia University, $500,000.

10. Project 59–e–10, particle accelerator program addition, Harvard-MIT accelerator, $1,300,000.

11. Project 59–e–11, high flux research reactor, Brookhaven National Laboratory, design, engineering and advance procurement, $1,000,000.

12. Project 59–e–12, research and engineering reactor, Argonne National Laboratory, design and engineering, $1,000,000.

13. Project 59–e–13, Van de Graaff accelerator, Argonne National Laboratory, $2,500,000.

14. Project 59–e–14, cyclotron, Oak Ridge, National Laboratory, $3,000,000.

15. Project 59–e–15, research reactor, Ames Laboratory, $3,800,000.

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(f) BIOLOGY AND MEDICINE.—

1. Project 59–f–1, installations for support of research dealing with radioactive fallout and related radiation hazards, $2,000,000.

(g) TRAINING, EDUCATION, AND INFORMATION.—

1. Project 59–g–1, additional plant for the Regional Nuclear Training Center, Puerto Rico, $500,000.

2. Project 59–g–2, International Atomic Energy Agency research reactors and laboratory equipment grant, $2,000,000.

3. Project 50–g–3, gamma process development irradiator, $1,600,000.

(h) COMMUNITY.—

1. Project 59–h–1, school storage buildings, Hanford, Washington, $75,000.

(i) GENERAL PLANT PROJECTS.—$25,602,000.

SEC. 102. LIMITATIONS.—(a) The Commission is authorized to start any project set forth in subsection 101 (a), (b), (d), (e), (f), and (g) only if the currently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for that project.

(b) The Commission is authorized to start any project set forth in subsections 101 (c) and (h) only if the currently estimated cost of that project does not exceed by more

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than 10 per centum the estimated cost set forth for that project.

(c) The Commission is authorized to start a project under subsection 101 (i) only if it is in accordance with the following:

1. For community operations, the maximum currently estimated cost of any project shall be $100,000 and the maximum currently estimated cost of any building included in such project shall be $10,000.

2. For all other programs, the maximum currently estimated cost of any project shall be $500,000 and the maximum currently estimated cost of any building included in such a project shall be $100,000.

3. The total cost of all projects undertaken under subsection 101 (i) shall not exceed the estimated cost set forth in that subsection by more than 10 per centum.

SEC. 103. ADVANCE PLANNING AND DESIGN.—There are hereby authorized to be appropriated funds for advance planning, construction design, and architectural services, in connection with projects which are not otherwise authorized by law, and the Atomic Energy Commission is authorized to use funds currently or otherwise available to it for such purposes.

SEC. 104. RESTORATION OR REPLACEMENT.—There are hereby authorized to be appropriated funds necessary to

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restore or to replace plants or facilities destroyed or otherwise seriously damaged, and the Atomic Energy Commission is authorized to use funds currently or otherwise available to it for such purposes.

SEC. 105. CURRENTLY AVAILABLE FUNDS.—In addition to the sums authorized to be appropriated to the Atomic Energy Commission by section 101 of this Act, there are hereby authorized to be appropriated to the Atomic Energy Commission to accomplish the purposes of this Act such sums of money as may be currently available to the Atomic Energy Commission.

SEC. 106. SUBSTITUTIONS.—Funds authorized to be appropriated or otherwise made available by this Act may be used to start any other new project for which an estimate was not included in this Act if it be a substitute for a project authorized in subsection 101 (a), 101 (b), or 101 (c), and the estimated cost thereof is within the limit of cost of the project for which substitution is to be made, and the Commission certifies that—

(a) the project is essential to the common defense and security; and

(b) the new project is required by changes in weapon characteristics or weapon logistic operations; and

(c) it is unable to enter into a contract with any

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person, including a licensee, on terms satisfactory to the Commission to furnish from a privately owned plant or facility the product or services to be provided in the new project.

SEC. 107. PROJECT RESCISSIONS.—(a) Public Law 85–162 is amended by rescinding therefrom authorization for certain projects, except for funds heretofore obligated, as follows:

Project 58–b–1, fabrication plant, $5,000,000;

Project 58–b–3, metal treatment plant, Fernald, Ohio, $850,000; and

Project 58–e–13, Argonne boiling reactor (ARBOR), National Reactor Testing Station, Idaho, $8,500,000.

(b) Public Law 506, Eighty-fourth Congress, second session, is amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

Project 57–c–6, food irradiation facility, $3,000,000.

SEC. 108. EXPENSES FOR MOVE TO NEW PRINCIPAL OFFICE.—Public Law 85–162 is amended by striking therefrom the figure "$75,000" in section 109 a. (4) and substituting therefore the figure "$210,000".

SEC. 109. COOPERATIVE POWER REACTOR DEMONSTRATION PROGRAM.—Section 111 of Public Law 85–162 is

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hereby amended by striking out the figures "$129,915,000" and "$149,915,000" in subsection (a) thereof, and inserting in lieu thereof the figures "$155,113,000" and "$175,113,000"; by striking out the figure "$1,500,000" in clause (2) of subsection 111 a. and inserting in lieu thereof the figure "$2,750,000"; by striking out the date "December 31, 1958" in clause (3) of subsection 111 a. and inserting in lieu thereof the date "June 30, 1959"; and by adding at the end thereof the following new subparagraphs (c), (d), (e), and (f):

"(c) Funds appropriated to the Commission, pursuant to the authorization contained in subsection (a) of this section, shall be available to the Commission for cooperative arrangements which may provide for the waiver by the Commission of its charges for the use of heavy water for a period not to exceed five years in any proposed reactor otherwise eligible for assistance under the Commission's power reactor demonstration program.

"(d) Funds appropriated to the Commission, pursuant to the authorization contained in subsection (a) of this section and authorized for the Third Round of the Commission's power reactor demonstration program, shall be available to the Commission for a cooperative arrangement in accordance with the basis for an arrangement described in the Program Justification Data for Arrangement Numbered 58–111–5.

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"(e) Funds appropriated to the Commission pursuant to the authorization contained in subsection (a) of this section, for the Commission's power reactor demonstration program, shall be available to the Commission for a cooperative arrangement in accordance with the basis for an arrangement described in the Program Justification Data for Arrangement Numbered 58–111–6 (Phase I).

"(f) Before the Commission hereafter enters into any arrangement the basis of which has not been previously submitted to the Joint Committee on Atomic Energy which involves appropriations authorized by subsection (a) of this section, it shall make public announcement of each particular reactor project it considers technically desirable for construction, and shall set reasonable dates for submission, approval of the proposal and negotiation of the basis of the arrangement, and commencement of construction."

SEC. 110. GAS-COOLED POWER REACTOR.—(a) The appropriation authorized in section 101 of this Act for project 59–d–10, gas-cooled power reactor, shall also be alternatively available for a cooperative program under which the Commission may enter into a cooperative arrangement with public, private, or cooperative power groups, equipment manufacturers or others under which the organization will design, construct, and operate the reactor at its own

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expense and the Commission will contribute to the cost of research and development programs and other assistance in accordance with the terms and conditions of the Commission's power reactor demonstration program, including review by the Joint Committee of the basis of the proposed arrangement in accordance with subsection 111 (b) of Public Law 85–162. Within thirty days after the President signs the Act making available to the Commission appropriations for this project, the Commission shall make a public announcement requesting proposals for such a cooperative program. In the event the Commission does not receive a proposal within sixty days after such announcement, or if the Commission receives proposals within such sixty day period but is unable to negotiate a satisfactory basis of the arrangement for submission to the Joint Committee within ninety days thereafter, the Commission shall proceed with project 59–d–10 in accordance with subsections (b), (c), and (d) of this section.

(b) In the event the Commission does not receive a satisfactory proposal under subsection (a) of this section, the Commission shall proceed with the design, engineering and construction under contract, as soon as practicable, of the prototype power reactor facility authorized by section 101 for project 59–d–10 at an installation operated by or on

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behalf of the Commission, and the electric energy generated shall be used by the Commission in connection with the operation of such installation.

(c) In the conduct of the work under this section, the Commission is authorized to obtain the participation of private, cooperative, or public power organizations to the fullest extent consistent with the Commission direction of the project, ownership of the reactor, and utilization of the electric energy generated.

(d) The power reactor facility constructed shall be operated by, or under contract with, the Commission, for such period of time as the Commission determines to be advisable for research and development purposes and for such additional periods as the Commission may determine to be necessary for national defense purposes and for the purposes of subsection (b) of this section. On the expiration of the reactor operation as determined by the Commission in accordance with this subsection, the Commission shall dismantle the reactor and its appurtenances.

SEC. 111. DESIGN AND FEASIBILITY STUDIES.—The Commission shall proceed with sufficient design work, together with appropriate enigineering and development work, necessary for the Commission to begin construction as soon as practicable after authorization by the Congress of the type of reactor authorized by project 59–d–12. The Commission

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shall submit to the Joint Committee on Atomic Energy reports on studies for projects 59–d–12 and 59–d–14 by April 1, 1959, and for project 59–d–13 by May 1, 1959.

SEC. 112. INCREASE IN PRIOR PROJECT AUTHORIZATIONS.—(a) Public Law 84–506 is amended by striking out the figure "$2,140,000" for project 57–h–2, physics building, Brookhaven National Laboratory, and substituting therefor the figure "$3,040,000."

(b) Public Law 85–162 is amended by striking out the figure "$4,000,000" for project 58–e–7, waste calcination system, National Reactor Testing Station, Idaho, and substituting therefor the figure "$6,000,000".

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85TH CONGRESS
2D SESSION

# S. 4051

# A BILL

To authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

By Mr. ANDERSON, Mr. PASTORE, Mr. RUSSELL, Mr. GORE, Mr. JACKSON, Mr. HICKENLOOPER, Mr. KNOWLAND, and Mr. BRICKER

JUNE 25 (legislative day, JUNE 24), 1958
Read twice and referred to the Joint Committee on Atomic Energy

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CC: SECRETARY TO CABINET

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RESTRICTED

June 27, 1958

The Chairman
Chiefs of Staff

Amendments to United States Atomic Energy Act - Question in the House of Commons

The Leader of the Opposition on June 25 asked a question of my Minister concerning amendments to the United States Atomic Energy Act which are being considered by the United States Congress at the moment.

2. There is attached a draft answer which we have prepared for the Minister and on which I should be grateful to have your immediate comments. After a study of the proposed amendments, and discussions with our Embassy in Washington, I am convinced that there should be no attempt at this stage by Ministers to explain the exact implications of the amendments. The process of amendment has not been completed, and even when it has been, there will be the necessity of interpretation of the Act as amended. I understand that the services have had no difficulty in obtaining the military information which they require in this field even under the existing Act. Since the intent of the amendments is obviously to liberalize the existing Act, it would seem reasonable to suppose that the military information which we may need in the future will be given to us as it has been in the past, and perhaps may come to us more easily by reason of the amendments.

3. This Department is, however, not competent to judge how satisfactory, from a military point of view, our relations with the United States in this field have been. I assume,

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therefore, that if this question is followed up by further questions relating specifically to the military implications of the amendments, your Minister would be prepared to answer those questions.

4. I should be grateful, therefore, if in addition to any comments you may wish to offer on the attachment, you could let me know if your Minister would agree to take responsibility for any further questions which may relate to the effect of the amendments to the Act on specific cooperation in the military uses of atomic energy.

JULES LÉGER

Under Secretary of State
for External Affairs

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TO EXTERNAL 1482 OPIMMEDIATE

REF OURTEL 1475 JUN26 & YOURTEL DL558 JUN25

AMENDMENTS TO ATOMIC ENERGY ACT 1954

BREITHUT OF THE STATE DEPT HAS BRIEFED US ON THE OUTCOME OF THIS MORNING'S MEETING OF THE JOINT CONFERENCE COMMITTEE WHICH WAS CONSIDERING SENATOR ANDERSON'S AMENDMENTS.

2.THE AMENDMENT DETAILED IN PARA1(A)OF OUR REF TEL HAS BEEN DROPPED AND THE FOLLOWING SUBSTITUTED FOR CLAUSE(1)OF SECTION 91 C OF THE ACT(S3912,PAGE 2,LINE 1):

"(1)NON-NUCLEAR PARTS OF ATOMIC WEAPONS,PROVIDED THAT SUCH NATION HAS MADE SUBSTANTIAL PROGRESS IN THE DEVELOPMENT OF ATOMIC WEAPONS,AND OTHER NON-NUCLEAR PARTS OF ATOMIC WEAPONS SYSTEMS INVOLVING RESTRICTED DATA,PROVIDED THAT SUCH TRANSFER WILL NOT RPT NOT CONTRIBUTE SIGNIFICANTLY TO THAT NATION'S ATOMIC WEAPON DESIGN,DEVELOPMENT,OR FABRICATION CAPABILITY;FOR THE PRUPOSE OF IMPROVING THAT NATION'S STATE OF TRAINING AND OPERATIONAL READINESS."

IN ADDITION,WHEREVER ATOMIC WEAPONS ARE MENTIONED IN THE PROVISOS AT THE END OF CLAUSE(4)THE PHRASE"OR ATOMIC WEAPONS SYSTEMS"HAS BEEN ADDED.

3.SUBSECTION 144 B (5)REMAINS DELETED AS INDICATED IN OUR REF TEL. SPOKESMEN WILL,HOWEVER,INDICATE TO BOTH HOUSE AND SENATE THAT THE INTENDED SENSE OF THE BROAD LANGUAGE OF THE DELETED PROVISION IS ALREADY MET BY OTHER SECTIONS OF THE AMENDED ACT WHICH ARE INTERPRETED TO COVER THE COMMUNICATION OF RESTRICTED DATA ON THE CONSTRUCTION, MAINTENANCE,OPERATION AND USE OF MILITARY REACTORS,ON DEFENCE AGAINST RADIOLOGICAL WARFARE AND ON MEDICAL ASPECTS OF NUCLEAR WARFARE.

4.THE DECISION OF THE JOINT CONFERENCE COMMITTEE HAS BEEN SIGNED AND MAY EVEN BE PLACED BEFORE BOTH HOUSES TODAY.THE SPEED WITH WHICH THEY ACT ON IT WILL DEPEND ON THEIR CALENDAR BUT MAY WELL BE SOONER THAN INDICATED IN OUR REF TEL.MEANWHILE THE INFO ABOUT THEIR DECISION SHOULD BE HELD CONFIDENTIAL.

5.IN BREITHUT'S PERSONAL OPINION THESE AMENDMENTS WOULD NOT RPT NOT AFFECT ANY POSSIBLE ARRANGEMENTS WITH CANADA.JUDGING FROM HIS

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EXPERIENCE WITH THE COMMITTEE,HE WAS CONFIDENT THAT IF SUCH ARRANGEMENTS AS SEEMED MUTUALLY DESIRABLE COULD NOT RPT NOT BE ACCOMMODATED WITHIN THE LEGISLATION THE JOINT COMMITTEE AND CONGRESS WOULD ALMOST CERTAINLY BE READY TO APPROVE THEM SPECIFICALLY WHEN THE TIME CAME.

6.CONCERNING THE EFFECT OF THE AMENDMENTS ON RELATIONS WITH THE UK, BREITHUT SAID THAT THE PLANS REMAINED UNCHANGED AND THAT THEY HOPED VERY MUCH TO HAVE THE FIRST NEW BILATERAL AGREEMENT WITH THE UK READY FOR TABLING JUST AS SOON AS THE LEGISLATION IS PASSED.

7.WE ASKED BREITHUT WHETHER THERE HAD BEEN ANY REACTION FROM THE FRENCH TO THE PROPOSED AMENDMENTS OR TO SOME OF THE REMARKS MADE DURING THE DEBATE.BREITHUT INFORMED US THAT THE FRENCH HAVE SHOWN GREAT RESTRAINT AND APPARENTLY RECOGNIZE THAT ANY PROTEST WOULD MAKE THE SITUATION WORSE.HE UNDERSTOOD THAT THE FRENCH EMBASSY HERE IN ITS REPORTS TO PARIS HAD BEEN EMPHASIZING THE FACT THAT THE ADMINISTRATION HAS BEEN DOING ITS BEST TO GET SATISFACTORY LEGISLATION IN THE FACE OF THE OBVIOUSLY STRONG VIEWS HELD IN CONGRESS.

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REF YOURTEL DL558 JUN25

AMENDMENTS TO ATOMIC ENERGY ACT 1954

THE AMENDMENTS PROPOSED IN S3912 AS AMENDED BY SENATOR ANDERSON ARE DESCRIBED BELOW:

(A)IN SECTION 91 C OF THE ACT(PAGE 2 LINE 24 OF S3912)STRIKE OUR BZPROVIDED,HOWEVER"AND INSERT"PROVIDED,THAT THE TRANSFER OF ANY PARTS DESCRIBED IN CLAUSE(1)OR ANY MATERIAL DESCRIBED IN CLAUSE(4) TO ANY SUCH NATION IS NECESSARY TO IMPROVE ITS ATOMIC WEAPON DESIGN, DEVELOPMENT OR FABRICATION CAPABILITY AND PROVIDED THAT NATION HAS MADE SUBSTANTIAL PROGRESS IN THE DEVELOPMENT OF ATOMIC WEAPONS:AND PROVIDED FURTHER".CLAUSE 1 NOTED ABOVE REFERS TO PROPOSED TRANSFER ARRANGEMENTS FOR THE NON-NUCLEAR PARTS OF ATOMIC WEAPONS.CLAUSE 4 REFERS TO PROPOSED TRANSFER ARRANGEMENTS FOR SOURCE,BY PRODUCT, OR SPECIAL NUCLEAR MATERIAL FOR RESEARCH ON,DEVELOPMENT OF,OR USE IN ATOMIC WEAPONS.

(B)IN SECTION 144 B OF THE ACT REFERRING TO DOD COMMUNICATING RESTRICTED DATA,ON PAGE 7,LINE 2 OF S3912 INSERT"AND"AFTER SEMICOLON. LINE 4 STRIKE OUT"AND".STRIKE OUT LINES 5 THROUGH 10.THIS ACTION DELETES SUBSECTION 144 B (5) WHICH PROPOSED TO AUTHORIZE DOD TO COMMUNICATE RESTRICTED DATA ON"OTHER MILITARY APPLICATIONS OF ATOMIC ENERGY"IE OTHER THAN DEVELOPMENT OF DEFENSE PLANS,TRAINING OF PERSONNEL,EVALUATION OF ENEMY CAPABILITIES AND DEVELOPMENT OF COMPATIBLE DELIVERY SYSTEMS.

2.PLEASE IGNORE OUR REF IN PARA 4 OF OURTEL 1454 JUN24 TO DEVELOPING COMPATIBLE DELIVERY SYSTEMS WHICH WAS BASED ON ERRONEOUS EARLY INFO BEFORE THE RECORD BECAME AVAILABLE.

3.THE JOINT CONFERENCE COMMITTEE IS MEETING TODAY TO STUDY ANDERSON'S AMENDMENTS BUT WE UNDERSTAND THAT THEIR DECISIONS ARE UNLIKELY TO BE MADE PUBLIC UNTIL EARLY NEXT WEEK.

Clos-1 ORB Seiy Stab- AECB file

JUN 27 1958

27/6

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DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM

TO: Defence Liaison I Division

FROM: Economic Division, L.E. Couillard

REFERENCE:

Security CONFIDENTIAL

Date June 26, 1958

File No. 5021-D-40

SUBJECT: Amendment of United States Atomic Energy Act

We have not followed the Congressional discussions on this subject, to which reference is made in the memorandum of June 25 addressed to the Under-Secretary by the Minister's Office, in any detail since the amendments to the Act have related exclusively to military applications. It has, however, been our understanding that the intention of the Administration in proposing amendment of the Act was to further relax conditions on which the United States might supply military information, facilities and equipment to friendly countries. From Washington Telegram 1454 of June 24, it would appear that the Senate has now adopted amendments to the Administration's proposals which may have altered their original intent.

At the present time, plans for the acquisition by the Department of National Defence of information on nuclear propulsion and on packaged power reactors are proceeding on the basis of our Agreement with the United States on the Civil Uses of Atomic Energy (1955) which, as amended in 1956, permits the exchange of such information on a need-to-know basis. We would, of course, be seriously concerned if the latest amendments proposed to the Atomic Energy Act involved a retreat from the degree of co-operation provided for in "Civil Uses" agreement, as amended.

L.E. Couillard
Economic Division

CIRCULATION

Ext. 326 (6/56)

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50219-D-40

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DS15/665
FM WASHDC JUN25/58 CONFD
TO EXTERNAL 1465 OPIMMEDIATE

REF OUR TEL 1454 JUN24

AMENDMENTS TO ATOMIC ENERGY ACT OF 1954

WE ASSUME THAT THOSE CONCERNED IN OTT WITH MILITARY ASPECTS OF ATOMIC ENERGY(INCLUDING THE POSSIBLE EVENTUAL PROCUREMENT OR PRODUCTION OF CERTAIN WEAPONS ITEMS)HAVE BEEN STUDYING THE SUCCESSIVE CHANGES IN THIS LEGISLATION AS THEY HAVE BEEN REPORTED FROM HERE.WE TAKE IT THAT THE ABSENCE OF ANY COMMENT MEANS THAT THE PROPOSED LEGISLATION WOULD NOT RPT NOT BE TOO UNSATISFACTORY FROM OUR POINT OF VIEW AND WOULD NOT RPT NOT INTERFERE WITH THE IMPLEMENTATION OF ANY EXISTING OR PROSPECTIVE BILATERAL ARRANGEMENTS BETWEEN CANADA AND THE USA.IF THERE ARE ANY OBSERVATIONS WHICH YOU WOULD WISH US TO CONVEY TO THE USA AUTHORITIES IT WOULD BE DESIRABLE FOR US TO HAVE THEM AS QUICKLY AS POSSIBLE.IN FACT, IT MAY WELL BE THAT THE LEGISLATION HAS REACHED SUCH AN ADVANCED STAGE THAT IT WOULD NOT RPT NOT BE POSSIBLE FOR US TO HAVE IT(OR ITS CONGRESSIONAL INTERPRETATION)ALTERED IN ANY SIGNIFICANT RESPECT IN THE TIME REMAINING.

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DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

# OUTGOING MESSAGE

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| DATE | | SECURITY |
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| JUN25/58 | 50219 - D-40 | CONFIDENTIAL |
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FM: EXTERNAL

| NUMBER | PRECEDENCE | COMCENTRE USE ONLY | |
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| DL558 | OPIMMEDIATE | | |

TO: WASH DC

INFO: CHAIRMAN CHIEFS OF STAFF

Ref.: YOURLET 878 OF JUN9

Subject: AMENDMENTS TO ATOMIC ENERGY ACT1954

MR PEARSON HAS GIVEN MINISTER NOTICE THAT HE INTENDS TO ASK THE FOLLOWING QUESTION IN HOUSE TODAY OR TOMORROW "HAS THE CANADIAN GOVERNMENT MADE REPRESENTATIONS TO THE UNITED STATES GOVERNMENT CONCERNING AMENDMENTS TO THE USAATOMIC ENERGY ACT APPROVED BY THE SENATE IN WASHINGTON ON MONDAY WHICH WOULD PREVENT CANADA OBTAINING USAWEAPONS OF ANY KIND AND MAKING IT ILLEGAL FOR THE USAEVEN TO SUPPLY INFORMATION WHICH WOULD ENABLE CANADA TO DESIGN WEAPONS FOR USE BY THE ARMY IN AIRCRAFT OR IN SHIPS IN THE EVENT OF WAR?"

2. WE SHOULD BE GRATEFUL IF YOU COULD LET US HAVE UPTODATE REPORT ON THE DEBATE AND PRECISE AMENDMENTS APPROVED BY SENATE REGARDING S3912 WHICH MAY HAVE A BEARING ON THE REPLY TO BE MADE TO MR PEARSON'S QUESTION. CCOS OFFICE WILL ALSO BE IN TOUCH WITH GENERAL SPARLING REGARDING THIS MATTER.

LOCAL DISTRIBUTION

| ORIGINATOR | DIVISION | PHONE | APPROVED BY |
|---|---|---|---|
| SIG.....<br>NAME...P.TREMBLAY/McL..... | DL(1) | 6-7921 | (SGD) PAUL TREMBLAY<br>SIG.....<br>NAME..... |

EXT. 18(REV. 12/56)

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# MEMORANDUM

FROM THE OFFICE OF

THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS

To: UNDER-SECRETARY

Re file - 50219-D-40

To see Mr Lesaffre (Econ D.V.)

June 25, 1958.

Have you any comments. D.H.U.D.IV. is attempting to coordinate answer.

Mr. Pearson has given the Minister notice that he intends to ask the following question in the House either today or tomorrow.

> "Has the Canadian Government made representations to the United States Government concerning amendments to the U.S. Atomic Act approved by the Senate in Washington on Monday which would prevent Canada obtaining U.S. weapons of any kind and making it illegal for the U.S. even to supply information which would enable Canada to design weapons for use by the army in aircraft or in ships in the event of war?"

If asked today, Mr. Smith will take this as notice saying that the subject involves several Government departments and he would prefer to answer it at a later date when he has had an opportunity to consult his colleagues.

In the meantime, the interested divisions may wish to give some consideration, in consultation with other departments, to the form which the answer to Mr. Pearson's question should take.

W.T.D.

c.c. D.L.(1) Div.
American Div.

000406

25-6-10

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Smith

Reply given in House - June 1, 1958.

Pol 10-5021-D-40
RESTRICTED

Question No. Mr. L.B. Pearson, June 25 1958

1. "Whether the Canadian Government has made representations to the United States concerning amendments to the United States Atomic Energy Act approved by the Senate in Washington on Monday which would prevent Canada from obtaining United States nuclear weapons of any kind and would make it illegal for the United States even to supply information to enable Canada to design such weapons for use by our Navy, Army or Air Force? "

Answer by: Honourable Sidney Smith, Secretary of State for External Affairs.

1. I can assure the Leader of the Opposition that we have followed closely the discussions in the United States Congress of the amendments to the United States Atomic Energy Act. The House will appreciate that certain restraint has had to be exercised in discussing the legislation of another country while it is under review by the legislature of that country. The United States Government is being kept fully aware of possible Canadian military requirements and we anticipate that we would experience little difficulty because of the amendments under consideration in making any future arrangements with the United States Government in the military application of atomic energy which may be necessary for our joint defence.

2. The Leader of the Opposition's question concerned a situation last week in which the United States Congress was considering amendments proposed by the two United States Houses to amendments proposed by the United States Executive to an Act which is already amended from the form in which it was originally conceived.

3. I am sure the House will understand, therefore, that it would be inadvisable for me to comment in any detail at this stage on what has been a very complicated amending process.

4. I would, however, like to add a further comment on the implication of the question which has been asked. There is a suggestion in the question, it seems to me, that the process of amending the United States Atomic Energy Act which is going on has in some sense made more restrictive the provisions of that Act. I can with assurance tell the House that this is the exact opposite of the intent of the United States Administration, as indicated in the hearings which have taken place over some months. Late last October, following discussions with the Prime Minister of the United Kingdom, the President of the United States indicated that he would request Congress to amend the Atomic Energy Act in order to permit close and fruitful collaboration in this field between the United States and other friendly countries. Again, in his Message on the State of the Union early this year, the President of the United States emphasized the necessity that Congress enact legislation to enable the United States to exchange appropriate scientific and technical information with friendly countries.

5. There have been a number of other statements by senior United States spokesmen which echo the view that the amendments were intended to liberalize existing United States atomic energy legislation. Many features of the Act as it existed before the recent amending process remain unchanged. Even under the earlier provisions of the Act it has been possible to meet Canadian requirements as they have developed. At this stage it is impossible to be certain of all the implications of the amended Act for Canada, or indeed for any other interested country. After the new Act becomes effective, there will follow a period when important interpretations have to be made of its terms in the light of specific requirements. Certainly the amendments would seem to provide somewhat more latitude for cooperation between the United States and friendly countries than was provided in the United States law preceding the amendments. It is for this reason that the Canadian Government anticipates that future Canadian defence needs, insofar as this area of cooperation with the United States is concerned, will be served just as in the past the necessary degree of United States cooperation in this field has been possible under existing United States legislation.

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6. I have dealt with the general aspects of the question asked by the Leader of the Opposition. He has raised as well two particular points. So far as the first of these is concerned, it is not my understanding that the amendments to the United States Atomic Energy Act insofar as they concern the supply of nuclear weapons to other countries affect in any way the provisions of the Atomic Energy Act of 1954.

7. As to the final part of his question about supply and design information concerning atomic weapons, I should like to point out that the United States Atomic Energy Act as amended will make provision for the supplying of United States Restricted Data necessary for the development of defence plans, the training of personnel in the employment of and defence against atomic weapons, the evaluation of the capabilities of potential enemies in the employment of atomic weapons and the development of compatible delivery systems for atomic weapons.

8. The implications of the revised United States Atomic Energy Act for the Canadian defence programme are of primary interest to my colleague, the Minister of National Defence.

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PLEASE RETURN CLIPPING SERVICE

DEPARTMENT OF EXTERNAL AFFAIRS Fonds 50219-D-40

Subject A-Bombs & Weapons

Date JUN 2 5 1958 Publication OTTAWA CITIZEN

*EASIER FOR BRITAIN*

# U.S. Bill Makes It Harder For Canada To Get A-Arms

By John Walker
Southam News Services

WASHINGTON — The highly-publicized bill to share U.S. nuclear weapons secrets with its allies boils down to a bi-lateral agreement with Great Britain, and more stringent rules governing transfer of such weapons to Canada and other NATO countries.

Aside from a general loosening of the regulations governing the sharing of atomic information, the Eisenhower administration's original plan for sharing atomic secrets with its NATO allies has been severely pruned by last-minute amendment in the Senate this week.

The bill, an extensive series of amendments to the U.S. Atomic Energy Act of 1954, passed the House of Representatives, 345-12 last Thursday and was approved by voice vote in the Senate Monday after two added amendments, by Senator Clinton Anderson of New Mexico, had been accepted. A House-Senate conference on the bill is expected in a day or so to approve the bill probably in its final Senate form.

The Anderson amendment makes any future efforts by Canada to share in the nuclear weaponry business more difficult. It says that "non-nuclear parts of atomic weapons to improve a nation's state of training and operational readiness" can only be transferred to a country that "has made substantial progress in the development of atomic weapons."

## No Do-It-Yourself Kits

This proviso, as Senator Anderson emphasized, was included to prevent nations other than Great Britain (which has made the substantial progress necessary) from obtaining "do-it-yourself" atomic weapons kits. Canada, of course, has never attempted to develop nuclear weapons, like bombs. But this proviso would hamper Canada's development of air-to-air nuclear missiles, or atomic depth-charges for the navy.

Similar provisoes cover the transfer of nuclear warhead material and the parts for a nuclear bomb, so that, in actuality, the exchange in this category is strictly confined to the British. This was because of the valid American fear of a fifth nation becoming a nuclear power, and was at this time particularly aimed at France's efforts to become a big-bomb nation.

The new amendments to the Atomic Energy Act do provide for the communication of restricted data to develop defence plans, to train personnel, to evaluate enemy capabilities, and more important, to "develop compatible delivery systems for atomic weapons."

Members of the Joint Atomic Energy Committee, which has been debating and revising the bill all spring, say that this latter "data" could be used by Canadian to develop their own parts for aircraft missiles and depth charges, and the actual warheads could then only be offered to Canadians when a war is declared. However, the fuzziness of the new amendments make it unclear just how useful this weapons delivery system data might really be.

Canada and Great Britain already have agreements which allow them to obtain information about atomic submarines, which Canada's navy is beginning to see are the only real defence against nuclear submarines.

**Third Amendment**

Senator Anderson, during debate, suggested a third amendment, aimed at keeping France from information about nuclear submarines — an amendment which would again have permitted Britain only to get such information and have hit Canadian plans for subs. But after it was pointed out, in private, that nuclear reactors for the DEW Line would also be halted by such an amendment, the Senator withdrew his proposal.

What the amended energy act does is chiefly to provide a bilateral pact with Britain for sharing atomic materials. As for Canada, the expectatiton here is that Canada will be able to get what she may finally want in nuclear weaponry by formal amendments to its present agreements. The only trouble with this is they must be laid before Congress for 60 days, subject to possible veto, before action can be taken, rather than working it out simply through the government departments concerned, as Britain now will be able to do.

# *Services Will Get Atom Data*

By Dave McIntosh
Canadian Press Staff Writer

There is little concern here with a current United States congressional measure aimed at greater sharing of U.S. military atomic secrets with Allied nations.

Officials say this is not regarded as an urgent matter here. The defence department's first concern is acquisition of the means of delivering atomic warheads—that is, guided missiles.

The U.S. bill would permit the U.S. government to give American Allies data on sizes and effects of atomic weapons, reactor designs and atomic fuels for nuclear-powered submarines.

The Canadian defence department has already received a great deal of this information and Canadian servicemen have participated in atomic tests in Nevada.

**Interests Navy**

The legislation is of interest to the Royal Canadian Navy, which is studying the possibility of building nuclear - powered submarines in Canada.

However, naval officers had said previously they had always assumed the U.S. and Britain would make available any necessary data for nuclear sub construction.

When it comes time for Canadian acquisition of atomic warheads, the defence department would prefer that the warheads be stored in Canada under American command. In this way, Canada wouldn't have to pay for them.

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DS33/663
FM WASHDC JUN24/58 UNCLAS
TO EXTERNAL 1454 PRIORITY

REF OURTEL 1307 JUN10

AMENDMENTS TO ATOMIC ENERGY ACT OF 1954

LAST WEEK THE HOUSE OF REPS PASSED THE BILL TO AMEND THE ATOMIC ENERGY ACT BY AN OVERWHELMING MAJORITY.

2.YESTERDAY THE SENATE ALSO PASSED THE BILL,BUT IN THE PROCESS SENATOR ANDERSON(DEM-NM),VICE-CHAIRMAN OF THE JOINT COMMITTEE ON ATOMIC ENERGY(AND PROBABLY CHAIRMAN NEXT SESSION),GAINED ACCEPTANCE OF TWO AMENDMENTS.

3.ONE AMENDMENT WOULD RESTRICT THE TRANSFER OF NON-NUCLEAR PARTS OF ATOMIC WEAPONS UNLESS THE FOREIGN NATIONAL HAD MADE SUBSTANTIAL PROGRESS IN THE DEVELOPMENT OF ATOMIC WEAPONS AND THE EXCHANGE IS NECESSARY TO IMPROVE ITS ATOMIC WEAPON DESIGN,DEVELOPMENT ON FABRICATION CAPABILITY.

4.THE OTHER AMENDMENT WOULD ELIMINATE A SECTION PERMITTING THE DOD TO COOPERATE WITH OTHER NATIONS OR REGIONAL DEFENSE SYSTEMS IN DEVELOPING COMPATIBLE DELIVERY SYSTEMS. memcon See 1475

5.THE OBJECTIVE OF ANDERSON'S AMENDMENTS WAS TO PREVENT THE POSSIBILITY OF TOO MUCH ATOMIC DATA GOING TO COUNTRIES SUCH AS FRANCE.

6.THE BILL WILL NOW GO TO A JOINT CONFERENCE COMMITTEE TO ELIMINATE THE DIFFERENCES THAT HAVE DEVELOPED BETWEEN THE SENATE AND HOUSE VERSIONS OF THE BILL.

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DS2/664
FM WASHDC JUN24/58 CONFD
TO EXTERNAL 1452 OPIMMEDIATE

NUCLEAR TESTS IN THE PACIFIC

SPIEGEL OF FARLEY'S OFFICE ASKED US TO CALL ON HIM THIS AFTERNOON JUN 25 1958 TO GIVE US ADVANCE NOTICE THAT ON THURS JUN26,THE APPROPRIATE AUTHORITIES OF THE USA GOVT WILL BE ISSUING A SPECIAL NOTICE TO MARINERS AND POSSIBLY A PRESS RELEASE AS WELL REGARDING THE ESTABLISHMENT OF AN ADDITIONAL DANGER AREA IN THE PACIFIC OCEAN.THIS AREA WOULD BE A CIRCULAR ZONE WITH A RADIUS OF 400 NAUTICAL MILES CENTRED ON THE FOLLOWING GEOGRAPHIC COORDINATES:LONGITUDE 169 DEGREES,31 MINUTES WEST;LATITUDE 16 DEGREES,45 MINUTES NORTH. THIS DANGER AREA WHICH WOULD BE DECLARED EFFECTIVE IMMEDIATELY AND IS FOR A SHORT DURATION ONLY IN ORDER TO PERMIT THE TESTING OF SHORT-RANGE DEFENCE MISSILES WITH NUCLEAR WARHEADS OFF JOHNSTON ISLAND AS PART OF THE CURRENT HARDTACK SERIES.SPIEGEL ASKED THAT WE REGARD THIS INFO AS STRICTLY CONFIDENTIAL UNTIL SUCH TIME AS PUBLIC RELEASE HAS BEEN MADE AS WELL AS THE FACT THAT IT HAS BEEN GIVEN TO US IN ADVANCE.ONLY THE UK AND JAPAN ARE BEING SIMILARLY INFORMED IN ADVANCE.

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DOT - 4 copies.
Secy W Cabs.
Hyde.

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D. Leger.

CANADIAN EMBASSY
AMBASSADE DU CANADA

PERSONAL

Mr. McDermot

Washington, D.C.,
June 17, 1958.

| | |
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| 50219-D-40 | |
| 43. | (S) |

Dear Jules,

In reference to your personal letter to the Ambassador of April 17, I am attaching an interesting news item from the New York Times of June 12 based on testimony given by Lieutenant General Arthur Trudeau, head of the Army's research and development staff, which you and Doug ~~LePan~~ may find of interest.

F. C.
D. F. P.

Yours sincerely,

Sam

S. F. Rae.

Jules Leger, Esq.,
Under-Secretary of State
for External Affairs,
OTTAWA, Ontario, Canada.



19.6.26(US)

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DEPARTMENT OF EXTERNAL AFFAIRS

*Subject* TROOPS TO COMBAT TANKS WITH ATOM

*Date* June 12, 1958 *Publication* NEW YORK TIMES

# TROOPS TO COMBAT TANKS WITH ATOM

## Army Research Chief Says Soldiers Will Get Device —Gates for Fund Rise

Special to The New York Times.

WASHINGTON, June 11 — Lieut. Gen. Arthur Trudeau, the Army's research and development chief, reported today that Army troops in the field would be equipped with small atomic weapons able to knock out tanks.

General Trudeau did not say when the weapons would be available for combat use but he indicated that it would be soon. He also said at a news conference that the anti-missile missile planned by the Army would explode without producing harmful radiation if used against incoming enemy ballistic missiles.

General Trudeau is the successor to Lieut. Gen. James M. Gavin, who retired after complaining publicly of frustrations in trying to obtain decision that he thought would benefit the Army.

Asked to comment on General Gavin's views, the new research chiew that that he had the highest respect for his predecessor but that that did not mean he agreed with him.

### 10,000 Nikes Produced

Commenting on other aspects of his responsibilities, General Trideau disclosed that the Army had produced more than 10,000 Nike Ajax ainti-aircraft missiles. This figure had heretofore been unavailable.

Nike Ajax missiles, of the type that exploded accidentally at an installation near Middletown, N. J., recently, are being replaced with Nike Hercules missiles an improved weapon.

Meanwhile, Thomas S. Gates, Secretary of the Navy, tesdified before a Senate Appropriations Subcommittee today that he "wouldn't like to appear satisfied" with the Defense Department's proposed spending budget for the Navy.

He said he approved of action by the House of Representatives in appropriating more money for Polaris missile submarines than was requested by the Administration.

Secretary Gates appealed to the Senate group to restore funds for the advance procurement of items needed for a second nuclear-powered aircraft carrier. The House has cut the money from the Administration's budget request.

Gen. Maxwell D. Taylor, Chief of Staff of the Army, testified that he would have to drop one of seven divisions in the Army's strategic forces because of economies.

He told the committee that he had not appeared "to argue" against the Defense Department's decision to reduce the Army's size from 900,000 to 870,000 men. The House has voted funds to forestall the cut.

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DS4/649
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TO EXTERNAL 1323 OPIMMEDIATE
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MACMILLAN EISENHOWER TALKS:ATOMIC MATTERS

ACCORDING TO LORD HOOD,THE MINISTER AT THE UK EMBASSY,THE DISCUSSION ON THIS SUBJECT WAS VERY SATISFACTORY FROM A UK POINT OF VIEW.

2.THE AMENDMENTS WHICH THE JOINT CONGRESSIONAL COMMITTEE HAD PROPOSED IN THE ATOMIC ENERGY(MCMAHON)ACT APPEARED TO MEET THE POSITION OF THE UK ADEQUATELY.IT ALSO SEEMED REASONABLY LIKELY THAT THESE AMENDMENTS WOULD BE APPROVED BY CONGRESS NEXT MONTH.

3.THE UK AND USA AUTHORITIES EXPECT TO BE ABLE TO COMPLETE THE NEGOTIATION OF THEIR FIRST BILATERAL AGREEMENT UNDER THIS AMENDED LEGISLATION BEFORE THE END OF JUN.IT WOULD THEN BE POSSIBLE FOR THIS AGREEMENT TO BE PLACED BEFORE CONGRESS IMMEDIATELY UPON THE ENACTMENT OF THE LEGISLATION AND TO ENTER INTO FORCE THIRTY DAYS THEREAFTER. HOOD EMPHASIZED THAT THIS FIRST AGREEMENT WOULD NOT RPT NOT COVER ACTUAL WARHEADS BUT WOULD BE CONFINED TO THE NON-NUCLEAR PARTS OF ATOMIC WEAPONS AND TO OTHER MILITARY APPLICATIONS OF ATOMIC ENERGY. THE USA AUTHORITIES FELT THAT IT WOULD BE STRETCHING THE NEW LEGISLATION IF THE INITIAL AGREEMENT WERE TO COVER INFO RELATING TO ATOMIC WARHEADS SINCE SOME TIME WOULD BE REQUIRED FOR THE UK TO SATISFY THE USA CONCERNING THE PROGRESS WHICH IT HAD MADE IN THE DEVELOPMENT OF ATOMIC WEAPONS AND CONSEQUENTLY TO DEMONSTRATE ITS"NEED TO KNOW".

4.THE INTENTION IS THAT ATOMIC WARHEADS WILL BE LEFT TO BE DEALT WITH IN A SECOND BILATERAL WHICH IS EXPECTED TO BE NEGOTIATED BETWEEN NOW AND THE END OF THE YEAR.

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**DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.**

**NUMBERED LETTER**

**TO:** THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA, CANADA.

**FROM:** The Canadian Embassy, Washington, D.C.

**Reference:** Our Letter No. ~~787~~ 878, June 9/58

**Subject:** Amendments to Atomic Energy Act of 1954.

Cancelled by Defence 54

**Security:** UNCLASSIFIED

**No:** 286

**Date:** June 10, 1958.

**Enclosures:** 2

**Air or Surface Mail:**

**Post File No:**

| Ottawa File No. | |
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**References**

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JUN 12 1958

Further to our letter under reference I enclose the respective reports by the Joint Committee on Atomic Energy on Bills S.3912 and H.R. 12716 to amend the Atomic Energy Act of 1954.

Enclosures returned in DCW. DW.

H. Williamson

for The Embassy.

**Internal Circulation**

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**Distribution to Posts**

E 1

Ext. 182A (Rev. 2/52)

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1958 JUN 12 PM 3:29

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**DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.**

**NUMBERED LETTER**

**TO:** UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA, CANADA.

**FROM:** The Canadian Embassy, Washington, D.C.

**Reference:** Our Letters No. 506 of March 28 and No. 457, March 20.

**Subject:** Amendments to Atomic Energy Act of 1954

Echoed by Defence

**Security:** UNCLASSIFIED

**No:** 878

**Date:** June 9, 1958.

**Enclosures:** 17

**Air or Surface Mail:** Courier

**Post File No:**

| Ottawa File No. | |
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**References**

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JUN 12 1958

Copy attached to Memorandum

**Internal Circulation**

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**Distribution to Posts**

Action to amend the Atomic Energy Act of 1954 is now moving into its final phase. Developments would appear to be in line with our letters under reference.

2. Enclosed, for your information, are two copies of a CQ Fact Sheet which give an excellent summary of the background and development of the proposed legislation. Enclosed also are four copies of Press Release No. 162 of the Joint Committee on Atomic Energy in which the Committee announces that it is reporting out proposed legislation in this field. Copies of the bill being reported out S.3912 (2 copies) and HR 12716 (5 copies) are enclosed.

3. The press release highlights the fact that bilateral agreements implementing these amendments must lie before Congress for sixty days before becoming effective and in that time Congress may prevent them from becoming effective by passing a concurrent resolution to that effect.

4. During the current Session, such bilaterals need only be before Congress for thirty days. Although it is not stated, the purpose of this provision is to expedite a bilateral with the United Kingdom.

5. Although the above mentioned veto power is the most striking change incorporated in the new bills it is not the only change. Enclosed are four copies of an analysis in the Atomic Industry Reporter of the other important modifications.

6. The intent is to expedite action on these bills. At the earliest they might come up this week for debate in the Senate and the House.

H. Williamson
for The Embassy.

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1958 JUN 12 PM 3:28

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From the Offices of the
Joint Committee on Atomic Energy

Press Release No. 162
FOR IMMEDIATE RELEASE

JOINT COMMITTEE VOTES TO REPORT OUT BILLS ON TRANSFER OF MILITARY INFORMATION AND MATERIALS TO U. S. ALLIES.

The Joint Committee on Atomic Energy has voted to report out legislation authorizing the transfer of information and materials in the atomic energy field for military purposes to allies of the United States under certain specified conditions, it was announced today by Representative Carl T. Durham, Committee Chairman, and Senator John O. Pastore, Chairman of the Subcommittee on Agreements for Cooperation. The bills reported out are S. 3912, introduced by Senator Pastore on behalf of himself and Senator Hickenlooper, and H. R. 12716 by Chairman Durham. Representative Van Zandt filed an identical bill in the House.

The proposed legislation authorizes the transfer of military information and materials subject to the following provisions:

(a) That all bi-lateral agreements for such transfer between the United States and its allies must be submitted to Congress and referred to the Joint Committee for 60 days while Congress is in session before they become effective.

(b) That such agreements shall not become effective if during such 60 day period Congress passes a concurrent resolution stating that it does not favor such an agreement.

(c) An exception to the 60 day rule would be made for bilateral agreements submitted during the present Session of Congress, and a period of 30 days would be substituted for such bilaterals.

A report on the proposed legislation is expected to be filed in the House and Senate early next week.

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EXCHANGE

## "Information" Bill Cleared For Congressional Action

Legislation providing the basis for broader exchange of information on atomic weapons and nuclear materials between the United States and its allies is cleared for action by Congress through vote of the Joint Committee on Atomic Energy. No dissents were recorded.

The legislation finally approved by the Joint Committee falls far short of the scope envisioned in the original legislation proposed by the Eisenhower administration. It does not provide for "plutonium buyback" at weapons-grade prices; it does not explicitly enlarge the scope of the Defense Department's review of "Restricted Data"; it does, in effect, limit exchanges concerning weapons to nations which have demonstrated "weapons capability"—in other words, to the United Kingdom; and it provides an unusual sort of veto power in the Congress over exchange agreements.

Companion bills introduced in the House of Representatives by Rep. Carl T. Durham (Dem., N.C.) and in the Senate by Sen. John O. Pastore, (Dem., R.I.) carry bipartisan sponsorship. In announcing approval of the legislation, the Joint Committee laid particular emphasis on the reserved veto power, described as follows:

"The proposed legislation authorizes the transfer of military information and materials subject to the following provisions:

"(a) That all bilateral agreements for such transfer between the United States and its allies must be submitted to Congress and referred to the Joint Committee for 60 days while Congress is in session before they become effective.

"(b) That such agreements shall not become effective if during such 60 day period Congress passes a concurrent resolution stating that it does not favor such an agreement.

"(c) An exception to the 60 day rule would be made for bilateral agreements submitted during the present Session of Congress, and a period of 30 days would be substituted for such bilaterals."

The Joint Committee's revised legislation seeks to draw a clear distinction between "atomic weapons," "civilian reactors," "military reactors," and "other military applications of atomic energy."

The legislation amends Section 144a of the Atomic Energy Act of 1954 to provide the Atomic Energy Commission with sole authority to communicate Restricted Data abroad on "civilian reactor development." The word "civilian" is new.

Section 144b.—which gives the Department of Defense primary responsibility, with the AEC's assistance, for imparting weapons doctrine to allies—would be amended to spell out that D/D does not have the initiative in exchange of information on weapons design and manufacture or on military reactors design and manufacture. In this area, through a new Section 144c, the initiative rests with the Commission, with the assistance of the Defense Department.

And here, data concerning weapons must be necessary to improve the recipient nation's weapons capability, and the recipient must have made "substantial progress in the development of atomic weapons." The Commission also holds the reins on communication with respect to military reactors, but no self-started progress in this field is required on the part of the recipient.

A similar distinction is drawn in the new Section 91c governing military applications. To be eligible to receive nuclear materials for weapons use, the recipient must have made substantial progress in weapons development, and the transfer must be necessary to improve its weapons capability. Non-nuclear weapons parts can be transferred to improve the recipient's state of training and operational readiness. But no such strings are attached to "utilization facilities for military applications" or to fuels for them.

All exchanges or transfers, of course, are to be limited by the terms of "agreements for cooperation", which are subject to the Joint Committee's veto. It is of significance to industry that where transfer of "utilization facilities for military applications" has been authorized by such an agreement, the AEC or the Defense Department—depending on which has the authority—"may authorize any person to transfer such utilization facilities for military applications. . ."

In other words, the legislation appears to make it possible for a manufacturer to deal directly with a foreign government on such facilities as naval or military package power reactors without AEC or the Defense Department as an intermediate titleholder—provided of course that the agreement covers the facility, and the AEC or D/D grants the authority.

[REFERENCES: *News and Analysis*, pp. 4:39, 4:91, 4:119, 4:133; *Official Text Section* p. 54:13 et seq.]

FOOD

## AEC Gets 15 Proposals On HI-FI Gamma Facility

In response to AEC's invitation, 15 proposals have been submitted for the design, construction and test operation of a food irradiation facility to be built at the U.S. Army Ionizing Radiation Center at Sharpe General Depot, Lathrop, Calif.

The facility known as HI-FI (High Intensity Food Irradiator), is to use about 2 million curies of Cobalt 60 as a gamma radiation source in the Army's investigations of food preservation by



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MAY 23, 1958

CQ Fact Sheet **On Weapons Exchange**

# NUCLEAR SHARING PROPOSAL ADVANCES

Seven months have passed since Britain's Prime Minister Harold Macmillan flew into Washington behind the shock waves of Sputnik I, to ask and receive a promise of greater U.S.-U.K. cooperation in scientific and nuclear matters. Now Macmillan is scheduled to visit President Eisenhower again, June 9-10. But Congress has yet to approve the President's request for changes in the Atomic Energy Act of 1954, to facilitate increased cooperation with Britain and other U.S. allies. Although legislation is expected to be reported shortly by the Joint Atomic Energy Committee, several important modifications of the Administration's proposals are likewise expected. Following are the highlights of developments to date, the proposed changes in the law, and the questions raised by Congressional critics.

## Background

Congress in 1954 rewrote the McMahon Act of 1946 to permit limited information about atomic weapons to be given to other countries, under proper safeguards. But the 1954 law prohibits communication of data on the "design or fabrication of atomic weapons." Shortly after the Soviets launched the first earth satellite Oct. 4, 1957, Secretary of State John Foster Dulles Oct. 16 called for a "fresh look" at this restriction which he said "may have become obsolete." There followed these developments:

- Oct. 25 -- After three days of meetings, President Eisenhower and Prime Minister Macmillan issued a statement saying, among other things, that the President would ask Congress to amend the Atomic Energy Act "as may be necessary and desirable to permit of close and fruitful cooperation of scientists and engineers of Great Britain, the United States, and other friendly countries."
- Nov. 5 -- Rep. Carl T. Durham (D N.C.), Chairman of the Joint Atomic Energy Committee, said he was prepared to call the Committee together before Congress reconvened, as soon as the Administration submitted its proposed amendments.
- Nov. 7 -- President Eisenhower, in a speech to the Nation on science and security, called for a "pooling of scientific effort." He asked: "Why should we deny to our friends information that we are sure the Soviets already have?"
- Nov. 25 -- The Joint Committee released a report by Thomas E. Murray, former member of the Atomic Energy Commission and a consultant to the Committee. Murray called for a major revision of the 1954 law to subordinate the role of secrecy in nuclear affairs, and to give the President "full power to authorize the exchange of nuclear information and the transfer of nuclear weapons." But Murray added that, for three to five years, the exchange of information "should be limited to technical data on small weapons." Similarly, while "a common stockpile of small nuclear weapons" would be justified, he said "large weapons should remain in the exclusive custody of the United States."
- Dec. 16 -- Secretary Dulles, in Paris for the NATO meeting, said the U.S. would participate in a NATO atomic stockpile in which "nuclear warheads would be deployed under United States custody." An effective NATO nuclear force would require, he said, "a common body of knowledge about nuclear weapons and military doctrine for their employment to permit their confident and responsible use."
- Dec. 19 -- The NATO communique said: "Those NATO countries whose programs have already reached a very advanced stage have offered to share with their allies significant production techniques and results of their research work in order to stimulate a truly productive effort in the defense production field."
- Dec. 23 -- In a televised report on the NATO conference, Secretary Dulles said: "It will be some little time before the intermediate missiles can actually be put in place on the continent of Europe, and if in the meantime there should be a disarmament agreement, obviously that disarmament agreement would take priority.... The nuclear part of the warhead will as a matter of simple efficiency and economy continue, I suppose, for a considerable time to be made primarily by the United States. But the weapons themselves, including the intermediate range ballistic missiles, can usefully come to be manufactured in Western Europe.... This is going to require us to supply some nuclear data."
- Jan. 9 -- President Eisenhower, in his State of the Union message, said: "It is of the highest importance that the Congress enact the necessary legislation to enable us to exchange appropriate scientific and technical information with friendly countries.... We cannot afford to cut ourselves off from the brilliant talents and minds of scientists in friendly countries."

## Proposed Legislation

Three months after the Eisenhower-Macmillan statement, the Administration Jan. 27 submitted its proposals for amending the 1954 law. As set forth in a letter from AEC Chairman Lewis L. Strauss to Durham, and introduced in the Senate Jan. 28 as S 3165, four major changes were requested:

- Authorization to purchase abroad up to $200 million worth of "special nuclear material," chiefly plutonium produced as a byproduct in atomic power reactors.
- New authority for the President to "transfer by sale, lease, loan, or donation" to another nation

" (1) nonnuclear parts of atomic weapons to improve that nation's state of training and operational readiness;

" (2) utilization facilities for military applications; and

" (3) source, byproduct, or special nuclear material for research on, development of, production of, or use in atomic weapons or utilization facilities for military applications."

- Extension of the authority granted in 1954 to transmit certain information necessary to the development of

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defe plans, the training of personnel, and the evaluation of enemy atomic capabilities, to cover "the development of compatible delivery systems for atomic weapons, and other military applications of atomic energy," and to include "design information" in all instances.

- New authority for the President to exchange atomic weapons data with another nation when necessary to improve its atomic weapon design, development, or production capability.

In closed hearings during February before the Joint Committee's Subcommittee on Agreements for Cooperation, headed by Sen. John O. Pastore (D R.I.), Democratic members voiced strong opposition to the first of the four proposed changes -- the plutonium "buy-back" provision. On March 7 AEC Chairman Strauss withdrew this request; a new bill (S 3474), embodying all of the other requests, was introduced March 13.

The Pastore Subcommittee March 26 began three days of open hearings on S 3474, at which Strauss, AEC Commissioner Harold E. Vance and Deputy Secretary of Defense Donald A. Quarles testified in behalf of the Administration's proposals. These changes would not permit the transfer of actual atomic weapons, Vance said, and weapons components would go only to nations that had made "substantial progress" of their own in nuclear weapons development. Only Great Britain qualified at the present time, he said.

Quarles testified that, under the authority granted in 1954 to exchange limited information about atomic weapons, agreements had been reached with Great Britain, Canada, Australia and NATO. Information given to Great Britain and Canada concerned "some characteristics of certain of our weapons as a means of assuring compatibility between these weapons and the delivery vehicles produced and used by these nations in the common defense."

Strauss was confronted with a letter he had written to Quarles Dec. 12, in which he had warned that another nation, given the nonnuclear parts of atomic weapons, "could design and construct without too great scientific difficulty a usable nuclear component." If this happened, he had written, "extreme pressure could be expected from other NATO powers to be treated similarly." Strauss told the Subcommittee he had decided nevertheless to support the proposed amendments in view of "the greater issue of the defense of the Free World."

## Opposing Arguments

Rep. Chet Holifield (D Calif.), Sen. Clinton P. Anderson (D N.M.), and Sen. Richard B. Russell (D Ga.) -- all members of the Joint Committee -- have expressed opposition to the Administration's proposed amendments. Holifield told the Pastore Subcommittee March 27 the changes, if enacted, would amount to a "complete delegation" of Congressional authority to the President. He said greater U.S.-U.K. cooperation could be achieved without introducing "the new and highly controversial precedent of creating 'fourth,' 'fifth,' or additional nuclear weapons nations into the volatile field of international relations."

Holifield asked whether the Administration's proposals meant that "we have deserted and abandoned the logic of limiting the number of nations possessing atomic-hydrogen weapons, while we negotiate for a safe agreement against nuclear war?" He said that France "would undoubtedly request aid from us in developing her atomic weapon stockpile," and that this would pose a serious problem in view of her "inherent political instability."

Sen. Russell March 31 said: "I am opposed to spreading nuclear weapons around the world. Our experience in the case of conventional weapons indicates the impossibility of complete control on the use of military equipment when we have surrendered control."

Sen. Anderson, in a Senate speech May 5, said the proposed amendments would permit the President, on the advice of two appointed officials -- the Chairman of AEC and the Secretary of Defense -- to distribute "do-it-yourself" bomb kits to other countries. He proposed that transfer agreements negotiated by the President be made subject to Congressional disapproval by joint resolution, passed by majority votes of Senate and House. If vetoed, a two-thirds vote in both chambers would be needed to override.

At the conclusion of the March 26-28 hearings, Pastore sent the transcript to Secretary Dulles with a request that he testify April 17. In his appearance, Dulles said "United States policy does not seek to spread nuclear weapons around the world beyond United States control." But if the U.S. failed to share its nuclear knowledge more fully, he said, "our NATO allies may either intensively seek to develop nuclear weapons capacity for themselves; or move toward neutrality, or at least non-participation, in what should be a common military effort."

## Disarmament Issue

In his April 17 statement, Dulles dealt as follows with the point made by Holifield and others that the spread of nuclear weapons to other nations would complicate the problem of securing agreement on the limitation of nuclear armaments:

"There is today understandable resistance on the part of other free world countries to an international agreement which would have the effect, if not the purpose, of perpetuating for all time their present nuclear weapons inferiority, without the mitigation which would be made possible by these amendments. Other free nations would understandably find it difficult to accept that result and the United States does not want to seem to be seeking to impose it....

"The Soviet Union is making extreme efforts to bring it about that the free world nations of the Eurasian continent will be limited to conventional weapons as against the nuclear weapons capability of the Soviet Union. If it can succeed in this effort, it will have already achieved a one-sided disarmament which involves no controls or limitations whatever on the Soviet Union, but only limitation upon the neighboring nations of the Eurasian continent. Under these circumstances, there will be much less incentive for the Soviet Union to seek a balanced limitation of armament."

Former AEC Commissioner Murray told the Pastore Subcommittee April 17 that the Administration's plan was "projected out of a vacuum of strategy into another vacuum of generalities about the strength of the free world." Its effects, he said, "are quite likely to be military confusion rather than military cohesion, an illusion of security rather than the reality itself, and a chaos of effort rather than an organized partnership."

Murray proposed, instead, that Congress authorize the transfer of weapons up to a 2-kiloton yield suited for use against ground targets. This would not "permit the redemption of certain promises that have been made," he said, but it would meet the need for "a rational distribution of nuclear power throughout the free world."


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MR DULLES' STATEMENT BEFORE SUBCOMMITTEE ON AGREEMENTS FOR COOPERATION, JOINT COMMITTEE ON ATOMIC ENERGY, APR17

FOLLOWING IS TEXT OF STATEMENT CONCERNING SECOND GROUND FOR ADOPTION OF PROPOSED AMENDMENTS TO 1954 ATOMIC ENERGY ACT, AS GIVEN BY MR DULLES:

17 APR 1958

"I NOW TURN TO THE BEARING OF THE PROPOSED AMENDMENTS UPON OUR "DISARMAMENT", OR, TO BE MORE ACCURATE, "LIMITATIONS OF ARMAMENTS" POLICIES.

I UNDERSTAND THAT CONCERN HAS BEEN EXPRESSED LEST THESE AMENDMENTS WOULD PROMOTE THE SPREAD OF NUCLEAR WEAPONS THROUGHOUT THE WORLD, THUS MAKING IT MORE DIFFICULT TO SET UP INTERNATIONAL CONTROLS, AND PERHAPS BRINGING NUCLEAR WEAPONS INTO THE HANDS OF THOSE WHO MIGHT PERHAPS USE THEM IRRESPONSIBLY.

I HAVE IN THE PAST EXPRESSED EMPHATICALLY OUR DEEP CONCERN THAT THERE SHOULD NOT RPT NOT BE A PROMISCUOUS SPREAD OF NUCLEAR WEAPONS. WE DO NOT RPT NOT WANT SUCH WEAPONS TO GET INTO THE HANDS OF IRRESPONSIBLE DICTATORS AND BECOME POSSIBLE INSTRUMENTS OF INTERNATIONAL BLACKMAIL. AN EVER PRESENT THREAT OF THAT CHARACTER WOULD MAKE THE WORLD A GRIM PLACE IN WHICH TO LIVE.

WE WOULD DELUDE OURSELVES, HOWEVER, IF WE CONCLUDED THAT THIS SOMBER DEVELOPMENT COULD BE PREVENTED, OR EVEN RETARDED, BY REJECTING THESE AMENDMENTS OF THE ATOMIC ENERGY ACT. MATERIALS NEEDED TO MAKE NUCLEAR WEAPONS ARE BECOMING INCREASINGLY AVAILABLE AS NUCLEAR POWER PLANTS ARE BUILT. THE KNOWLEDGE NEEDED TO TURN THESE MATERIALS INTO WEAPONS HAS BEEN INDEPENDENTLY ATTAINED BY THREE COUNTRIES, AND THE SCIENTISTS OF MANY OTHER COUNTRIES HAVE THE SKILLS TO ENABLE THEM TO DO THE SAME. THE ONLY EFFECTIVE PREVENTIVE IS THAT THE DEVELOPMENT OF NUCLEAR WEAPONS SHOULD BE GROUGHT UNDER INTERNATIONAL CONTROL.

THERE IS TODAY UNDERSTANDABLE RESISTANCE ON THE PART OF OTHER FREE WORLD COUNTRIES TO AN INTERNATIONAL AGREEMENT WHICH WOULD HAVE

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THE EFFECT,IF NOT THE PURPOSE,OF PERPETUATING FOR ALL TIME THEIR PRESENT NUCLEAR WEAPONS INFERIORITY,WITHOUT THE MITIGATION WHICH WOULD BE MADE POSSIBLE BY THESE AMENDMENTS.OTHER FREE NATIONS WOULD UNDERSTANDABLY FIND IT DIFFICULT TO ACCEPT THAT RESULT AND THE USA DOES NOT RPT NOT WANT TO SEEM TO BE SEEKING TO IMPOSE IT.

THE SITUATION IS ALTERED IF THE USA CAN AND WILL DEPLOY NUCLEAR WEAPONS FOR COMMON DEFENSIVE USE IN CASE OF ARMED AGGRESSION,AND SHARE KNOWLEDGE WHICH WILL MAKE OUR ALLIES PARTNERS IN THIS ENDEAVOR.FAILURE TO DO THIS WILL CREATE RESISTANCE,PERHAPS INSUPERABLE RESISTANCE,TO THE INTERNATIONAL CONTROL NEEDED TO PREVENT,OVER COMING YEARS,THE PROMISCUOUS SPREADING,AND POSSIBLE IRRESPONSIBLE USE,OF NUCLEAR WEAPONS.

THERE IS ANOTHER THOUGHT WHICH I WOULD LIKE TO EXPRESS IN THIS CONNECTION.THE USSR IS MAKING EXTREME EFFORTS TO BRING IT ABOUT THAT THE FREE WORLD NATIONS OF THE EURASIAN CONTINENT WILL BE LIMITED TO CONVENTIONAL WEAPONS AS AGAINST THE NUCLEAR WEAPONS CAPABILITY OF THE USSR.IF IT CAN SUCCEED IN THIS EFFORT,IT WILL HAVE ALREADY ACHIEVED A ONE-SIDED DISARMAMENT WHICH INVOLVES NO RPT NO CONTROLS OR LIMINTATIONS WHATEVER ON THE USSR,BUT ONLY LIMITATION UPON THE NEIGHBORING NATIONS OF THE EURASIAN CONTINENT.UNDER THESE CIRCUMSTANCES,THERE WILL BE MUCH LESS INCENTIVE FOR THE USSR TO SEEK A BALANCED LIMITATION OF ARMAMENT....

...TO REALIZE THIS CONCEPT REQUIRES THE AMENDMENTS NOW PROPOSED TO THIS ACT.NOT RPT NOT THUS TO AMEND THE ACT WOULD IN EFFECT MAKE THE USA A PARTNER WITH THE USSR IN IMPOSING ON OUR NATO ALLIES SUCH AN INCAPACITY TO USE NUCLEAR TACTICAL WEAPONS THAT SOVIET DOMINANCE OVER WESTERN EUROPE WOULD BE LARGELY ACHIEVED AND LITTLE INCENTIVE WOULD BE LEFT FOR THE USSR TO LIMIT ITS OWN ARMAMENT. AND OUR NATO ALLIES WILL NOT RPT NOT FEEL THE STRENGTH AND CONFIDENCE NEEDED TO PURSUE VIGOROUS ANTI-COMMUNIST POLICIES IF THEY FEEL THAT THEY ARE DOMINATEDBY A SOVIET NUCLEAR WEAPONS CAPABILITY AND THAT WE WILL NOT RPT NOT SHARE OUR NUCLEAR CAPABILITY
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WITH THEM,EVEN TO THE MODEST EXTENT REQUIRED TO ENABLE THEM TO SHARE IN THE PLANNING OF A NUCLEAR DEFENSE AND MAKE THEM CAPABLE OF USING NUCLEAR WEAPONS RECEIVED FROM US IF HOSTILITIES SHOULD OCCUR.

ON THE OTHER HAND,IF THESE AMENDMENTS ARE ENACTED,WE WILL NOT RPT NOT HAVE DISARMED OUR ALLIES,AND THE USSR WILL HAVE AN INCENTIVE,OTHERWISE LACKING,TO ACHIEVE BALANCED AND MULTILATERAL LIMITATION OF ARMAMENT."

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MR DULLES' STATEMENT BEFORE SUBCOMMITTEE ON AGREEMENTS FOR COOPERATION, JOINT COMMITTEE ON ATOMIC ENERGY, APR17

FOLLOWING IS TEXT OF STATEMENT CONCERNING FIRST GROUND FOR ADOPTION OF PROPOSED AMENDMENTS TO 1954 ATOMIC ENERGY ACT, AS GIVEN BY MR DULLES:

"USA DEFENSIVE POLICY IS ONE OF COLLECTIVE DEFENSE. THIS IS AUTHORIZED BY THE UN CHARTER AND IT IS, INDEED, NECESSARY TO OUR NATIONAL SAFETY. WE HAVE COLLECTIVE DEFENSE ARRANGEMENTS WITH MANY NATIONS. THE MOST HIGHLY DEVELOPED MILITARY ORGANIZATION IS UNDER THE NORTH ATLANTIC TREATY. ITS PROTECTION OF THE VITAL EUROPEAN AREA DEPENDS UPON TWO COMPONENTS. ONE IS THE DETERRENT OF OUR STRATEGIC STRIKING POWER. THE OTHER IS THE "SHIELD" OF NATO FORCES IN THE AREA.

DURING RECENT YEARS PRIMARY STRESS HAS BEEN PLACED UPON THE DETERRENT OF RETALIATORY STRIKING POWER, WITH LESS EMPHASIS ACCORDED THE SHIELD. THERE WERE TWO REASONS FOR THIS. THE DECISIVE SUPERIORITY OF THE USA IN THE FIELD OF NUCLEAR WEAPONS MADE OUR STRATEGIC DETERRENT HIGHLY EFFECTIVE. ALSO A "SHIELD" OF CONVENTIONAL FORCES COULD NOT RPT NOT INDEFINITELY MATCH THE MUCH GREATER CONVENTIONAL FORCES THAT COULD BE AMASSED BY THE SINO-SOVIET BLOC.

HOWEVER, THAT SITUATION IS NOW CHANGING. THE USSR ITSELF POSSESSES A LARGE NUCLEAR STRIKING POWER. ALSO, NEW WAYS ARE BEING FOUND BY OUR SCIENTISTS WHEREBY NUCLEAR POWER CAN INCREASINGLY BE USED IN SMALLER TACTICAL WEAPONS. THROUGH SUCH WEAPONS, WE AND OUR ALLIES CAN OBTAIN AN ADDITIONAL DIRECT DETERRENT TO SOVIET ATTACK UPON EUROPEAN TERRITORY.

THIS LATTER DEVELOPMENT WAS EXPOUNDED BY THE PRESIDENT AND MYSELF AT THE NATO MEETING OF LAST DEC, AS OPENING UP NEW POSSIBILITIES OF STRENGTHENING THE "SHIELD" COMPONENT OF OUR MILITARY EFFORTS.

HOWEVER, AS NUCLEAR WEAPONS ACQUIRE MORE AND MORE TACTICAL SIGNIFICANCE AND CAN ENHANCE THE CAPABILITIES OF THE "SHIELD", THERE IS INCREASING NEED FOR A BROADER SHARING OF NUCLEAR

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KNOWLEDGE WITH OUR ALLIES.ONLY THUS WILL IT BE POSSIBLE FOR THEM TO PARTICIPATE,TO A SIGNIFICANT DEGREE,IN THE DEVELOPMENT OF DEFENSIVE PLANNING AND THEIR OWN DEFENSE SHOULD THEY BE ATTACKED.

IN OUR OPINION IT IS NOT RPT NOT NECESSARY FOR THE USA,IN PEACE-TIME,TO DELIVER TO THE NATIONAL CONTROL OF OUR NATO ALLIES COMPLETE NUCLEAR WEAPONS,OR THE NUCLEAR COMPONENTS OF THESE WEAPONS,AND WE ARE NOT RPT NOT PROPOSING THAT COURSE.

WE DO RPT DO BELIEVE THAT IT IS NECESSARY FOR THE USA TO MAINTAIN IN EUROPE NUCLEAR WARHEADS DEPLOYED UNDER USA CUSTODY IN ACCORDANCE WITH NATO DEFENSIVE PLANNING AND SUBJECT TO RELEASE,UNDER PRESIDENTIAL AUTHORITY,AND USE BY THE APPROPRIATE NATO SUPREME ALLIED COMMANDER IN THE EVENT OF HOSTILITIES.THIS ASSUMES THE EXISTENCE OF NUCLEAR-CAPABLE NATO FORCES.NATO HAS BEEN DOING ITS PART TOWARD BUILDING UP SUCH FORCES.OUR PART IS TO GIVE THEM KNOWLEDGE SO THAT THESE FORCES COULD,IN WAR,BE OPERATIONAL.

AS THE PRESIDENT AND I POINTED OUT IN PARIS,THERE CANNOT RPT NOT BE THESE NUCLEAR-CAPABLE NATO FORCES OR THE NECESSARY MILITARY PLANNING WITHOUT SUPPLYING OUR NATO ALLIES WITH MORE NUCLEAR KNOW-HOW THAN IS POSSIBLE UNDER THE PRESENT LAW.SO WE SAID IN PARIS:

"ANOTHER INGREDIENT OF AN EFFECTIVE NATO NUCLEAR FORCE SHOULD BE A COMMON BODY OF KNOWLEDGE ABOUT NUCLEAR WEAPONS AND MILITARY DOCTRINE FOR THEIR EMPLOYMENT TO PERMIT THEIR CONFIDENT AND RESPONSIBLE USE.

"WE BELIEVE THAT OUR NATO ALLIES SHOULD SHARE MORE INFO AS TO MILITARY NUCLEAR MATTERS.BROADER UNDERSTANDING IS NEEDED AS TO THE WEAPONS THEMSELVES,THEIR EFFECTS,AND THE PRESENT AND PROSPECTIVE STATE OF THIS STILL NEW MILITARY SCIENCE.THE LEGISLATIVE CHANGES WE ARE PROPOSING TO THE USA CONGRESS WOULD PERMIT THE EXCHANGES OF INFO NEEDED TO ACCOMPLISH THIS."

THE NATO HEADS OF GOVT UNANIMOUSLY AGREED WITH OUR"STOCK-PILE"PROPOSAL AND DECIDED TO PROCEEED WITH NATO DEFENSE PLANNING AND TRAINING ON THIS BASIS.

LET ME POINT OUT THAT UNLESS OUR GOVT IS ABLE TO SHARE ITS

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NUCLEAR KNOWLEDGE MORE FULLY WITH OUR ALLIES GRAVE CONSEQUENCES MAY RESULT.OUR NATO ALLIES MAY EITHER INTENSIVELY SEEK TO DEVELOP NUCLEAR WEAPONS CAPACITY FOR THEMSELVES;OR MOVE TOWARD NEUTRALITY, OR AT LEAST NON-PARTICIPATION,IN WHAT SHOULD BE A COMMON MILITARY EFFORT.THE FIRST ALTERNATIVE WOULD DIVERT THE EFFORTS OF OUR ALLIES INTO A NEEDLESS AND COSTLY DUPLICATION OF WHAT WE HAVE ALREADY ACHIEVED.THE SECOND ALTERNATIVE OF NEUTRALITY OR NON-PARTICIPATION WOULD PLACE A FAR GREATER BURDEN ON THE USA AND RADICALLY ALTER THE POWER BALANCE WITH SERIOUS DAMAGE TO OUR VITAL SECURITY INTERESTS.

LET ME REPEAT.USA POLICY DOES NOT SEEK TO SPREAD NUCLEAR WEAPONS AROUND THE WORLD BEYOND USA CONTROL.

WHAT USA POLICY SEEKS,AND WHAT THESE AMENDMENTS WOULD PERMIT, ARE:

COMMON DEFENSE PLANNING IN NATO,WHICH CAN TAKE PLACE ONLY IF THE ALLIED COMMANDERS KNOW THE EFFECTIVE USE OF NUCLEAR WEAPONS AND THE CAPABILITIES OF THE USSR WHICH MAY HAVE TO BE MET;

ADEQUATE TRAINING OF NATO ALLIED FORCES,SO THAT IN THE EVNT OF HOSTILITIES THOSE FORCES COULD EFFECTIVELY USE NUCLEAR WEAPONS;

THE MAKING AVAILABLE TO OUR ALLIES OF NUCLEAR REACTORS WHICH CAN BE USED FOR THE PROPULSION OF NAVAL CRAFT,AND

IN TH CASE OF AN ALLY WHICH ALREADY HAS A NUCLEAR WEAPONS CAPABILITY,THE EXCHANGE OF NUCLEAR WEAPONS INFO AND THE PROVISION OF MATERIALS FOR THE MAKING OF NUCLEAR WEAPONS.

II

A SPECIAL ELEMENT OF OUR COLLECTIVE SECURITY POLICY IS OUR RELATIONSHIP WITH THE UK.GREAT BRITAIN NOW HAS A CONSIDERABLE NUCLEAR WEAPONS CAPABILITY,AND IT IS JUST COMMON SENSE FOR US TO BE ABLE TO EXCHANGE WEAPONS INFO AND PROVIDE MATERIALS WHERE IT IS TO THE MUTUAL ADVANTAGE.WE CAN THUS AVOID WASTEFUL DUPLICATION AND MAKE THE MOST EFFICIENT USE OF THE COMMON RESOURCES OF THE ALLIANCE. THIS COOPERATION WITH THE UK IN MILITARY TECHNOLOGY WOULD NOT RPT NOT BE A ONE-WAY STREET.THE SCIENTISTS AND ENGINEERS OF THE UK HAVE MADE OUTSTANDING CONTRIBUTIONS TO THE WEAPONS USED BY THE FORCES OF THE USA AND THE FREE WORLD IN SUCH FIELDS AS JET ENGINES,

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RADAR,AND AIRCRAFT CARRIER DESIGN.EVEN THOUGH THEIR NUCLEAR WEAPONS PROGRAM IS OF SMALLER DIMENSIONS THAN OUR OWN,WE CAN BE CONFIDENT THAT THEIR SCIENTISTS WILL MAKE IMPORTANT CONTRIBUTIONS TO A COOPERATIVE EFFORT.

THE USSR NOW KNOWS THE SECRETS OF NUCLEAR WEAPONS DESIGN. NEVERTHELESS,FOR YEARS,THE UK HAS BEEN FORCED TO FOLLOW THE STERILE COURSE OF REWORKING GROUND ALREADY COVERED BY THE USA AND KNOWN TO THE USSR.IT IS TIME TO REINSTATE A MORE FRUITFUL USA-UK NUCLEAR WEAPONS COLLABORATION WITHIN THE FRAMEWORK OF EXPANDING NUCLEAR COOPERATION WITH OTHER NATO ALLIES WHICH CAN CREATE NUCLEAR-CAPABLE FORCES AND CAN HELPFULLY PARTICIPATE IN PLANNING A MODERN DEFENSE OF THEIR TERRITORIES.

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STATEMENT BY MR DULLES BEFORE SUBCOMMITTEE ON AGREEMENTS FOR COOPERATION,JOINT COMMITTEE ON ATOMIC ENERGY,APR17

IN VIEW OF ITS RELEVANCE TO CURRENT DISCUSSIONS,WE ARE REPEATING IN TWO SEPARATE MSGS THE TEXT OF MR DULLES' STATEMENT BEFORE THE SUBCOMMITTEE ON AGREEMENTS FOR COOPERATION OF THE JOINT COMMITTEE ON ATOMIC ENERGY(APR17).THE SECRETARY STRONGLY URGED THE COMMITTEE TO RECOMMEND TO CONGRESS THE ADOPTION OF THE PROPOSED AMENDMENTS TO THE 1954 ATOMIC ENERGY ACT,ON TWO PRINCIPAL GROUNDS:

(A)THAT IT°WILL ENABLE US TO BUILD UP WHAT OTHERWISE MAY BECOME A DISINTEGRATING COLLECTIVE DEFENCE EFFORT.°,AND(B)°IT WILL MAKE OUR ALLIES MORE WILLING TO ACCEPT AND THE USSR MORE WILLING TO GRANT A BALANCED PROGRAMME OF'DISARMAMENT'WITH CONTROL OF NUCLEAR WEAPONS TESTING AND NUCLEAR WEAPONS MAKING.°

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USSEA/L.Leger/JMB

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~~NOT FOR FILE~~

CANADIAN EYES ONLY

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D/L/P

PERSONAL

Mr. Lefaut

and file

Copy on 50219-AL-1-40

April 17, 1958

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LLS(H&IR)
FEB 22 1985

(Same letter sent to Mr. Ritchie)

Dear Norman,

Attached is a copy of a memorandum dated April 15 from Doug to me about small scale tactical atomic weapons. I am sure you will find it interesting.

The more I brood over this, the more depressed I become. Notwithstanding their mobility, we must, I think, continue to try to prevent the spread of such deadly weapons. What I don't understand is that Norstad's plans still seem to be based on the setting-up of extensive and built-in launching sites in European territory when he must know that bazooka-like weapons can fire a missile with the power of a blockbuster.

The two articles on disengagement in the last issue of "Foreign Affairs" have had their effect here; to counter this the April 12 issue of "The Economist" has become compulsory reading, particularly pages 95-96-97. How neatly the predicament is described: "It falls on the western governments, in whom the habit has grown of accepting -- so long as no expense to themselves is involved -- an automatic priority for military considerations over political ideas."

Kindest regards.

Sincerely,

"Jules"

N.A. Robertson, Esquire,
Canadian Ambassador,
Washington, D.C.

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CANADIAN EYES ONLY

Copy on 50219-AL-1-40

April 15, 1958.

DOWNGRADED TO SECRET
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LLS (MAIR)
FEB 22 1985

MEMORANDUM FOR THE UNDER-SECRETARY

Small Scale Tactical Atomic Weapons

This afternoon, in the process of trying to promote liaison with the Department of National Defence, I called on Dr. Zimmerman, the Chairman of the Defence Research Board. My call was prompted immediately by some not very serious or pressing problems of liaison in the intelligence field; but I used the interview more as the occasion for a discursive conversation with Dr. Zimmerman about some of the defence problems that will be arising within the next few months. Most of what he had to tell me can await more leisurely treatment. But there was one piece of news of a highly secret and important kind that I think I should pass on to you without delay.

2. Dr. Zimmerman told me that the Defence Research Board has known for about a fortnight that the United States has now developed a nuclear weapon of extremely small scale. It has a diameter of about three or four inches and yet has an explosive effect equivalent to that of some ten tons of T.N.T. Intense though the explosion is from this weapon, it is nevertheless so limited as to create very little hazard from radioactivity. In other words, the United States now has a weapon not much larger than a grenade which can produce a lethal nuclear explosion with little or no risk of radioactive contamination.

3. One result of the development of this new weapon is that tank formations can be effectively neutralized. Indeed, it would hardly be going too far to say that it may provide an effective counter to the preponderance that the Soviet Union has long enjoyed in conventional forces in Europe, and one that suffers from few of the drawbacks of the larger tactical nuclear weapons in the

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LLS (MRIR)
FEB 22 1983



kiloton range that have hitherto been available. Another result is that the problem of "over-killing" through the use of tactical nuclear weapons can be solved. Hitherto, if you wished to destroy a command post, you had to destroy the town where it was located. Now a single soldier, armed with a highly portable bazooka-like weapon, can fire a missile with the power of a block-buster. Moreover, the new weapon is dirt cheap, with a unit cost of no more than $25,000.

4. Dr. Zimmerman asked me specifically to bring news of this development to your attention. He also would have no objection to your informing Mr. Robertson in Washington, Mr. Ritchie in New York, and a very few of the senior members of the Department. However, he is extremely anxious that for the time being this information should be very closely held. Within the armed services, he told me, it is known only by the Chiefs of Staff and a very few of their principal subordinates.

D.V. LeP.

D.V. LeP.

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Confidential

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April 2, 1958

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Deputy Minister,
Department of National Defence,
Ottawa.

Forthcoming Series of Nuclear Tests
at the Eniwetok Proving Grounds

On March 12, last, we referred to your Department,(to the Judge Advocate General), a copy of Washington letter No.305 of 20 February 1958 together with copies of a U.S. Note of February 17, 1958, on the above subject, and of a chart describing a "danger area" in the Pacific, declared effective April 5, 1958. We attach further copies of the Note and the Chart, as well as a copy of Washington telegram No. 577 of March 14, 1958.

2. Apparently, under international law, the U.S. have the right to declare unilaterally as "danger area" the whole area described in the Note, even if it means a temporary extension of their jurisdiction beyond the three-mile territorial limit.

3. On the other hand, it seems that, from the legal standpoint, the U.S. cannot, through the issuance of a public warning, discharge themselves from liability in case of damages or injuries resulting directly or indirectly from the tests, at least when these take place outside the limits of the defined danger zone. No such distinction, however, is made in the U.S. Note nor in the explanations given to our Embassy.

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4. The question therefore arises as to whether we should make representations to the State Department regarding this matter. Whatever merits the legal case may have, it seems to us that it is important to decide first whether in practice it may be reasonably expected that some damage might be caused to Canadian ships, aircrafts or personnel operating outside the danger zone defined in the U.S. Note.

5. Your advice on this point would be appreciated as well as any comments you may wish to make on the advisibility of pursuing this matter further with the U.S. Government.

(Sgd) D.M. LePan

for Under-Secretary of State
for External Affairs

c.c. Judge Advocate General,
Dept. of National Defence.
DM/ Dept. of Transport.

**Legal Division ( Mr.Kingstone, Mr.Gotlieb)**
**Mr. Campbell ( U.N. Division)**
**Mr. Kirkwood (Economic Div.)**

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D.L.(1) J. Brossard/ab

Confidential

April 2, 1958

Deputy Minister,
Department of Transport,
Ottawa.

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at the Eniwetok Proving Grounds

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(sgd) D.V. LePan

for Under-Secretary of State
for External Affairs

c.c. DM/Dept. of National Defence,
Canadian Maritime Commission,
Air Transport Board.
Legal Division (Mr.Kingstone, Mr.Gotlieb)
Mr. Campbell ( U.N. Division)
Mr. Kirkwood ( Economic Div.)

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DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

NUMBERED LETTER

TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: The Canadian Embassy, WASHINGTON, D.C.

Reference: Our Letter No.218 of February 5,1958.

Subject: Proposed Amendments to Atomic Energy Act.

Security: CONFIFENTIAL

No: 506

Date: March 28, 1958

Enclosures: Five

Air or Surface Mail: Courier Bag

Post File No:

Ottawa File No. 50219-D-40

D.L.(1) 1 2 3 4 5 References 8 9 10

APR 8 1958

Refer (without attachments) CEOS. Chairman D.R.B. Secy. W.C.S. A.E.C.B. Econ. Div. file

The Subcommittee on Agreements for Cooperation of the Joint Committee on Atomic Energy held open hearings from March 26 to March 28 on amendments to the Atomic Energy Act of 1954, proposed jointly by the AEC and the DOD, regarding exchange of military information and material with allies.

2. The principal testimonies were presented by Vance, Acting Chairman of AEC; Quarles, Deputy Secretary of Defense; Elbrick, Assistant Secretary of State and Representative Holifield (Dem., Cal.). Copies of these testimonies are attached together with a statement made by Murphy, Deputy Under Secretary of State at an earlier session.

3. The committee members were rather silent, all the discussion being carried by Sen. Pastore (Dem.,R.I.), Holifield and Sen. Anderson (Dem.N.M.). Pastore evidently favoured the amendments with some modification in wording. Holifield and Anderson spoke with one voice in total opposition. The comments made it clear that if the amendments had applied to the U.K. only there would have been unanimous approval.

4. Holifield's main contention was that through these amendments Congress would abdicate its control of nuclear weaponry. He maintained that this was too serious a responsibility to transfer from the Congress to the Administration and essentially focus on the shoulders of one man, the President. He claimed that everything the amendments contained could be done under Sect. 121 of the present Act in the form of a treaty or agreement which would have to appear before Congress. He admitted this was slower but claimed that this more deliberate procedure was more in keeping with the importance of the matter.

5. Witnesses pointed out that Congress would not be by-passed, that any action under these amendments had to lie before the Joint Committee for 30 days before it came into effect. Holifield claimed that this was window-dressing and had no validity in practice. He said that if the Joint Committee did not agree to the proposed action they might with some difficulty obtain within 30 days disallowance action by Congress. This would have to be approved by the President. Since the proposed action emanated from his own Administration the President, to be consistent, would have to veto it. It would require two-thirds majority in both houses to over-ride the veto and in practice this was unlikely to be achieved.

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6. Witnesses admitted that in theory everything they wanted could be done under the present Sect. 121, but in practice it was too confining, inflexible and time consuming to be properly effective.

7. Holifield's next major contention was that these amendments would promote the emergence of a Fourth (Fifth etc) Nation. France was finally named openly, along with West Germany and Italy. The political instability of these countries was stressed. France's action in Suez and her use of NATO equipment against Tunisia were cited together with the large Communist vote in France.

8. Witnesses constantly reiterated that it was not the intent to foster the development of a Fourth Nation. Holifield retorted that they could not implement the amendments without doing so. This is a very sweeping statement but contains the germ of truth that the amendments contain the power to do so even if the intent is not there.

9. Minor themes developed by Holifield were that passage of the amendments would give the USSR a strong basis for effective propaganda and that discrimination among the allies as to who received nuclear information etc. would stir up resentment and friction.

10. Pastore was interested in having "donation" deleted from Sect.55 (c) and in having the criterion "(cooperate with another nation) that has made substantial progress in the development of nuclear weapons" inserted in Sect. 91(c) as well as 144(c).

11. Hicken Cooper in a brief interjection pointed out that if they sought to function under Sect.121 of the present Act and produced a treaty this would place the other nation in a position to demand information etc. as a right whereas under the proposed amendments ~~they~~ would depend solely on the best judgment of the U.S.

12. There has been a delay in issuing copies of the new companion bills H.R. 11426 and S.3474 (see our letter #457 of March 20) but they will be forwarded shortly. To date I have not gathered any opinions on the probable fate of these bills in Congress but will do so.

H.Williamson

for The Embassy

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FORTHCOMING SERIES OF NUCLEAR TESTS

THE FOLLOWING IS THE TEXT OF A STATEMENT MADE BY THE PRESIDENT AT HIS PRESS CONFERENCE YESTERDAY ON THE ABOVE SUBJECT:

"IN LINE WITH WHAT I SAID TO THE PRESS ON JUL3/57,THE USA WILL DEMONSTRATE THE PROGRESS OUR SCIENTISTS ARE ACHIEVING IN REDUCING RADIO-ACTIVE FALLOUT FROM NUCLEAR EXPLOSIONS.

TO THIS END,FOR THE FIRST TIME AT ANY TEST,WE ARE PLANNING TO INVITE THE UN TO SELECT A GROUP OF QUALIFIED SCIENTIFIC OBSERVERS TO WITNESS AT THE PACIFIC PROVING GROUND THIS SUMMER A LARGE NUCLEAR EXPLOSION IN WHICH RADIO-ACTIVE FALLOUT WILL BE DRASTICALLY REDUCED.

WE WILL ALSO INVITE--AS WE HAVE ON OCCASIONS IN THE PAST--A REP GROUP OF USA AND FOREIGN NEWS MEDIA CORRESPONDENTS.

THE USA SCIENTISTS HAVE BEEN MAKING PROGRESS IN REDUCING RADIO-ACTIVE FALLOUT FROM NUCLEAR EXPLOSIONS IN THE HOPE AND BELIEF THAT BASIC ADVANCES IN BOTH THE PEACEFUL AND MILITARY USES OF NUCLEAR ENERGY WILL THUS BE ACHIEVED.THE ADVANTAGES TO MANKIND OF CONTINUED PROGRESS IN THIS FIELD ARE OBVIOUS.

THE USA HAS ALWAYS PUBLICLY ANNOUNCED IN ADVANCE ITS NUCLEAR TESTING PROGRAMS.WE TRUST THAT THE FORTHCOMING TESTS WILL PROVIDE VALUABLE INFO TO THE WORLD."

2.WHEN THE PRESIDENT WAS ASKED WHETHER THE USSR OR OTHER COMMUNIST-NATION OBSERVERS WOULD ATTEND THESE TESTS THE PRESIDENT REPLIED THAT HE COULD NOT RPT NOT SAY AT THIS TIME WHETHER THEY WOULD ACCEPT.HE DID SAY,HOWEVER,THAT"WE ARE HOPEFUL"THAT THE UN WOULD DESIGNATE THE UN SCIENTIFIC COMMITTEE ON THE EFFECTS OF ATOMIC RATIATION UPON WHICH CERTAIN COMMUNIST COUNTRIES ARE REPRESENTED.

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STATEMENT BY ASSISTANT SECRETARY OF STATE C. BURKE ELBRICK
ON REVISION OF ATOMIC ENERGY ACT OF 1954
BEFORE THE SUBCOMMITTEE ON AGREEMENTS FOR COOPERATION
OF THE JOINT COMMITTEE ON ATOMIC ENERGY
MARCH 27, 1958

It is a pleasure to appear before the Joint Committee to discuss the importance which the Department of State attaches to the proposed amendments.

A full statement of the State Department's position was made to the Committee at an earlier session by Mr. Robert Murphy, Deputy Under Secretary of State for Political Affairs, and his statement has been made part of the public record of this Committee. For convenience, we have distributed copies of it to the Members of the Committee and others present this morning. I plan to stress in my presentation this morning the main reasons why this proposed legislation is important to the foreign policy of the United States particularly the strengthening of the Western alliance.

All Americans can be proud of the rapid development of atomic energy in the United States. We continue to hope that the power of the atom will be used only for peaceful purposes. To this end since 1946 we have sought to achieve the international control of atomic energy. As you gentlemen know, the Soviet Union, preferring to develop its own atomic weapons, has frustrated our efforts. We shall continue to seek a safeguarded agreement for arms control and reduction.

In the absence of a safeguarded disarmament agreement, however, we must need seek ways to develop the nuclear strength of the free world and reinforce free world unity. The proposed amendments, we believe, are designed to this end.

The North Atlantic Treaty Organization was created the same year that the Soviet Union first exploded a nuclear device. As the Soviet Union's nuclear capabilities developed, we have striven to strengthen NATO and its members. The NATO principle that an attack upon one member is an attack upon all coupled with the military strength of the NATO nations has served as an effective deterrent to the spread of aggression. NATO, however, must be as modern and effective in its capabilities as the Soviet Union. Accordingly, nuclear weapons must play an increasing part in NATO defense plans.

Since 1954, we have concluded agreements with NATO, the United Kingdom and Canada, as well as Australia. Through these agreements we have furnished NATO with certain information on atomic weapons necessary to NATO defense planning. However, under the present provisions of the Atomic Energy Act it is not possible to attain full effectiveness in the training and operational planning necessary to assure NATO effectiveness in the event of an attack. It is vitally important to the security of the United States and to the free world that our NATO allies have

confidence

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confidence in being able to meet aggression swiftly and effectively. Our allies must not only have modern equipment but they must also know how to use it.

This was the situation which faced President Eisenhower and the other Heads of NATO Governments when they met last December. At that conference it was recognized that the Western members of the United Nations Disarmament Sub-Committee last August had put forward to the Soviet Union, with the unanimous agreement of NATO, a series of concrete proposals for the reduction of armaments, the cessation of the production of fissionable materials for weapons purposes, the reduction of existing stocks of nuclear weapons, the suspension of nuclear weapons tests and measures to guard against the risk of surprise attack.

The NATO Heads of Government noted with regret that the Soviet leaders had rejected these proposals en bloc although they had been approved by 56 members of the United Nations.

In the light of the above circumstances and abundantly clear evidence that the Soviet Union was continuing to mount a military program which was making full use of technological developments in the nuclear and other fields, the NATO Heads of Government saw the clear need to explore ways of improving their defense planning through closer cooperation.

In the communique issued at the end of this meeting, the Heads of Government noted that: "In the Soviet view, all European nations except the USSR should, without waiting for general disarmament, renounce nuclear weapons and missiles and rely on arms of the pre-atomic age."

They then concluded: "As long as the Soviet Union persists in this attitude, we have no alternative but to remain vigilant and to look to our defenses. We are therefore resolved to achieve the most effective pattern of NATO military defensive strength, taking into account the most recent developments in weapons and techniques.

"To this end, NATO has decided to establish stocks of nuclear warheads, which will be readily available for the defense of the Alliance in case of need. In view of the present Soviet policies in the field of new weapons, the Council has also decided that intermediate range ballistic missiles will have to be put at the disposal of the Supreme Allied Commander Europe. ...

"Recognizing the rapidly growing interdependence of the nations of the free world, we have, in organizing our forces, decided to bring about closer coordination with a view to ensuring that each NATO member country makes its most effective contribution to the requirements established by the Alliance. ...

"As regards defence production, we have decided, in view of the progress already made, to take further measures within NATO to promote

coordination

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coordination of research, development and manufacture of modern weapons including intermediate range ballistic missiles.

"The best means of achieving coordinated production of advanced weapons needed by our forces will be studied as a matter of urgency. Those NATO countries whose programmes have already reached a very advanced stage have offered to share with their allies significant production techniques and results of their research work in order to stimulate a truly productive effort in the defense production field."

To make possible effective United States participation in these NATO plans it is necessary to seek amendment of certain of the provisions of the Atomic Energy Act of 1954. These changes are required to permit our allies to train their forces in the use of weapons which in an emergency would be made available to them from the NATO atomic stockpile. They are needed to permit us to provide our allies with information needed for them to produce delivery systems with assurance that they will be compatible with U.S. nuclear warheads. They are necessary to permit effective NATO defense planning. The amendments also make possible the communication of information essential if our allies are to be able to join with us in evaluating the military capabilities of the Soviet bloc.

Some of our allies also showed interest in the development and production of military reactors. Secretary Dulles' reference at the NATO Heads of Government Meeting in December to the possibility that propulsion data for submarines might be furnished met with immediate favorable response.

It is essential in any alliance that tasks must be shared to make the most effective use of resources. Through the measures outlined above, NATO can make significant progress in such a sharing of tasks. If our allies can be furnished an effective nuclear capability on a cooperative basis there will be less incentive to additional countries to enter the atomic weapons field. Through our contributions we would avoid unnecessary duplication of effort.

You will recall that Prime Minister Macmillan met here with the President last October. They stated clearly that in view of the present world situation the "concept of national self-sufficiency is now out of date. The countries of the free world are interdependent and only in genuine partnership, by combining their resources and sharing tasks in many fields can progress and safety be found." The amendments proposed to you are needed to achieve this genuine partnership and thereby avoid unnecessary waste of trained man-power and resources. Where a country has made significant progress in the development of atomic energy for both peaceful and military purposes, it is in our enlightened self interest to exchange date with regard to atomic weapons and military reactors under appropriate safeguards.

The NATO alliance of free world countries cannot achieve its vital objectives if it cannot make best use of the capacities of its members. The measures before you have been designed to help preserve the unity and strength of the free world. By strengthening our NATO defenses, it will increase our capacity to deter and if necessary defeat aggression. It will also give us an opportunity to continue our efforts for a sound safeguarded disarmament agreement and for the preservation of peace.

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# STATEMENT OF DEPUTY SECRETARY OF DEFENSE QUARLES BEFORE THE SUBCOMMITTEE ON AGREEMENTS FOR COOPERATION OF THE JOINT COMMITTEE ON ATOMIC ENERGY, THURSDAY, 27 MARCH 1958

The proposed amendments to the Atomic Energy Act of 1954 now being considered have already been discussed in detail. I shall provide the Department of Defense's views as to the basis of these proposed amendments and in general, the objectives. These views are essentially the same as I provided in my appearance before you in executive session. Also, as you know, I discussed at that time many details and implications of the proposed amendments as a result of rather extensive questioning.

When the Atomic Energy Act of 1954 was enacted it was recognized that the USSR had developed a nuclear weapon capability and that the U. K. had also made important strides in that field, as a result of its wartime cooperation with the U. S. and through the efforts of its own scientists. It was further recognized that in the face of the increasing threat of world Communism closer cooperation among free world nations in political as well as military fields was essential to the common defense and security. Accordingly, the 1954 legislation authorized a degree of cooperation with other nations under certain specified conditions and limitations. Under that authority the Department of Defense has cooperated with the U. K. and Canada, and with NATO; and has recently entered into an agreement with Australia. With regard to the NATO, the agreement for cooperation has resulted in the provision of extensive information on weapon effects to the NATO nations and forces. NATO has been informed also to the extent

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possible under the law as to our own capabilities for the delivery of atomic weapons in support of NATO forces and as to our estimates of the atomic weapon capabilities of the USSR. These communications have enabled the NATO planners to prepare their defensive plans and to allocate their resources on a much sounder basis than had been possible heretofore.

We have cooperated to a somewhat greater extent with the U. K. and Canada through bilateral agreements by providing information as to some characteristics of certain of our weapons as a means of assuring compatibility between these weapons and the delivery vehicles produced and used by these nations in the common defense.

Throughout our operations under the 1954 Act we have been governed by the joint determination procedures established by Section 144b of the Act which in essence limit disclosures of Restricted Data regarding characteristics of our weapons to information on weapons designs which the cooperating nations have developed through their own efforts.

While this past cooperation has served a very real and worthwhile purpose, the Soviet challenge for nuclear supremacy has necessitated a reexamination of U. S. objectives with respect to cooperation with Allies in military applications of atomic energy. We have reached the following conclusions:

(1) If we are to meet the Soviet challenge we require the full assistance of the Free World Allies in scientific and technological fields,



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in industrial contributions and in the organization, training and equipping of their military forces.

(2) We believe that there are no important areas of nuclear weapon technology known to the U. S. that the Soviets will not be able to attain through their own efforts.

(3) We believe this competence has been achieved in a large measure independently of outside sources of information.

(4) The U. K. has recently evidenced marked success in the thermonuclear field at great cost to them and without U. S. cooperation beyond that which existed at the end of World War II.

We believe, therefore, that we have now entered a third phase in our relations with our Allies and with the USSR as regards the military applications of atomic energy, a phase in which we must assess and obtain the benefits of the capabilities of our Allies in this field. In particular, we must make it possible for them to utilize their military forces with maximum effectiveness using the most modern weapons and techniques. To do so, we cannot continue to confine our cooperation to the limitations now in effect but must extend it to what will be mutually useful and promote the common defense and security without, at the same time, entailing an undue risk thereto. For the U. S. to withhold from its allies information, already possessed by the Soviets, which will enable these allies to contribute importantly and effectively to our own common defense and security appears to us to be totally inconsistent with a rational concept of the aims of these alliances. Therefore, the Department of



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D nse is motivated in seeking this new legislation by the conviction that under the authority of this legislation we would be able to achieve an effective cooperation with our allies and an effective military position for the use of atomic weapons.

Mr. Vance, Acting Chairman of the Atomic Energy Commission, has provided the background for the amendments before you and a sectional analysis of the changes recommended; explaining their purpose and, to the extent possible, something of their application. My Assistant for Atomic Energy, General Loper, who attended the hearings yesterday, and I will be at your disposal to discuss these amendments and to answer questions to the extent you may desire and which is possible in this public hearing as to the special interests of the Department of Defense in each change recommended.

Accordingly, I will not attempt to repeat what was provided you yesterday nor to anticipate your questions concerning the purpose of each change. I believe it important, however, in voicing the views of the Department of Defense to emphasize the conditions which must be satisfied whenever any Restricted Data on military applications or other military assistance is afforded to friendly nations under the provisions of the Act of 1954 and to observe that these same conditions must apply to disclosures of Restricted Data, under the recommended amendments. An extension of the scope of the cooperation, as would be authorized by

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these amendments, if enacted would not change these conditions and procedures.

(1) There must be an agreement for cooperation, and the party or parties thereto must be participating therein by substantial and material contributions to the mutual defense and security.

(2) The Agreement for Cooperation will state in general terms the areas in which cooperation is contemplated. These may be broad, covering all of the areas of cooperation permitted by the law or limited to closely defined subject matter or materials. The scope of each agreement is established by careful consideration of areas in which mutual assistance is expected to be mutually beneficial. As you know, before these agreements are reached we appear before your Committee to present and defend their scope and substance. Also, as regards agreements now in effect and such others as we may enter into in the future, it has been and will continue to be our endeavor to keep you informed as to the nature of the assistance or scope of information actually furnished.

(3) An agreement for cooperation in this field is not construed by us as a blank check whereby all information or material assistance falling within the broad categories authorized by law and listed in the agreement may be automatically communicated, exchanged or transferred to the cooperating party. Each transaction must be judged by a standard which applies to all communications of classified information and material



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assistance, namely, that it will promote and will not constitute an unreasonable risk to the common defense and security.

The Department of Defense believes that the amendments to the Atomic Energy Act of 1954, as amended, which are set forth in S. 3474 and H. R. 11426, if enacted into law will make an important step forward in improving the political cohesion and military strength of the free nations of the world allied with the U. S. in the defense of their freedom, and will promote and will not constitute an unreasonable risk to the common defense and security. The Department fully supports the amendments.

As I indicated earlier, I have not prepared a detailed analysis or discussion of the individual sections because of the extensive review carried on yesterday when the Atomic Energy Commission was the principal witness. However, I am prepared as well as General Loper, my Assistant for Atomic Energy, to answer questions that may have been generated yesterday or may now occur to you.



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From the office of
Congressman Chet Holifield
Room 1034 New House Office Bldg.

PR 3-58

50219-D-140
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FOR RELEASE AFTER 2:00 PM, THURSDAY, MARCH 27, 1958

Congressman Chet Holifield, a member of the Joint Committee on Atomic Energy, today took the stand as a witness in order to bring to the attention of the American people the issues which are involved in the legislation now pending before the Joint Committee on Atomic Energy.

Congressman Holifield said, "the importance of this legislation (H. R. 11426 and S 3474) cannot be over emphasized. It is a major amendment in that it authorizes a basic change in responsibility for the distribution of atomic-hydrogen weapons, delivery systems for such weapons, and design information for the production and utilization of such weapons.

"This legislation, if passed, would place the responsibility for international transfer of atomic weapon information, parts and bomb materials in the President of the United States.

"I believe," the Congressman continued, "that when the time comes to transfer atomic weapons or atomic weapon information to an ally or allies, it should be done by the safe, more deliberative way provided for in the present law. (Section 121, Atomic Energy Act of 1954)

"This responsibility belongs in the Congress of the United States. The transfer should be made through international agreement, approved by the Senate and the House of Representatives -- or by international treaty approved by the Senate.

"The case has not been made for the distribution of atomic-hydrogen weapons to allies in NATO," Mr. Holifield stated.

"The British and American atomic weapon capability can be fitted into the overall concept of NATO strategy without opening a pandora's box of unknown and unpredictable woes.

"The pending legislation creates important questions - questions which each member of the Joint Committee on Atomic Energy -- of the Congress -- will have to answer.

"The answer we -- the Congress -- give to these questions," the Congressman continued, "may increase or decrease the possibility of nuclear war or international peace."

(Complete statement attached)

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Testimony of HONORABLE CHET HOLIFIELD (California)
Before the
SUBCOMMITTEE ON AGREEMENTS FOR COOPERATION
of the
JOINT COMMITTEE ON ATOMIC ENERGY, Thursday, March 27, 1958

MR CHAIRMAN:

I have made the unusual request to appear before your Subcommittee to testify on pending legislation, H. R. 11426 and S. 3474. Although a member of the full Committee, I am not a member of the Subcommittee on Agreements for Cooperation. I want to thank you, at this time, for the courtesies extended to me by permitting me to attend the executive hearings on this legislation and also for allowing me to present public testimony as a witness.

I have studied these two bills thoroughly and believe that I understand their provisions and the broad and important scope of the subject matter they cover.

I am deeply concerned at the impact of this legislation if it should be passed. In all good conscience, I must oppose the bills as written. I must oppose some of the objectives and I must oppose the methods of achieving some of the other objectives, which may, in themselves, be desirable.

The importance of this legislation cannot be over emphasized. It is not a minor amendment to the Atomic Energy Act of 1954. It is a major amendment in that it authorizes a basic change in responsibility for the distribution of atomic-hydrogen weapons, delivery systems for such weapons, and design information for the production and utilization of such weapons. The responsibility belongs, by statute of 1954, in the Congress of the United States. This amendment transfers that responsibility to the President of the United States.

Twice before, in the original Atomic Energy Act of 1946 (the McMahon Act), and in the revised Atomic Energy Act of 1954 (the Cole-Hickenlooper Act), the Congress after due and serious consideration decided that control of these new, terrible, and revolutionary atomic-hydrogen weapons should remain the responsibility of the Congress. It provided, I believe very prudently, that if the time should come when it seemed wise to transfer atomic weapons

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or atomic weapon information to an ally or allies, that such a decision would be made by international agreement, approved by the Senate and the House of Representatives - or by an international treaty approved by the Senate. This method is provided for in Section 121 of the Atomic Energy Act of 1954.

If that time has arrived, then I say let us use the safer, more deliberative way provided for in the present law.

As elected Representatives of the people, let us scrutinize carefully each proposal. Let us require specific justification for each transfer of this type of information - or these types of weapons - to a foreign ally, whoever she may be. Let us exercise the checks and balances of our constitutional type of government in important matters, such as this legislation, which authorizes the creation of additional atomic-hydrogen weapon owning nations.

In my opinion, this matter is of a great deal more importance than many of the routine matters which are effected by international agreements or treaties, and which, as a matter of course, are referred to the Legislative Branch of the Government for approval.

If passed, this legislation will be a complete delegation of Congressional authority and responsibility to the Executive Branch of the Government. It provides, furthermore, for the delegation by the President - to appointed administrators of the Atomic Energy Commission and the Department of Defense - the power to recommend decisions - which now must be made by the Congress under Section 121 of the 1954 Act.

The claim has been made by the Administration sponsors of this legislation that:

(a) it is desirable to have administrative flexibility to distribute atomic-hydrogen weapons, weapon parts, or weapon information, to a certain ally or allies.

Of course, it is simpler and quicker for the Executive to act than for the Congress to use the deliberative process. No one can argue this point. But, this is but to argue that a monarch or a dictator is better equipped to make quicker, quieter and more efficient moves than can be made under the democratic process.

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There are other factors to be considered however. And we, who believe that in the long run the freedoms and liberties of a Democracy are safer and surer than those liberties can be under a totalitarian system of any type, must accept the responsibility and - yes - even the slower process of democratic checks and balances.

Our failure to exercise Congressional responsibility might start a series of ill advised moves which could culminate in a nuclear war.

(b) The claim has been made that a wide permission to distribute atomic-hydrogen weapons to foreign nations would strengthen our collective defense against the Soviet threat.

(Under this legislation, 47 nations within NATO SEATO, ANZUS, the Rio Treaty Group, and outside nations having bi-lateral mutual defense treaties or agreements could be considered eligible.)

This claim is debatable on several points. Unfortunately, many of our allies have unstable governments. The balance of political power can shift very quickly. With such shifts, there would inevitably shift the control of the atomic-hydrogen weapons or information which we had furnished.

Who can say, today, where the internal control of France, Italy, or even West Germany will be one year or two years from now? We live in perilous times. Old institutions are crumbling. New forces are rising to control in many nations.

Another point to be considered is the rise of neutralism and its effect on existing political parties in foreign nations. We have seen the failure of almost every NATO nation to fulfill its military commitments. We have seen the internal strife in England and West Germany over the location of missile bases and Strategic Air Command bases for planes carrying nuclear weapons.

Who among you can forecast today the effect on existing political parties within allied governments if the gate is opened for the transfer of nuclear weapons from the United States?

Will such legislation unite or divide our alliances?

Will such legislation cause suspicion and resentment against the United States - by those allies who are denied access to nuclear

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Insert between second and third lines on page 4.

The claim has been made that a changed world situation -- a more tense situation exists today than in 1954 when the present law was passed. This claim can be questioned. We had gone through the Berlin Airlift, had just finished the Korean War, Chou-en-Lai was threatening Formosa and the Communist war effort had shifted to French Indo-China. There had been no relaxation by Stalin and Molotov of their stern and unyielding position. Certainly the economy of Europe was in worse shape then, than today four years later.

While NATO has not fulfilled her commitments as planned - - Is there anyone who can claim that her nations are not in better economic and industrial position to fulfill those commitments, if the will to do so existed.

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weapons, as provided for under the wide, permissive phraseology of the proposed amendment?

I have supported the North Atlantic Treaty Organization concept of collective military strength. The concept has not materialized, due to factors beyond our control.

The case has not been made for the distribution of atomic-hydrogen weapons to allies in NATO. The case has not been made to support the thesis that our allies are demanding such weapons.

Each day's newspapers record the concern of great segments of the population in England and in West Germany over the more modest plan of placing nuclear weapons bases in their countries.

The open authorization of power to assign nuclear weapons to other nations would, in my opinion, become an issue of violent controversy between political parties now in charge of government policy and those out-of-power political parties seeking political advantage. Administrations in allied countries, who are now working closely with the United States in foreign policy implementation, could fall over this issue alone.

NATO nations have separate duties and obligations as befit the purpose and capabilities of members of a military alliance. Each nation should be required to furnish their particular strength to the task before us.

The United States and Great Britain are nuclear-weapon-possessing nations in NATO. By arrangement, in the over all military strategy, these two nations could furnish the factor of nuclear strength where needed. Such an arrangement would be clearly within the concept of specific national contribution of particular capability. Such an arrangement would not introduce the new and highly controversial precedent of creating "fourth", "fifth", or additional nuclear weapon nations into the volatile field of international relations. It would not furnish the Kremlin leaders with a new, and I believe, powerful propaganda motif.

If there be need for a closer and more effective exchange of scientific information or of materials in the atomic weapon field between the United States and Great Britain, such arrangements can be made under existing provisions of law. (Sec. 121 of Atomic Energy Act of 1954).

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If there be need for assistance to our allies in the field of military type reactors for the production of steam or electric energy, this could be arranged under section 121 or possibly by a careful and limited change in existing law.

If there be need for the exchange of external characteristics information regarding atomic weapons, for the purpose of military training or transportation, this could also be done by limited changes in existing law.

Mr. Chairman, I have appended to my testimony a careful analysis of the provisions of the present pending legislation. I will not cover the provisions point by point. I wish to enumerate the main points however, and comment on the grave dangers which I believe are inherent in the pending legislation.

Among other things the legislation provides for,

1. The transfer of atomic weapon information to other nations. (Weapon design blueprints)

2. The transfer of "special nuclear material" to other nations for military purposes, (the basic bomb material, plutonium and U 235).

3. The transfer of non-nuclear weapon components to other nations (the electronic-mechanical hardware of an atomic bomb).

4. The transfer of weapon delivery systems (this could mean atomic cannons, bombing planes, missiles and submarines).

The most important point however is that the legislative draft places responsibility for international transfer of atomic weapon information, parts and bomb materials in the President of the United States. Congress abdicates its statutory control in this field.

If this legislation becomes law we enter a new phase of international peril. We cross the threshold on a journey from which there may be no return. The proponents of this step claim it is necessary to save the crumbling NATO. It is a most important step. It should receive wide publicity and serious debate in the Congress

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and in every forum of public opinion. The American people are entitled to know that the Congress would be relinquishing their restrictive power over the distribution of our atomic-hydrogen weapons. In the last analysis, we would be placing that power in the hands of one man, the President of the United States. The issue really is simple, but stark in its simplicity.

Should the power of distribution of atomic weapons to other nations be placed in the hands of one man - even though he be a good man - the President of a Great Nation - a great Democratic Nation?

Or, should the problem of distributing nuclear weapons be decided thru congressional consideration and debate under the treaty process, or under a specific international agreement?

A strong argument can be made that such an important matter should be considered under the more deliberative process of a treaty. Such an argument would be based on (a) the revolutionary character of nuclear weapons, and (b) the effect on international relations which would be caused by the United States creating the "fourth atomic weapon nation".

Let us explore the meaning, or if you prefer, the "impact" of this proposed legislation.

Three nations now possess atomic-hydrogen weapons, the United States, the Union of Soviet Socialist Republics, and Great Britain. Until now we have hoped that a safe agreement to prevent a nuclear war could be arranged between these three nations. We have thought an agreement would be more likely between three nations than four or five or more.

Until now, we have failed to establish that safe agreement to prevent the outbreak of a nuclear war. This legislation allows the United States (through Presidential decision) to open the door to creating a "fourth atomic weapon nation, a fifth, a sixth, and many more."

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Does this mean we have given up our hopes for a peaceful agreement among the present three nations? Does it mean we have deserted and abandoned the logic of limiting the number of nations possessing atomic-hydrogen weapons, while we negotiate for a safe agreement against nuclear war?

I am deeply troubled with this Administration proposal. I fear it has not been properly analyzed by its proponents.

As a supporter of the NATO charter for collective security, I am aware that pressure may be exerted to obtain nuclear weapons for our allies who do not have such weapons. I believe the upgrading of collective military strength is necessary if NATO is to be preserved. But, as I have already stated there are other ways to strengthen NATO without a resort, at this time, to authorizing the creation of the "Fourth", "Fifth", or "Sixth" atomic weapon nation.

The Subcommittee on Military Operations, of which I am Chairman, studied the NATO deficiencies during our September 1957 visit to Europe. On February 19, 1958, our parent Committee on Government Operations adopted a number of the recommendations we made. Very frankly, we did not recommend the creation of the "fourth atomic-weapons nation".

The tasks of NATO are many. Those tasks can be divided according to an overall coordinated strategy. The British and American atomic weapon capability can be fitted into the overall concept of NATO strategy without opening a pandora's box of unknown and unpredictable woes.

I believe in the wide exchange of scientific information and realize the secrets of science cannot be hidden from the peoples of other nations. But we do not distribute hand grenades to our children and hope they will not be tempted to experiment.

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There is a fearful responsibility resting upon each of the nuclear nations. That responsibility is too grave, in terms of humanity's destiny, for them to gamble by introducing more players into the nuclear card game.

We have a tremendous moral responsibility to discharge to a fearful and uncommitted world. If we once lose the prestige of a moral nation, we will not - - we cannot - - exert leadership for peace.

The question of deciding who the "fourth nation" should be immediately faces us when we remove the present legislative restrictions. The first nation that comes to mind is France, and then possibly, West Germany. France is making a desperate effort to attain atomic weapon capability and, under the scope of the legislation, she would undoubtedly request aid from us in developing her atomic weapon stockpile. This indeed would pose a serious problem. France unfortunately, is unstable politically and beset with many internal problems.

France has an inherent political instability due to her multi-party parliamentary situation. This unstable factor makes her actions unpredictable.

We remember the Egyptian episode in which another, usually stable ally, Great Britain was involved. The effects of that adventure in international irresponsibility remains to plague us to this day.

But new events erase the sharp memories of old events and the volatile La Belle France has again proved her unpredictability, in Tunisia. She used American planes, furnished for NATO purposes, to bomb another United Nations' ally.

Notwithstanding these irresponsible international escapades, France, because of her atomic energy technology, is an outstanding candidate for "fourth nation". If the legislation now pending becomes law she will be in the forefront of our allies demanding atomic weapons.

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We have other friends among the foreign nations, both inside and outside NATO. When we remove the present legal restrictions against distribution of atomic weapons and atomic weapons design information, and create the "fourth nation", we know there will be constant pressure to create the "fifth", the "sixth", and the "seventh nation", and so on. NATO, SEATO and other nations would be eligible.

When this first important "fourth nation" threshold is crossed, we can expect immediate reaction from the Soviet leaders in the Kremlin. We can be sure that Mr. Khrushchev will make the most of this event.

He caused us alot of trouble over atomic bomb testing. He sold his "peace" advocacy to a great many gullible people throughout the world. He used the two Sputniks to establish the myth of the overall scientific supremacy of the Soviets, to a great many nations and people.

What would he do with a propaganda motif so fraught with concern as the distribution of atomic weapons by the United States to "fourth", "fifth" and other nations?

The simple but effective Soviet propaganda lines are predictable. In fancy, I can hear Mr. Khrushchev now:

> "The great Soviet Unions stands for Peace. We have made great efforts over the years to outlaw atomic weapons for the benefit of humanity. We have demanded that the testing of atomic bombs be stopped so that unborn generations will not be damaged by the accumulation of deadly radiation in the earth's environment. We have zealously guarded the custody of our own defensive atomic weapons. Today, the United States Congress and their President enacted a law permitting the distribution of atomic hydrogen weapons to all their allies. The imperialistic war mongers, the capitalist nations, now threaten the Socialist Republics with atomic encirclement. One careless and irresponsible nation, one madman, can now launch the third great war, a nuclear war, which will destroy civilization. I charge the United States with the blame for such a war when it occurs. The U.S.S.R. will not sit idly by. We will take such steps as we deem necessary to preserve the life of the great Socialist Republic and its Allies."

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What would the impact of such a speech be on our allies who are not scheduled for early entrance into our exclusive atomic weapons club?

What would be the impact of such a speech on India, Japan, and the other uncommitted nations of the world?

Would it enhance the international prestige of the United States, or

Would it place us on the defensive in world opinion?

Would it increase or decrease the likelihood of nuclear war?

The legislation before us creates important questions - - questions which each member of the Committee will have to answer.

They are important questions and the answers we give may increase or decrease the possibility of nuclear war or international peace.

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# STATEMENT OF MR. VANCE, ACTING CHAIRMAN, ATOMIC ENERGY COMMISSION IN SUPPORT OF ADMINISTRATION'S PROPOSED REVISION TO ATOMIC ENERGY ACT MARCH 26, 1958

## I. INTRODUCTION

1. In October 1957, the President instructed that the Atomic Energy Commission, together with other responsible agencies of the Executive Branch, analyze and determine the revisions necessary in the 1954 Atomic Energy Act, that would permit closer and more fruitful cooperation with friendly nations and regional defense organizations, -- cooperation necessary under the present state of world scientific development and cold-war tensions. He instructed that appropriate amendments to the Act should be proposed to Congress for consideration early in this Session. On January 27, 1958, the Chairman of the Atomic Energy Commission transmitted by letter to the President of the Senate, to the Speaker of the House, and to the Chairman of the Joint Committee on Atomic Energy, proposed amendments to the 1954 Atomic Energy Act. I am honored to appear before you today, at your invitation, to testify in explanation of these recommended amendments.

2. The original Atomic Energy Act, coming into force in 1946, was drafted at a time when the United States alone had produced atomic weapons. Appropriately, it placed emphasis on retaining atomic weapons knowledge as long as possible in the hands of the



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United States alone. The Atomic Energy Act of 1954, enacted after the Soviet Union had detonated several atomic devices, wisely carried provisions authorizing limited cooperation with friendly nations and regional defense organizations in the military application of atomic energy. Cooperation as authorized by that Act is being carried on with many of our allies and has been of material benefit to our over-all defense posture.

3. Now, however, it is apparent that the Soviet Union, with the passage of time and concentrated scientific effort, has developed a capability to produce a variety of atomic weapons. It has developed delivery systems very much improved over those of a few years ago. A new cold-war situation, therefore, confronts us; one which would permit a ruthless aggressor to deliver a rapid and heavy attack; one in which our allies must have adequate nuclear defensive capability.

4. The present situation, then, necessitates a broad interchange of atomic information by the United States with its allies, -- broader than is possible under the Atomic Energy statute drawn about four years ago. It necessitates, also, the furnishing --- under certain conditions and to specific allies --- of certain nuclear materials, non-nuclear parts of atomic weapons, and utilization facilities, such as propulsion and package-power reactors.



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5. Such broadening of present arrangements would permit more effective joint planning and more effective training of our allies. It would permit a better deployment of modern weapons to make our collective forces more effective in deterring or withstanding assault. It would promote the development by our allies of weapons systems compatible with our nuclear warheads. It would permit more economical use of scarce scientific and engineering talents. It would serve to increase the collective preparedness and thus the collective determination of the alliance.

6. The amendments proposed to the present Act are set forth in S. 3474 and H.R. 11426. These amendments concern several sections of the present Act. Yet the substantive changes can be grouped, as to purpose, into two categories. The first are those concerned with the effecting of greater cooperation in the fields of physical things, -- materials, non-nuclear components of atomic weapons and facilities. The second are those designed to permit the greater interchange of information with our allies, -- information as to atomic weapons and information as to other military applications of atomic energy. Today I shall take each of the proposed changes, explain its purpose, and something of its application. However, before going to this description, I believe it best that I describe the military cooperation now possible and being effected under the current Atomic Energy Act.



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## II. MILITARY COOPERATION UNDER THE 1954 ATOMIC ENERGY ACT

1. In my description of what is now possible, I shall take first cooperation in the informational field and I shall start with informational cooperation dealing with atomic weapons. There is in the current Act a section, Section 144b, that is quite specific in this regard. I would like to quote that section:

> "The President may authorize the Department of Defense, with the assistance of the Commission, to cooperate with another nation or with a regional defense organization to which the United States is a party, and to communicate to that nation or organization such Restricted Data as is necessary to--(1) the development of defense plans; (2) the training of personnel in the employment of and defense against atomic weapons; and (3) the evaluation of the capabilities of potential enemies in the employment of atomic weapons, while such other nation or organization is participating with the United States pursuant to an international arrangement by substantial and material contributions to the mutual defense and security: Provided, however, That no such cooperation shall involve communication of Restricted Data relating to the design or fabrication of atomic weapons except with regard to external characteristics, including size, weight, and shape, yields and effects, and systems employed in the delivery or use thereof but not including any data in these categories unless in the joint judgment of the Commission and the Department of Defense such data will not reveal important information concerning the design or fabrication of the nuclear components of an atomic weapon: And Provided further, That the cooperation is undertaken pursuant to an agreement entered into in accordance with section 123."



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2. Under the authority of this Section military agreements for cooperation have been negotiated in accordance with Section 123 with NATO, with the United Kingdom, with Canada, and with Australia. Under the provisions of such agreements and as authorized by Section 144b, which I have just quoted, it is possible now to transmit to our allies certain atomic weapon information. For example, we can and have described to certain allies the configuration of some atomic weapons to the degree necessary to permit those allies to deliver the atomic weapons should the situation ever require. We have transmitted to allies limited information on the characteristics of these atomic weapons and certain other atomic weapons to permit the development of joint war plans, plans for defense, and information to permit evaluation of potential enemy capabilities.

3. But there are important limitations in the wording of Section 144b which I would like to point out. First, the section specifically states that the cooperation will be limited to the description of external characteristics of atomic weapons -- size, weight, shape, yields and effects, and systems of delivery. Second, and more important, it provides that the cooperation cannot reveal important information concerning the design or fabrication of the nuclear components of an atomic weapon. While I cannot go into details in



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unclassified discussion, we find that the restrictions I have just enumerated prevent the communication of weapons information vital to our mutual defense posture.

4. As to informational cooperation in other military fields, we consider that Section 144a permits the exchange of military propulsion and power reactor information with allies if under an agreement for cooperation undertaken in accordance with Section 123. We now have agreements for cooperation in such areas with the United Kingdom and Canada. Since May of 1957 we have been exchanging information with the United Kingdom on nuclear propulsion of submarines.

5. As to materials, the present Act precludes the transfer to another nation of any materials for military purposes. Section 123a of the Act requires that the agreements for cooperation contain a guaranty that materials transferred will not be used for atomic weapons or for any military purpose. This, then, prevents our transferring nuclear materials for weapons use or for other military purposes. It has led us in the power and propulsion agreements with Canada and the United



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Kingdom to limit our cooperation to information alone, -- to foreclose the transfer of military reactors or their components.

## III. PROPOSED INCREASED COOPERATION AND AMENDMENTS TO THE 1954 ATOMIC ENERGY ACT

1. As is set forth in S. 3474 and H.R. 11426 which you have, there are amendments now proposed in five Sections of the 1954 Atomic Energy Act. These sections are Section 91, Section 92, Section 123, Section 142, and Section 144. Sections 91, 92 and 123, as amended, would permit cooperation in the area of physical things, -- nuclear materials, non-nuclear parts of atomic weapons, and utilization facilities. Section 144, as amended, would permit greater exchange in the informational field. The changes in these four sections would permit a substantive increase in our allied cooperation, -- a substantive gain in our collective defense. The changes proposed for Section 142 are principally of a procedural nature. I shall, therefore, discuss first the proposed changes for Sections 91, 92 and 123, and then the proposed changes of Section 144. Thereafter, I shall cover the procedural changes of Section 142.

### A. Transfer of Materials and Facilities

1. Changes are recommended in Sections 91, 92 and in 123 to broaden the present Act to authorize the new essential cooperation in the fields of



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materials and facilities. Specifically, we proposed that:

a. A Subsection 91c be added reading:

"c. The President may authorize the Commission or the Department of Defense, with the assistance of the other, to cooperate with another nation and, notwithstanding the provisions of Sections 57, 62, or 81, to transfer by sale, lease, loan or donation to that nation, in accordance with terms and conditions of a program approved by the President --

"(1) non-nuclear parts of atomic weapons to improve that nation's state of training and operational readiness;

"(2) utilization facilities for military applications; and

"(3) source, by-product, or special nuclear material for research on, development of, production of, or use in atomic weapons or utilization facilities for military applications,

whenever the President determines that the proposed cooperation and the transfer of the proposed non-nuclear parts of atomic weapons, utilization facilities or source, by-product, or special nuclear material will promote and will not constitute an unreasonable risk to the common defense and security, while such other nation is participating with the United States pursuant to an international arrangement by substantial and material contributions to the mutual defense and security: Provided, however, That the cooperation is undertaken pursuant to an agreement entered into in accordance with Section 123."



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b. Section 123 be modified to eliminate, with regard to transfers under the authority of 91c, the existing provision of Section 123 which requires that a cooperating nation guarantee that all materials transferred to that nation not be used for any military purposes. Also, a slight technical modification is necessary in Section 92 to permit DOD to implement its agreements under Section 91c.

2. Section 91c(1) would authorize the transfer, under suitable arrangements, approved by the President, of non-nuclear parts of nuclear weapons to allies when such transfer is in our best interests. Such action could increase an ally's state of readiness and training; and decrease the numbers of United States personnel who would be necessary to maintain and guard the non-nuclear components concerned. I must emphasize here that neither this proposed change, nor any other recommended change, would permit the transfer to another nation of the nuclear components of weapons. For weapons whose non-nuclear components are transferred to another nation, the U.S.-fabricated nuclear components must, even under the proposed changes, remain still in the custody of U.S. personnel.



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3. Also, you will note that prior to any transfer under the authority of Subsection 91c(1), there must be a Presidential approval of the program and a determination that the action will promote and not constitute an unreasonable risk to the common defense and security. Similar restrictions also apply to the other added Subsections 91a(2) and 91c(3). I shall return at a later time to describe the manner in which I believe that determination should be made.

4. Subsection 91c(2) is designed to permit the transfer under suitable arrangements approved by the President, to another nation of utilization facilities (such as reactors for propulsion or power) for military defense purposes.

5. Subsection 91c(3) would permit the transfer to an ally of nuclear materials for use in utilization facilities or for use in weapons. I must stress that it is intended to apply this latter authority cautiously. It is not intended with this authority to promote the entry of additional nations into the field of nuclear weapons production, nor to promote the build-up of larger atomic stockpiles in the hands of other



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nations. We do not interpret this Subsection as authorizing the AEC to furnish fabricated nuclear components of weapons to another nation. We do not interpret it as permitting the transfer to another nation of nuclear components to go with non-nuclear components transferred to that nation under Subsection 91c(1). It is intended, however, that when an ally is proceeding with the build-up of a nuclear stockpile and where in producing materials it is expending valuable resources that could be otherwise better used for our common defense, the United States might prevent wasted effort by the furnishing of unfabricated materials under suitable arrangements.

6. Before leaving Section 91, I wish to point out that we agree with the Subcommittee's suggestion that the word "donation" should be stricken from 91c, as the wording now appears in S. 3474 and H.R. 11426. Also, the Commission recommends that the words "detailed arrangement for the" be added to the final paragraph of Subsection 91c so that the wording be:

> "whenever the President determines that the proposed cooperation and the detailed arrangement for the transfer of the proposed non-nuclear parts of atomic weapons, utilization facilities



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or source, by-product, or special nuclear material will promote and will not constitute an unreasonable risk to the common defense and security, while such other nation is participating with the United States pursuant to an international arrangement by substantial and material contributions to the mutual defense and security: Provided, however, That the cooperation is undertaken pursuant to an agreement entered into in accordance with section 123."

B. Transmission or Exchange of Information.

1. Section 144 is, of course, the section dealing with exchange of information. You will note from the proposed bill that the changes involved in Section 144 include a modification of the language of the present Subsection 144b and the addition of two Subsections, 144c and d.

2. You will remember from my earlier discussion that the current Subsection 144b circumscribes most closely the cooperation possible in the informational field. The revised language would read, and I quote:

"b. The President may authorize the Department of Defense, with the assistance of the Commission, to cooperate with another nation or with a regional defense organization to which the United States is a party, and to communicate to that nation or organization such Restricted Data (including design information) as is necessary to--



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"(1) the development of defense plans;

"(2) the training of personnel in the employment of and defense against atomic weapons and other military applications of atomic energy;

"(3) the evaluation of the capabilities of potential enemies in the employment of atomic weapons and other military applications of atomic energy;

"(4) the development of compatible delivery systems for atomic weapons; and

"(5) other military applications of atomic energy, except that with respect to this subcategory, Restricted Data concerning research, development, design, or fabrication of atomic weapons, or concerning research, development, or design of military reactors shall not be communicated,

whenever the President determines that the proposed cooperation and the communication of the proposed Restricted Data will promote and will not constitute an unreasonable risk to the common defense and security, while such other nation or organization is participating with the United States pursuant to an international arrangement by substantial and material contributions to the mutual defense and security: Provided, however, That the cooperation is undertaken pursuant to an agreement entered into in accordance with section 123."

3. In essence, the changed Subsection 144b would authorize the Department of Defense to undertake cooperation with our allies, where such cooperation would promote and not constitute an unreasonable risk to our common defense and security, with regard to:



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(a) Such nuclear information (including design) relative to weapons and other military applications as is necessary to permit accomplishment of essential training, planning, compatibility, and evaluation of enemy capabilities.

(b) Such nuclear information other than that relating to military reactors or weapons as is necessary to our collective preparedness. An example here might be the military use of isotopes.

4. To repeat, the principal change accomplished by the proposed amendment to Subsection 144b is the deletion of the first proviso of the present Subsection and the substitution of authorization that cooperation and communication can take place "whenever the President determines that the proposed cooperation and the communication will promote and will not constitute an unreasonable risk to the common defense and security." The amendment to Subsection 144b also would expand the areas in which cooperation by the Department of Defense with another nation or regional defense organization may take place to include:

(a) Training of personnel in the employment of and defense against military applications of atomic energy other than atomic weapons;

(b) Evaluation of the capabilities of potential enemies in the employment of military applications of atomic energy other than atomic weapons;



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(c) Development of delivery systems compatible with our atomic weapons; and

(d) Other military applications of atomic energy.

5. I should point out here that although the revised Subsection 144b would authorize transmittal of weapons information, including design, this section does not authorize communication of weapons information with the objective of promoting the recipient's ability as to research, design, development, or fabrication of atomic weapons or research, development, or design of military reactors. It is limited to that information which may be necessary for training, defense planning, compatibility, and the evaluation of enemy capabilities.

6. Yet it is apparent that, under present world conditions, there may be situations where cooperation is warranted in the interest of promoting an ally's atomic weapons design, development, or fabrication capability or military reactor research, development, or design. For this reason Subsection 144c is recommended for incorporation in the Act. This Subsection would read:



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"c. In addition to the cooperation authorized in subsections 144a and 144b, the President may authorize the Commission, with the assistance of the Department of Defense, to cooperate with another nation and--

"(1) to exchange with that nation Restricted Data concerning atomic weapons, Provided communication of such Restricted Data to that nation is necessary to improve its atomic weapon design, development, or production capability; and

"(2) to communicate to that nation Restricted Data concerning research, development, or design, of military reactors,

whenever the President determines that the proposed cooperation and the communication of the proposed Restricted Data will promote and will not constitute an unreasonable risk to the common defense and security, while such other nation is participating with the United States pursuant to an international arrangement by substantial and material contributions to the mutual defense and security: Provided, however, That the cooperation is undertaken pursuant to an agreement entered into in accordance with section 123."

7. I should emphasize most strongly that it is not intended under the authority of Subsection 144c(1) to promote the entry of additional nations into the atomic weapons field. Rather, it is intended that this authority apply only when: the President determines such action would promote the common defense and security; when a nation has made substantial and real progress in the development of atomic weapons; when that nation clearly intends to



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proceed with a substantial nuclear stockpile which will benefit materially our common defense. If all these conditions apply we should undertake cooperation to avoid the ally's waste of scientific and other resources necessary to the duplicating of our own accomplishment and for the U.S. to profit from new ideas the allies may have. It is intended to enable such ally's work to complement, instead of duplicate, our own. It is, of course, intended that cooperation under this authority be undertaken only on the basis of careful determinations of the President with regard to particular cases. The word "exchange" is used purposely in the language for the reason that a cooperating nation must possess atomic weapons information as a condition to cooperation and we will assure that we receive appropriate return. This is not to say, however, that the exchange necessarily would be equal in amount, or value, or take place simultaneously.

8. There has been a suggestion by the Subcommittee that Subsection 144c(1) be modified to read in part -

> "to exchange with that nation Restricted Data concerning atomic weapons, provided communication of such Restricted Data to that nation is necessary to improve its atomic weapon design, development, or fabrication capability, and provided that nation has made substantial progress in the development of atomic weapons; and ..."



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It was suggested this language might more definitely portray the true intent which I have already described. We agree that the proposed wording of the Subcommittee is preferable. The word "fabrication" should be and in my discussion of Section 144b was substituted for "production" in Section 144b(5) to maintain consistency.

9. Subsection 144c(2) would specifically state an authority to transmit to a nation Restricted Data concerning research, development, or design of military reactors. Henceforth, new agreements or modifications of now existing agreements for the transmittal of such Restricted Data would be under this authority. This would not, however, foreclose the Department of Defense from transmitting under the authority of Subsection 144b military reactor design information if such design information is necessary to achieve the objective prescribed in Subsection 144b.

10. It is important to note here that under Subsection 144(c) information can be communicated only to another nation whereas Subsection 144b authorizes communication to another nation or regional defense organization.



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11. A final new Subsection 144d is proposed. This is in reality a procedural change rather than a substantive one. The subsection reads:

> "d. The President may authorize any agency of the United States or person to communicate in accordance with the terms and conditions of an agreement for cooperation arranged pursuant to subsection 144a., b., or c., such Restricted Data as is determined to be transmissible under the agreement for cooperation involved."

You will note that this wording does not establish added objectives or authorizations for transfer. It merely provides a basis for agencies, or persons other than the AECaand Department of Defense to make a transmission of information if the information is already judged to be transmissible under Subsection 144a or b or c.

C. Procedures for Determining Transferability or Transmissibility

1. It is, of course, not our intention to release to another nation or defense organization, materials or information which it is not in the national interest to so do.

> a. It is for this reason that there is written into the proposed amendments to Subsections 91c and 144b and c, the requirement that the cooperation be accomplished under the provisions of an agreement for cooperation executed under the authority of Section 123 of the Act. You will remember such agreements for cooperation require certain guarantees and conditions and must be forwarded by the President and lie before



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the Joint Committee for a period of thirty days while Congress is in session before they can become binding.

b. It is for this reason also that each of the Subsections I have mentioned contains a requirement that there be a Presidential determination for each specific transfer of materials or first transmission of specific information that the action "will promote and will not constitute an unreasonable risk to the common defense and security."

2. I believe it would be well that I explain briefly how we visualize the agreements would be made and the decision as to transfer or transmission accomplished.

a. The recommended Section 123, which sets forth the conditions for the accomplishment of agreements for cooperation, would read as follows:

"No cooperation with any nation or regional defense organization pursuant to Section 54, 57, 64, 82, 91, 103, 104, or 144 shall be undertaken until

"a. the Commission or, in the case of those agreements for cooperation arranged pursuant to subsection 91 c. or 144 b. and to be implemented by the Department of Defense, the Department of Defense has submitted to the President the proposed agreement for cooperation, together with its recommendations thereon, which proposed agreement shall include (1) the terms, conditions, duration, nature, and scope of the cooperation; (2) a guaranty by the cooperating party that security safeguards and standards as set forth in the agreement for cooperation will be maintained; (3) except in the case of those agreements for cooperation arranged pursuant to subsection 91 c. a guaranty by the cooperating party that any material to be transferred pursuant to such agreement will



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not be used for atomic weapons, or for research on or development of atomic weapons, or for any other military purpose; and (4) a guaranty by the cooperating party that any material or any Restricted Data to be transferred pursuant to the agreement for cooperation will not be transferred to unauthorized persons or beyond the jurisdiction of the cooperating party, except as specified in the agreement for cooperation;

"b. the President has approved and authorized the execution of the proposed agreement for cooperation, and has made a determination in writing that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security; and

"c. the proposed agreement for cooperation, together with the approval and the determination of the President, has been submitted to the Joint Committee and a period of thirty days has elapsed while Congress is in session (in computing such thirty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days)."

b. We would visualize that an agreement, if to involve the transmission or exchange of information, would specify under the scope; the objectives to be achieved; and the general categories of information involved. It could not at the time of drafting specify each new bit and piece of specific information that may be necessary to accomplish the objectives. It is for this reason that the requirement is incorporated in Subsections 144b and c that a second determination be made concerning the specific information to be transferred.

c. We would visualize that with respect to cooperation involving nuclear materials, non-nuclear components of atomic weapons, or utilization facilities the agreement for cooperation and related documents provided the Joint Committee could specify: the amounts of nuclear materials, the numbers of non-nuclear components, the types of major and/or minor facilities; the guarantees to apply, the timing of transfer; and the terms of compensation. Here again,



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all details could not be established at the time the agreement was drawn. Also, then, the wording of Subsection 91c requires a second determination when the details of the transaction can be crystallized.

d. The Act now requires, under Subsection 123b, that the President personally make the first determination that the agreement "will promote and not constitute unreasonable risk to the common defense and security". He must do this in writing and prior to the time that the agreement is sent to lie before the Joint Committee.

e. It is not our intent, however, that the President personally consider each of the second determinations, - the determinations of detail. Rather we have recommended that the President establish procedures where he would authorize transmission where the Department of Defense and the Commission jointly review the proposal to transfer or transmit and determine jointly that the proposed cooperation would promote and not constitute an unreasonable risk to the common defense and security.

D. Security Review

1. The amendments we have proposed will, of course, involve the exchange of information, materials, or facilities which may, in part, be classified. I think it would be useful, therefore, to describe the Commission's views regarding the appraising and evaluating of the security systems of the recipient country or regional defense organization, for such appraisals play a key part in any determination to transfer or transmit.



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2. Naturally, there must be an appraisal made prior to the undertaking of an agreement for cooperation and there should be periodic reappraisals thereafter. If the Department of Defense is the agency which will implement an agreement pursuant to subsections 91c or 144b, it would be the responsibility of the Department to make the initial appraisal and the reappraisals. If the AEC were the agency implementing the negotiations under 91c or 144c, it would be its responsibility to make the appraisals and reappraisals. In either case, the appraising agency would inform the other agency fully of its findings. Negotiation of an agreement jointly implemented by the AEC and the Department of Defense should result in a joint appraisal and joint reappraisals.

3. After an agreement for cooperation takes effect, both the AEC and the DOD will have responsibility for evaluating information currently and continuously as to the recipient's security system so that they can make the necessary repeated determinations that actions "will promote and will not constitute an unreasonable risk to the common



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defense and security." Both, therefore, will keep themselves informed on this aspect.

## IV. PROCEDURAL MODIFICATIONS OF SECTION 142

1. Although concerning classification and having no direct relationship to increased cooperation, revision of 142c and 142d is proposed. In both of these subsections it is recommended that the words "relates primarily to the military utilization of atomic weapons" be changed to read "relates primarily to the military application of atomic energy."

2. With respect to Section 142c which relates to declassification, the effect would be that the Department of Defense would have a voice in the declassification of Restricted Data which relates primarily to military applications of atomic energy.

a. Until the 1954 Act, declassification of Restricted Data was completely in the hands of the Commission. The 1954 Act gave the Department of Defense an equal voice in the declassification of Restricted Data which AEC and DOD jointly determined related primarily to the military utilization of atomic weapons. This constituted a recognition of the DOD's important concern with the protection of this type of Restricted Data.

b. Since 1954 the development of military propulsion and power reactors has become also an important concern of the DOD. There may be other military applications of atomic energy, such as isotopes, that will be of major concern to the DOD. The proposed amendment would extend the DOD's voice in declassification to these new areas. As a matter of fact the amendment if enacted would not effect a significant change since the Commission now follows the general practice of giving the DOD an opportunity to comment on declassification matters relating primarily to military applications.



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3. With respect to Section 142d, the effect of the amendment would be to broaden the area of information that might be removed from the Restricted Data category and protected as defense information.

a. The practical effect of the amendment, as in the case of the amendment to Section 142c, will be limited because of the need for a joint determination that the Restricted Data relates primarily to military applications of atomic energy. While the effect of the amendment will be limited, any information so removed to the defense information category will not be eligible for inclusion in the Commission's Access Program -- which contains only Restricted Data. As you know, some military propulsion and power reactor information is not yet included in the Access Program because of its military operational significance. It does not follow, however, that all or even much of this information could qualify as relating "primarily to military applications of atomic energy" because it may well have equal importance in civilian applications. For example, we would not consider information concerning high temperature fuel materials as relating primarily to military applications.



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b. A further effect of removing such information from the Restricted Data category is that, while safeguarded as defense information, it may be made available to other Government agencies, contractors and persons (other than non-U.S. nationals) under security rules applicable to defense information rather than those applicable to Restricted Data.

4. These Section 142 amendments will serve to provide a procedure under which the AEC and DOD may jointly identify Restricted Data which in fact relates primarily to military applications of atomic energy and then, give the DOD an equal voice in any action to declassify such information.

5. It should be noted that Section 142c now provides for an appeal to the President in the event of disagreement on whether information which has been jointly determined to relate primarily to utilization of atomic weapons should be declassified. In addition, Section 27 provides a mechanism for appeal to the President that would be available in the event of a disagreement on whether certain Restricted Data related primarily to military utilization of atomic weapons. These avenues of appeal to the President will continue to be available.

## V. SUMMARIZATION

In summary, the time has arrived when there must be a degree of cooperation in the military atomic energy field substantially greater than that which is authorized under the statute drawn several years ago when a different world situation



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existed. In view of the degree of advancement achieved by the Soviets, the necessity for modern armed forces to have nuclear preparedness, and the useless cost and waste involved if every U.S. ally must proceed independently to achieve that preparedness, we are recommending that the United Stated undertake broader cooperation in the military applications of atomic energy. To assure proper training and planning for nuclear weapon use, and for defense against nuclear war, added information must flow to many of our allies and in degrees to vary with the recipient's needs and security. Information to assist in design and use of other military applications must flow to nations on the basis of judgments of the President with respect to particular cases. We should be able to cooperate with allied nations which have a nuclear weapons capability through the furnishing of information and in instances materials. The proposed amendments to the Atomic Energy Act of 1954 are designed to authorize the degree of cooperation now considered by the President to be essential.



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DS26/552
FM WASHDC MAR14/58 CONFD
TO EXTERNAL 577 PRIORITY

REF YOUR TEL DL255 MAR13

FORTHCOMING SERIES OF NUCLEAR TESTS AT THE ENIWETOK PROVING GROUNDS SPIEGEL OF THE ATOMIC ENERGY OFFICE TELLS US THAT THE STATE DEPT HAVE NOT RPT NOT,AS YET,RECEIVED ANY INDICATIONS OF CONCERN ON THE PART OF OTHER GOVTS WHICH RECEIVED THEIR NOTE ON THE ABOVE SUBJECT.MOST GOVTS HAVE ACKNOWLEDGED THE NOTE.SPIEGEL RECALLED THAT TWO YEARS AGO THE USSR RAISED OBJECTIONS BUT HAVE NOT RPT NOT DONE SO IN THIS INSTANCE,TO DATE AT LEAST.

Note/ w/o?

2.SPIEGEL CONFIRMED THAT THE WARNING EXPRESSED IN THE NOTE IS DEEMED TO DISCHARGE USA LIABILITY IN CASE OF DAMAGE.THE USA CONSIDER THAT IT IS UP TO INDIVIDUAL GOVTS TO WARN THEIR OWN NATIONALS AND SHIPS TO KEEP OUT OF THE DANGER AREA.IF THEY DO ENTER IT THEY DO SO AT THEIR OWN RISK.HE POINTED OUT THAT THE PHRASE"DANGER AREA"HAD BEEN EVOLVED BY THE STATE DEPT'S LAWYERS TO AVOID GIVING GROUNDS FOR ACCUSATIONS THAT THE USA WAS DECLARING A LIMITED FORM OF CLAIM OVER THE INTERNATIONAL WATERS WITHIN THE AREA.THUS,THEY SCRUPULOUSLY AVOIDED USING SUCH PHRASES AS"CONTROL AREA".

DND
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Even so, decade implies that a certain maritime area will be danger area because of them actions

✓ Copies to Legal (per)
UN (Campbell)
Econ (Kirkwood)
Far Eastern
& Pol Gp

Copies sent to 2/4/58 — Canadian Maritime Commission / Air Transport Board — with c.c. of
To Dept of Transport DM/DND — with letter

19/3/58

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DEPARTMENT OF EXTERNAL AFFAIRS CANADA

1944-BK-40

# OUTGOING MESSAGE

FILE COPY

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| DATE | FILE | | SECURITY |
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| MAR13/58 | | | CONFD |

FM: EXTERNAL

| NUMBER | PRECEDENCE | COMCENTRE USE ONLY | |
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| DL-255 | PRIORITY | | |

TO: EMBASSY WASHINGTON,D.C.

INFO:

Ref.: YOUR LET 305 OF FEB20/58

Subject: FORTHCOMING SERIES OF NUCLEAR TESTS AT THE ENIWETOK PROVING GROUNDS

WE ARE CONSULTING LEGAL DIVISION AS TO THE LEGAL IMPLICATIONS OF THE U.S. NOTE (e.g. AS THE "DANGER AREA" SEEMS TO COVER INTERNATIONAL WATERS, WOULD THE WARNING EXPRESSED IN THE NOTE DISCHARGE U.S. LIABILITY IN CASE OF DAMAGE?).

2. WE SHOULD BE GRATEFUL IF YOU COULD LET US HAVE ANY INFORMATION YOU MAY BE able TO GET INFORMALLY AS TO WHETHER OTHER GOVERNMENTS NOTIFIED ARE CONCERNED WITH THIS OR OTHER ASPECTS OF THE U.S. NOTE.

LOCAL DISTRIBUTION ~~Legal Div.~~ Jane SRAm

| ORIGINATOR | DIVISION | PHONE | APPROVED BY |
|---|---|---|---|
| SIG. J.Brossard/dd | D.L.(1) | 6-7509 | SIG. (Signed) PAUL TREMBLAY |
| NAME | | | NAME |

EXT. 18(REV. 12/56)

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D.L.(1) J.E. Brossard/dd

DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM

File 49

TO: Legal Division

Security Confidential

Date March 13, 1958

FROM: Defence Liaison (1) Division

File No. 7949-AX-40

REFERENCE:

SUBJECT: Forthcoming series of nuclear tests at the Eniwetok Proving Grounds.

Through our Embassy in Washington, we have been formally notified by the U.S. State Department, concerning the forthcoming series of nuclear tests at the Eniwetok Proving Grounds in the Pacific, of the boundaries of a danger area declared effective April 5, 1958. The State Department Note has been acknowledged by our Ambassador.

D. 2

Discovered on a File (Military aspects of NE) in the USA 50219-D-40 - first received today - that a similar State Dept Note (+ chart) was received in March 1956 (dated 24 February) 16/4/58 JP

2. We attach a copy of the U.S. Note of February 1958, as well as a copy of the chart accompanying it. As far as we are aware it is the first time that such a formal Note has been sent. We should be grateful if you would let us know as early as possible what are its legal implications. There are set out below a number of questions on which we would particularly welcome your comments.

CIRCULATION

3. Apparently, all the islands included in the area described in the attached note are under U.S. Trusteeship. However, we assume that the waters surrounding those islands and included in the described area are subject to the rule on the three mile limit of territorial waters; if such is the case, most of the area declared as "danger area" covers international waters. To what extent has the U.S. a right to declare unilaterally the whole area described in the Note as a "danger area"?

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4. Even if it is presumably the intention of the U.S. in sending a formal Note, would such a "public warning" discharge the U.S. of all liability towards individuals or countries if damages were caused as a consequence of the forthcoming tests? Would it be desirable, from a legal point of view, to let it be understood in some way, in a formal reply to the U.S. authorities, that we do not consider the attached note - nor the dissemination of information "through all available channels" - as freeing the U.S. of any liability in the event of damages being caused as a consequence, direct or even indirect, of the tests, to Canadian citizens, ships or aircraft?

Defence Liaison (1)

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File with att. JP

# DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

## NUMBERED LETTER

TO: THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: The Canadian Embassy, Washington, D.C.

Reference: Our telegram No. 337 of February 13

Subject: Forthcoming Series of Nuclear Tests at the Eniwetok Proving Grounds

Security: Unclassified

No: 305

Date: 20 February, 1958

Enclosures: Four

Air or Surface Mail:

Post File No: File with att. JP

| Ottawa File No. | |
|---|---|
| 7949-AX-40 ✓ | |
| 58 | 5 ✓ |

References

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24 FEB 1958

We have now received from the State Department formal notification of the intention of the Atomic Energy Commission and the Department of Defence to conduct a series of nuclear tests at the Eniwetok Proving Grounds and of the boundaries of the danger area which has been declared effective April 5. Two copies of the State Department note and one of the Chart accompanying it are enclosed. A copy of our acknowledgement is also attached.

The Embassy

Internal Circulation

Copies of Ltr. + attachments to: UN Div (Campbell)
Economic (Kirkwood)
OLI (for circulation)
Far Eastern

2 Returned JP

Done 12/3/58

+ DM/DND with ltr 2/4/58 and to: DND/Secty Aircraft Control Board
Dept of Transport (+ with ltr 2/4)

Copies of ~~Note + Chart~~ ltr + att to: Canadian Maritime Commission
Air Transport Board
22/4/58

Distribution to Posts

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Ext. 182A (Rev. 2/52)

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1983 FEB 21 AM 11:24

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The Secretary of State presents his compliments to Their Excellencies and Messieurs the Chiefs of Mission and has the honor to refer to the statement dated September 15, 1957, issued by the United States Atomic Energy Commission and the Department of Defense concerning the forthcoming series of nuclear tests at the Eniwetok Proving Grounds. The statement sets forth the information that a danger area surrounding the Proving Grounds will be established to safeguard air and sea traffic and will be defined well in advance of the commencement of operations.

The Government of the United States hereby gives public warning that effective April 5, 1958, the following defined area will be dangerous to all ships, aircraft and personnel until further notice. The boundaries of this danger area are as follows:

Beginning with a point at 18°30' North latitude and 156°00' East longitude, east along the parallel of 18°30' North latitude to a point at 18°30' North latitude and 170°00' East longitude, thence south along the meridian of 170°00' East longitude to a point at 11°30' North latitude

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and 170°00' East longitude, thence west along the parallel of 11°30' North latitude to a point at 11°30' North latitude and 166°16' East longitude, thence south along the meridian of 166°16' East longitude to a point at 10°15' North latitude and 166°16' East longitude, thence west along the parallel of 10°15' North latitude to a point at 10°15' North latitude and 156°00' East longitude, thence north to the point of beginning.

The Government of the United States, through its appropriate agencies, will take all possible precautions to insure against the incidence of injuries to human life or to property within the danger area. It is not anticipated that there will be any such hazards outside the danger area. In the unlikely event that the test activities create such hazards outside the designated danger area, appropriate warning will be given.

The information regarding the establishment of the foregoing danger area will be disseminated through all available channels such as Notice to Mariners, Notice to Airmen, daily memoranda from the various Hydrographic Branch Offices-Pacific, scheduled radio broadcasts

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by Hydrographic Offices-Pacific, and public announcement through news media.

It is estimated that the area will cease being dangerous at sometime during August 1958, and it is not now possible to set the exact date.

Enclosed is a copy of a chart on which is outlined the danger area.

Enclosure:

Chart of danger area.

Department of State,

Washington, February 17, 1958.

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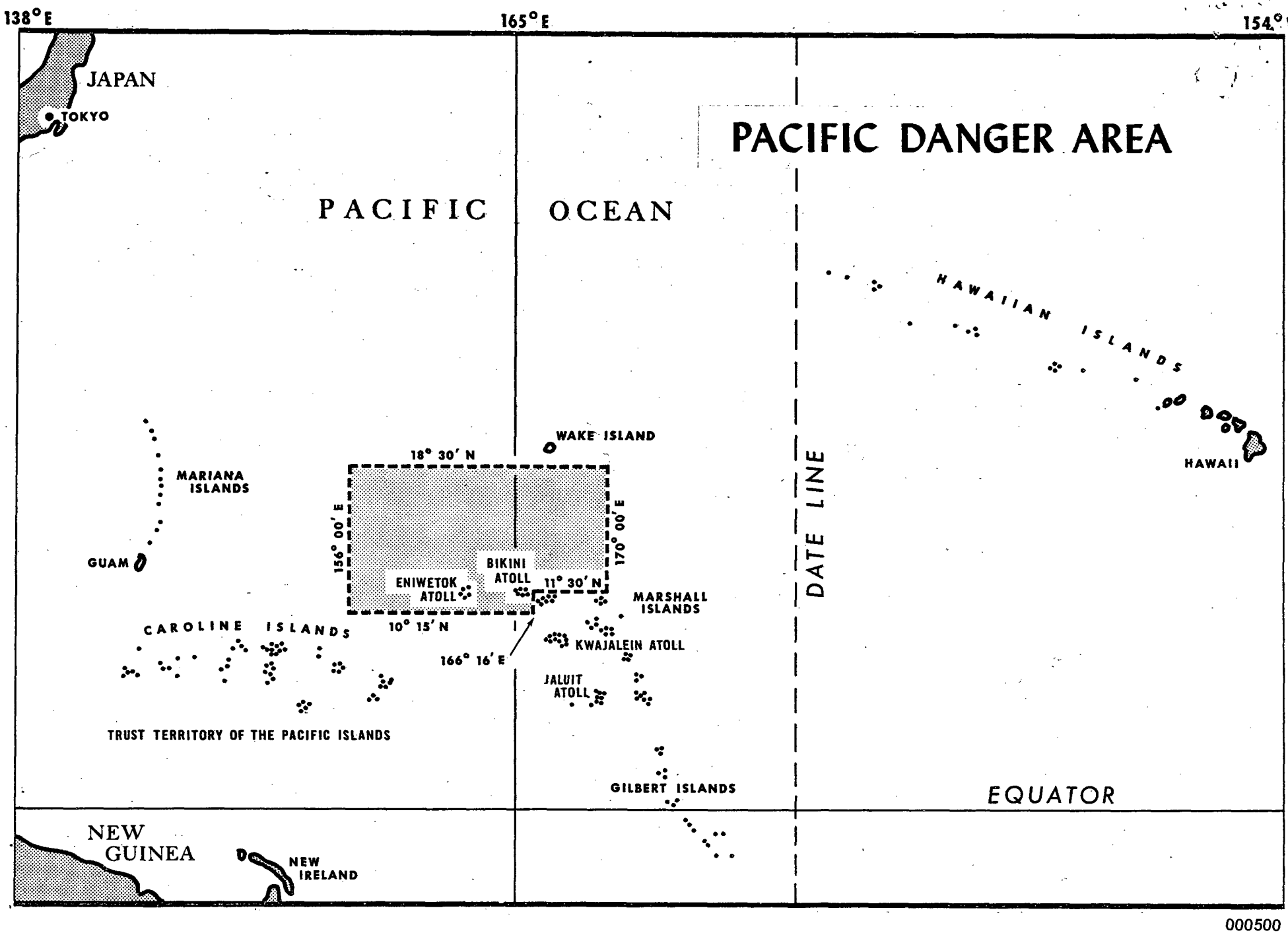


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No._____

The Canadian Ambassador presents his compliments to the Secretary of State and has the honour to acknowledge his Note of February 17 concerning the forthcoming series of nuclear tests to be conducted at the Eniwetok Proving Grounds.

The Secretary's Note and the attachment thereto have been forwarded to the appropriate authorities of the Canadian Government.

A.E.R.

The Canadian Embassy,
Washington, D. C.

20th February, 1958

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DS34/516
FM WASHDC FEB13/58 CONFD
TO EXTERNAL 337 PRIORITY

FUTURE HYDROGEN BOMB TESTS

FEB 14 1958

SPIEGEL,OF THE OFFICE OF THE SPECIAL ASSISTANT FOR ATOMIC ENERGY MATTERS,CALLED US IN THIS AFTERNOON TO GIVE US ADVANCE NOTICE OF A PRESS RELEASE WHICH WILL BE RELEASED FRI NIGHT FOR PUBLICATION IN SAT MORNING PAPERS CONCERNING A SERIES OF HYDROGEN TESTS WHICH WILL BE CONDUCTED IN THE PACIFIC BETWEEN APR5 AND THE END OF JUL.THE AREA IN WHICH THESE TESTS WILL BE HELD IS BOUNDED ON THE WEST BY THE 156 DEGREE EAST MERIDIAN,ON THE NORTH BY THE 18 DEGREE 30 MINUTE NORTH MERIDIAN,ON THE EAST BY THE 170 DEGREE EAST MERIDIAN,AND ON THE SOUTH BY THE 10 DEGREE 15 MINUTE NORTH MERIDIAN AS FAR AS THE 166 DEGREE 16 MINUTE EAST MERIDIAN.THE REMAINDER OF THE SOUTHERN BOUNDARY LIES ON THE 11 DEGREE 30 MINUTE NORTH MERIDIAN.THE TOTAL AREA IS SOME 390,000 SQUARE NAUTICAL MILES.THE WHOLE AREA LIES TWO DEGREES TO THE WEST OF THE AREA USED TWO YEARS AGO.SPIEGEL TOLD US THAT IT HAD BEEN DECIDED TO MOVE THE AREA WESTWARD IN ORDER TO CONFORM WITH THE EXPECTED FALLOUT PATTERN.AT THE MOMENT IT IS NOT POSSIBLE TO SAY WHEN THE ZONE WILL BE DISESTABLISHED.THE AUTHORITIES CONCERNED WOULD CERTAINLY SEE THAT THIS IS DONE AS SOON AS POSSIBLE AFTER THE TESTS HAVE BEEN COMPLETED,AND SPIEGEL THOUGHT IT MIGHT BE AS SOON AS MIDAUG.

2.SPIEGEL FURTHER TOLD US THAT ALL DIPLOMATIC MISSIONS IN WASHDC WILL BE NOTIFIED OFFICIALLY BY NOTE FROM THE STATE DEPT AT THE BEGINNING OF NEXT WEEK OF THE ESTABLISHMENT OF THIS ZONE FOR THE ABOVEMENTIONED PERIOD.IN THE MEANTIME,CERTAIN COUNTRIES,INCLUDING THE JAPANESE,THE UK AND OURSELVES,ARE BEING GIVEN ADVANCE NOTICE.

3.IN RESPONSE TO OUR QUESTION,SPIEGEL SAID THAT THE QUESTION OF OBSERVERS AT ANY OF THE TESTS IN THIS SERIES HAS NOT YET BEEN WORKED OUT.

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50219-D-40

# STATEMENT BY DEPUTY UNDER SECRETARY OF STATE ROBERT MURPHY ON REVISION OF ATOMIC ENERGY ACT OF 1954 BEFORE THE SUBCOMMITTEE ON AGREEMENTS FOR COOPERATION OF THE JOINT COMMITTEE ON ATOMIC ENERGY JANUARY 31, 1958

I welcome this opportunity to appear before the Joint Committee on Atomic Energy in support of the President's recommendations for revision of the Atomic Energy Act. Amendment of the Atomic Energy Act at this time is of major importance for achievement of U.S. foreign policy objectives. It is from this point of view that I shall discuss these proposed amendments.

One of the greatest achievements of U.S. scientists and industry has been the rapid development of atomic energy both for military and for peaceful purposes. The use to which our atomic energy achievements have been put is one of which the U.S. is justifiably proud. The members of your Committee are leaders in action to carry out the President's Atoms-for-Peace program and to cooperate with other countries in increasing the beneficial use of atomic energy. Indeed, the U.S. as early as 1946 proposed that atomic energy should be used solely for peaceful purposes and urged international control of atomic energy to that end. This unparalleled offer was made at a time when only the U.S. had developed an atomic bomb. That opportunity for cooperation for peace, unfortunately, was rejected by the Soviet Union which preferred a race to develop atomic weapons. While the problem of controlling atomic weapons has grown tremendously more complex in the intervening twelve years, the U.S. has persisted in pressing for a safeguarded agreement for arms control and reduction. We shall continue to do so despite Soviet intransigence, since mankind has too much at stake to permit any slackening in our efforts.

In the absence of progress in disarmament negotiations, nuclear weapons in the hands of U.S. forces have since 1946 been the principal deterrent to aggression and guarantee of world peace. During these years our Atomic Energy Commission has constantly improved the efficiency of these weapons and the variety of their applications, and our stocks of weapons have expanded. Nuclear weapons have become increasingly essential in U.S. and allied military planning. We have continually sought ways in which to use this growing nuclear strength to best advantage in deterring aggression and reinforcing Free World unity. The present period offers us a new opportunity to use our nuclear capabilities to further these ends.

The role of nuclear weapons in our foreign political and military planning should be viewed against two major developments. One is the persistent growth of Soviet military strength, including the emergence of major Soviet nuclear capability. The other is the growth of the system of Free World alliances created to deter and, if need be, to defend against Communist aggression. We all recall that in 1949 the Soviet Union first succeeded in

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exploding a nuclear device. That same year saw the establishment of the North Atlantic Treaty Organization. The military strength which the members of NATO have contributed to the organization, and NATO's principle that an attack upon one member is an attack upon all have served as effective deterrents to the spread of aggression onto the territory of NATO members.

NATO is a dynamic organization which constantly reappraises the nature of the Soviet threat and the contributions of its members to meeting and containing that threat. Efforts are made to insure that the military forces of NATO are modern and effective. It became apparent as the Soviet nuclear capability grew and the Soviet Union successfully tested a weapon involving thermonuclear principles in the latter part of 1953 that nuclear weapons must play an increasing part in NATO defense plans.

Accordingly in 1954 the President recommended amendment of the Atomic Energy Act of 1946 in order to accomplish, with proper security safeguards, widened cooperation with our allies in certain military atomic energy areas. I recall that Secretary of State Dulles appeared before this Committee and vigorously supported the indispensability and urgency of the changes recommended by the President. The Congress included such changes in passing the Atomic Energy Act of 1954. Agreements for limited military atomic energy cooperation have been concluded with NATO, with the U.K. and Canada, and more recently with Australia.

Through agreements concluded under the present Atomic Energy Act, it has been possible to furnish NATO with initial information necessary to enable it to adapt its plans and preparations to the assumption that an attack on NATO is likely to include the use of nuclear weapons. Arrangements are being made for furnishing NATO military planners with appropriate information on the nuclear capabilities of the Soviet Union and on the characteristics of U.S. nuclear weapons necessary for effective military operational planning. Substantial quantities of nuclear-capable delivery systems have been programmed for our allies under our Mutual Security Program, and training of allied troops in the use of these delivery systems has also commenced.

However, I am advised that under the Atomic Energy Act as presently written it is not possible to attain full effectiveness in the training and operational planning necessary for full NATO readiness and effectiveness. I wish to emphasize the political importance of improving this situation. It is of major importance to the security of the United States and to the unity and resolution of the Free World that our NATO allies have confidence in their ability to meet aggression swiftly and effectively. To have this confidence they must have not only modern military equipment but also the full knowledge and training which are requisite for effective action. Our NATO arrangements include the necessary provisions for safeguarding classified information of the kind needed for such training and planning purposes.

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The Western European countries which are members of NATO include a number of the nations which are leaders in science and military technology. The achievements of these nations in the development and production of many kinds of modern weapons are an important element of NATO strength. As you know, at the recent NATO Heads of Government meeting additional cooperative steps were initiated to accelerate the development and production of modern weapons systems in Europe. Modern delivery systems, of course, must be compatible with nuclear warheads. Accordingly, an important element of the recommended revisions of the Atomic Energy Act is the proposal for statutory authority to provide Restricted Data necessary for the development of compatible delivery systems for atomic weapons. Unless we are able to make such information available to our allies they will not be able to contribute in the full measure of their capabilities to the common strength of the alliance.

We attach particular importance in this respect to the potentialities for cooperation in the development and production of military reactors. One of the most dramatic U.S. technical achievements has been the development of the nuclear submarine. A number of the industrial nations of NATO are interested in the possibilities of achieving a nuclear submarine capability. In recognition of this interest, Secretary Dulles made the following statement at the NATO Heads of Government meeting:

> "In one important new area we are planning to seek necessary legislative authority to permit cooperation. I refer to the atomic submarine, which has proven its tremendous capabilities over thousands of miles of operation by the 'Nautilus' and 'Seawolf'. If the necessary legislation is obtained, we will be able to cooperate with interested members of NATO in the development, production, and fueling of nuclear propulsion and power plants for submarines and other military purposes. This action will also greatly facilitate cooperation in the promising field of nuclear merchant ship propulsion."

The response to this offer was immediate and indicates that this step would make an important contribution to the military and political strength of NATO.

One of the principles animating NATO which was stressed at the recent NATO meeting is the sharing of tasks in such a manner as to make the most effective use of resources of the members. We believe that the proposed revisions of the Atomic Energy Act would enable the United States to make a greater contribution in a field in which the alliance is heavily dependent upon our assistance. In the event of hostilities our allies would be equipped and trained to use U.S. nuclear weapons promptly and efficiently. Such a state of maximum readiness would result in a strengthening of the deterrent and an additional guarantee against the outbreak of hostilities through aggression against NATO.

If NATO is thus furnished a nuclear capability on a cooperative basis, there will be less incentive to additional countries to enter the atomic

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weapons field. Through an increased ability to make available U.S. military reactor technology to those allies in a position to make use of this technology, under the guarantees required by the Atomic Energy Act, we would strengthen their ability to contribute to the military forces of NATO and would avoid unnecessary duplication of effort. In particular we would be able to make it possible for them to obtain from the United States the nuclear fuel for military propulsion reactors which our gaseous diffusion plants can produce at the lowest possible cost. Finally, in those cases where it is in our mutual interest to do so, it would be possible for us under the procedures and criteria set forth in the Act to make available weapons design information and materials necessary to improve the weapons design and production capabilities of allies who had made substantial progress in the nuclear weapons field. Those allies able to use such weapons information to the advantage of the mutual defense and security would not be able to understand why, as the President has observed, we should be unwilling to provide them information of the kind we can be confident the Soviet Union already has.

This principle of sharing tasks was discussed at some length between the President and Prime Minister Macmillan when the latter visited Washington last October. The two leaders re-affirmed their strong belief that countries of the Free World are interdependent and only in genuine partnership, by combining their resources, can safety be found. In order to accomplish the best combined use of resources for the common defense, we need to avoid waste in trained manpower and resources which results from a duplication of effort by the U.S. and the U.K. particularly. We hope that the proposed changes in our legislation will enable us to exchange additional information with the British, who have made significant progress in the development of nuclear weapons, and to avoid such duplication in the future. It was in this hope that, in the Declaration of Common Purpose issued at the conclusion of the Prime Minister's visit on October 25, the President stated for the first time that he "would request the Congress to amend the Atomic Energy Act as may be necessary and desirable to permit of close and fruitful collaboration of scientists and engineers of Great Britain, the United States, and other friendly countries."

It is a major objective of the United States to improve scientific cooperation among Free World countries. The events of the past few years have brought home to us the impressive rate of technological progress in the Soviet Union. The continuing scientific and technical accomplishments of the Free World countries are also very great but we must take all possible steps to increase our rate of progress. The barriers to exchange of information and to scientific cooperation must be removed wherever this can be done without serious risk. The restrictions on communication of atomic energy information which were desirable at the time when the achievements of the Soviet Union in this field were uncertain must now be relaxed if we are to make maximum progress. In the face of the demonstrated competence of the Soviet Union we would clearly face a greater risk in continuing these restrictions than in relaxing them in the manner recommended by the President

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under the continuing safeguards which would be provided in the Atomic Energy Act.

The military cooperation which is sought in these proposed amendments has as its objective the preservation of the unity and strength of the Free World in order that aggression will be more effectively deterred. These measures of military cooperation thus have the preservation of peace as their sole objective. Through such a preservation of world peace we make it possible to continue the positive and fruitful activities which are perhaps best exemplified in the field of the peaceful uses of atomic energy and the broad scientific cooperation which we have so vigorously and successfully sponsored in recent years. Given the maintenance of peace, it will be possible to press forward with our unceasing efforts for negotiation of a sound disarmament agreement and for the resolution of outstanding political differences, looking toward the time when the predominant use of atomic energy will be for productive rather than for military purposes.

(State, FD, Wash.,D.C.)

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# TRANSMITTAL SLIP

TO: Under-Secretary of State for External Affairs

FROM: The Canadian Embassy, WASHINGTON, D.C.

Security: ~~UNCLASSIFIED~~

Date: August 6, 1957.

Air or Surface: Courier Bag

No. of enclosures: Four

The documents described below are for your information.

Despatching Authority: H. Williamson/cp

| Copies | Description | Also referred to: |
|---|---|---|
| E 4 - 5 | 85th Congress, 1st Session - H. R. 8996, July 31, 1957: A Bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes. | Dom. Ref. AECL AECB Finance American Dis to see + file |

AUG 8 1957

Ext. 250 (Rev. 10/51) *(Instruction on Reverse Side)*

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4. The form should bear the security classification of the material it covers.

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85TH CONGRESS
1ST SESSION

# H. R. 8996

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 1957

Mr. DURHAM introduced the following bill; which was referred to the Joint Committee on Atomic Energy

# A BILL

To authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SEC. 101. AUTHORIZATION.—There is hereby authorized to be appropriated to the Atomic Energy Commission, in accordance with the provisions of section 261 a. (1) of the Atomic Energy Act of 1954, as amended, the sum of $259,230,000 for acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, as follows:

I

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(a) RAW MATERIALS.—

1. Project 58–a–1, offsite access roads.

(b) SPECIAL NUCLEAR MATERIALS.—

1. Project 58–b–1, fabrication plant, $5,000,000.

2. Project 58–b–2, mechanical production line, Hanford, Washington, $1,500,000.

3. Project 58–b–3, metal treatment plant, Fernald, Ohio, $850,000.

4. Project 58–b–4, improvements to production and supporting installations, Hanford, Washington, and Savannah River, South Carolina, $10,000,000.

5. Project 58–b–5, additions to scrap plants, various sites, $1,500,000.

6. Project 58–b–6, additions to gaseous diffusion plants, $6,600,000.

7. Project 58–b–7, reduction in fire hazards—gaseous diffusion plants, Oak Ridge, Paducah, and Portsmouth, $12,000,000.

8. Project 58–b–8, production reactor for special nuclear materials; development, design, and engineering only, $3,000,000. The Commission shall proceed with sufficient design work, together with appropriate engineering and development work, necessary for the Commission to begin construction as soon as practicable after authorization by the Congress, of a large scale

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single or dual purpose reactor for the production of special nuclear materials. The Commission shall submit to the Joint Committee on Atomic Energy a report on its design for this project, including cost estimates and schedule of construction, not later than April 1, 1958.

(c) ATOMIC WEAPONS.—

1. Project 58–c–1, weapons production and development plant, $10,000,000.

2. Project 58–c–2, weapons special component plant, $6,000,000.

(d) ATOMIC WEAPONS.—

1. Project 58–d–1, manufacturing plant expansion, Albuquerque, New Mexico, $3,325,000.

2. Project 58–d–2, storage site modifications, $2,000,000.

3. Project 58–d–3, high explosive development plant, Livermore, California, $2,100,000.

4. Project 58–d–4, engineering and laboratory building, Los Alamos, New Mexico, $1,013,000.

5. Project 58–d–5, ventilation system replacements, Los Alamos, New Mexico, $618,000.

6. Project 58–d–6, reclamation foundry, shop, and warehouse, Sandia Base, New Mexico, $308,000.

7. Project 58–d–7, reactor, area III, Sandia Base, New Mexico, $2,900,000.

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8. Project 58–d–8, base construction, Nevada test site, $350,000.

9. Project 58–d–9, base construction, Eniwetok Proving Ground, $7,917,000.

(e) REACTOR DEVELOPMENT.—

1. Project 58–e–1, power reactor development acceleration project, $11,500,000.

2. Project 58–e–2, Puerto Rico power reactor.

3. Project 58–e–3, fuels technology center, Argonne National Laboratory, Illinois, $10,000,000.

4. Project 58–e–4, modifications and additions, aircraft nuclear propulsion ground test plant, area numbered 1, National Reactor Testing Station, Idaho, $8,000,000.

5. Project 58–e–5, test installations for classified project, $9,000,000.

6. Project 58–e–6, project Sherwood plant, $7,750,000.

7. Project 58–e–7, waste calcination system, National Reactor Testing Station, Idaho, $4,000,000.

8. Project 58–e–8, hot cells, $3,500,000.

9. Project 58–e–9, high temperature test installation, Bettis plant, Pennsylvania, $3,000,000.

10. Project 58–e–10, destroyer reactor development plant, $750,000.

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11. Project 58–e–11, sodium reactor experiment (SRE) modification, Santa Susana, California, $4,700,000.

12. Project 58–e–12, liquid metal fuel reactor experiment (LMFRE), $17,500,000.

13. Project 58–e–13, Argonne boiling reactor (ARBOR), National Reactor Testing Station, Idaho, $8,500,000.

14. Project 58–e–14, natural uranium, graphite moderated, gas cooled, power reactor prototype designed for the production of approximately 40,000 electrical kilowatts, $40,000,000.

15. Project 58–e–15, plutonium recycle experimental reactor designed for the production of 15,000 electrical kilowatt equivalent, $15,000,000.

(f) REACTOR DEVELOPMENT.—

1. Project 58–f–1, waste storage tanks, National Reactor Testing Station, Idaho, $3,700,000.

2. Project 58–f–2, hot pilot plant, $2,000,000.

3. Project 58–f–3, land acquisition, National Reactor Testing Station, Idaho, $1,000,000.

(g) PHYSICAL RESEARCH.—

1. Project 58–g–1, accelerator improvements, University of California Radiation Laboratory, California, $875,000.

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(h) PHYSICAL RESEARCH.—

1. Project 58–h–1, reactor improvements, Argonne National Laboratory, Illinois, $380,000.

(i) BIOLOGY AND MEDICINE.—

1. Project 58–i–1, mammalian radiation injury and recovery area, Oak Ridge National Laboratory, Tennessee, $475,000.

(j) TRAINING, EDUCATION, AND INFORMATION.—

1. Project 58–j–1, nuclear training project, Regional Nuclear Training Center, Puerto Rico, $2,500,000.

(k) COMMUNITY.—

1. Project 58–k–1, schools, Los Alamos, New Mexico, $965,000.

2. Project 58–k–2, housing modifications, Los Alamos, New Mexico, $1,000,000.

3. Project 58–k–3, additional water well, Los Alamos, New Mexico, $138,000.

(l) GENERAL PLANT PROJECTS.—$26,016,000.

SEC. 102. LIMITATIONS.—(a) The Commission is authorized to start any project set forth in subsections 101 (b), 101 (c), 101 (e), 101 (g), and 101 (j) only if the currently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for that project.

(b) The Commission is authorized to start any project

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set forth in subsections 101 (d), 101 (f), 101 (h), 101 (i), and 101 (k) only if the currently estimated cost of that project does not exceed by more than 10 per centum the estimated cost set forth for that project.

(c) The Commission is authorized to start a project under subsection 101 (l) only if it is in accordance with the following:

1. For community operations, the maximum currently estimated cost of any project shall be $100,000 and the maximum currently estimated cost of any building included in such project shall be $10,000.

2. For all other programs, the maximum currently estimated cost of any project shall be $500,000 and the maximum currently estimated cost of any building included in such a project shall be $100,000.

3. The total cost of all projects undertaken under subsection 101 (l) shall not exceed the estimated cost set forth in that subsection by more than 10 per centum.

SEC. 103. ADVANCE PLANNING AND DESIGN.—There are hereby authorized to be appropriated funds for advance planning, construction design, and architectural services, in connection with projects which are not otherwise authorized by law, and the Atomic Energy Commission is authorized to use funds currently or otherwise available to it for such purposes.

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SEC. 104. RESTORATION OR REPLACEMENT.—There are hereby authorized to be appropriated funds necessary to restore or to replace plants or facilities destroyed or otherwise seriously damaged, and the Atomic Energy Commission is authorized to use funds currently or otherwise available to it for such purposes.

SEC. 105. CURRENTLY AVAILABLE FUNDS.—In addition to the sums authorized to be appropriated to the Atomic Energy Commission by this Act, there are hereby authorized to be appropriated to the Atomic Energy Commission to accomplish the purposes of this Act such sums of money as may be currently available to the Atomic Energy Commission.

SEC. 106. SUBSTITUTIONS.—Funds authorized to be appropriated or otherwise made available by this Act may be used to start any other new project for which an estimate was not included in this Act if it be a substitute for a project authorized in subsections 101 (b), 101 (c), or 101 (d) and the estimated cost thereof is within the limit of cost of the project for which substitution is to be made, and the Commission certifies that—

(a) the project is essential to the common defense and security; and

(b) the new project is required by changes in

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weapon characteristics or weapon logistic operations; and

(c) it is unable to enter into a contract with any person, including a licensee, on terms satisfactory to the Commission to furnish from a privately owned plant or facility the product or services to be provided in the new project.

SEC. 107. INCREASES IN PRIOR PROJECT AUTHORIZATIONS.—(a) Public Law 141, Eighty-fourth Congress, first session, is amended as follows:

(1) By striking therefrom the figure "$14,850,000" for project 56–b–2, fast power breeder pilot facility (EBR–II), and substituting therefor the figure $29,100,000"; and

(2) By striking therefrom the figure "$4,015,000" for project 56–f–3, new Sigma Laboratory, Los Alamos, New Mexico, and substituting therefor the figure "$5,100,000".

(b) Public Law 506, Eighty-fourth Congress, second session, is amended as follows:

(1) By striking therefrom the figure "$15,000,000" for project 57–d–1, high energy accelerator, and substituting therefor the figure "$27,000,000"; and



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(2) By striking therefrom the figure "$350,000" for project 57–h–5, cosmotron target area, Brookhaven National Laboratory, and substituting therefor the figure "$3,550,000".

SEC. 108. PROJECT RESCISSIONS.—(a) Public Law 141, Eighty-fourth Congress, first session, is amended by rescinding therefrom authorization for certain projects, except for funds heretofore obligated, as follows:

Project 56–b–1, power reactor development acceleration project, $25,000,000;

Project 56–d–1, metallex pilot facility, Oak Ridge National Laboratory, $1,000,000;

Project 56–d–3, special reactor facilities equipment, Hanford, Washington, $5,600,000;

Project 56–d–5, conversion of pilot plant and facility to production plant and facility, Fernald, Ohio, $600,000;

Project 56–d–8, expansion of metal recovery facility, Oak Ridge National Laboratory, $370,000;

Project 56–f–1, art construction project, fiscal year 1956 increment, $17,873,000;

Project 56–f–2, expansion of weapons material fabrication plant and facility, $15,000,000;

Project 56–g–2, reactor training school, Argonne National Laboratory, $712,000;

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Project 56–g–3, chemistry cave for radioactive materials, Argonne National Laboratory, $448,000; and

Project 56–g–7, research reactors for the development of peacetime uses of atomic energy under Agreements for Cooperation, $5,000,000.

(b) Public Law 506, Eighty-fourth Congress, second session, is amended by rescinding therefrom authorization for certain projects, except for funds heretofore obligated, as follows:

Project 57–a–1, additional feed materials plant, $22,200,000;

Project 57–a–8, chemical processing facility, St. Louis, Missouri, $1,600,000;

Project 57–a–9, barrier plant automation, Oak Ridge, Tennessee, $1,400,000;

Project 57–a–10, reactor temperature test installation, Hanford, Washington, $900,000;

Project 57–a–11, improvements to reactor cooling water effluent system, Hanford, Washington, $550,000;

Project 57–a–12, fuel element heat-treating plant, Fernald, Ohio, $500,000;

Project 57–c–10, amended reactor development project, $15,000,000;

Project 57–f–6, manufacturing support plant, Kansas City, Missouri, $444,000; and

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Project 57–f–8, mechanical shop additions, Livermore, California, $300,000.

SEC. 109. EXPENSES FOR MOVE TO NEW PRINCIPAL OFFICE.—(a) The Commission is authorized to use its funds for the following purposes in order to facilitate retention and relocation of Commission headquarters employees in the course of and following establishment of a new principal office outside the District of Columbia, and without limitation on the Commission's authority under existing law, as follows:

(1) Allowance and payment for travel and transportation authorized by section 1 of the Administrative Expenses Act of 1946, as amended, in connection with the relocation of residence occurring after July 29, 1955, prior to the effective date of the employee's change of official station: *Provided, however,* That each employee who received payments under the Administrative Expenses Act of 1946, as amended, prior to his change of official station shall be obligated to reimburse the amount thereof to the Government as a debt due the United States if he separates from Commission employ, other than for reasons beyond his control or otherwise acceptable to the Commission, prior to the effective date of the employee's change of official station.

(2) Until the move to the new principal office is effected, providing or arranging for commuting trans-

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portation to present Commission offices in Washington, District of Columbia, for employees, including those of other agencies who are assigned to full time duty at Commission headquarters, recruited from, or who have relocated their residences in, the area of the new headquarters, to the extent necessary and at such charge as to assure an adequate work force for the new principal office where this purpose cannot be achieved by ordinary transportation.

(3) Following the move to the new principal office, providing or arranging for commuting transportation for Commission employees and employees of other agencies who are assigned to full time duty at Commission headquarters to and from the new headquarters site to the extent necessary and at such charge as to assure an adequate work force where this purpose cannot be achieved by ordinary transportation.

(4) Funds in an amount not to exceed $75,000 are authorized for purposes of subsections (2) and (3).

(b) Other departments and agencies of Government are authorized, without limitation upon their authority under existing law, to use funds available to them to make allowances and payments to their civilian officers and employees who are assigned to full time duty at Commission headquarters prior to the time of the move to the new principal

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office, such allowances and payments to be in accordance with the provisions of subsection a. (1) of this section.

SEC. 110. PROTOTYPE POWER REACTOR FACILITIES.—(a) The Commission shall proceed with the design engineering, and construction under contract, as soon as practicable, of the prototype power reactor facilities authorized by section 101 for project 58–e–14 and project 58–e–15 at installations operated by or on behalf of the Commission and the electric energy generated shall be used by the Commission in connection with the operation of such installations.

(b) In the conduct of the work under this section the Commission is authorized to obtain the participation of private, cooperative, or public power organizations to the fullest extent consistent with Commission direction of the project, ownership of the reactor, and utilization of the electric energy generated.

(c) Each prototype power reactor facility constructed under this section shall be operated by, or under contract with, the Commission for such period of time as the Commission determines to be advisable for research and development purposes and for such additional periods as the Commission may determine to be necessary for national defense purposes and for the purposes of subsection (a) of this section. Upon the expiration of the prototype reactor opera-

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tions as determined by the Commission in accordance with this subsection, the Commission shall dismantle the reactor and its appurtenances.

SEC. 111. COOPERATIVE POWER REACTOR DEMONSTRATION PROGRAM.—(a) There is hereby authorized to be appropriated to the Atomic Energy Commission, in accordance with the provisions of section 261 a. (2) of the Atomic Energy Act of 1954, as amended, the sum of $129,915,000 for use in a program not to exceed $149,915,000, subject to the following conditions:

(1) Arrangements for projects sponsored by cooperatives and publicly owned agencies shall be carried on by direct contract between the Commission and the equipment manufacturer or engineering organization with respect to the development, design, and construction of the reactor and related facilities, and by direct contract between the Commission and the cooperative or publicly owned organization with respect to the provision of a site and conventional turbogenerating facilities, the operation of the entire plant including training of personnel, the sale by the Commission of steam from the reactor complex to the cooperative or publicly owned organization, and other relevant matters. Sale of steam by the Commission under contract with the cooperative or publicly owned organization shall be at rates based

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upon the present cost of, or the projected cost of, comparable steam from a plant using conventional fuels at such locations.

(2) Funds in the amount of $1,500,000 may be expended for additional general research and development in Commission laboratories to advance the technology of the fast breeder reactor concept.

(3) The date for approving proposals under the third round of the power demonstration reactor program shall be no later than December 31, 1958, and no funds authorized for the third round shall be expended on projects approved under the first or second rounds of such program or on other nuclear power projects already under construction.

(b) Before the Commission enters into any arrangement (including contract, agreement, and loan) or amendment thereto, the basis of which has not been included in the program justification data previously submitted to the Joint Committee on Atomic Energy in support of authorization legislation approved in accordance with the provisions of section 261 a. (2) of the Atomic Energy Act of 1954, as amended, and which involves appropriations authorized by subsection (a) of this section, the basis for the arrangement or amendment thereto which the Commission proposes to execute (including the name of the proposed contractor or

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party with whom the arrangement is to be made, a general description of the proposed reactor, the estimated amount of the assistance to be provided under section 261 a. (2), the estimated cost to be incurred by the contractor or other party, and the general features of the proposed arrangement or amendment) shall be submitted to the Joint Committee, and a period of forty-five days shall elapse while Congress is in session (in computing such forty-five days, there shall be excluded the days on which either House is not in session because of adjournment for more than three days) : *Provided, however,* That the Joint Committee after having received the basis for a proposed arrangement, or amendment thereto, may by resolution in writing waive the conditions of or all or any portion of such forty-five-day period: *Provided further,* That such arrangement or amendment shall be entered into in accordance with the program justification data described above and the basis for the arrangement or amendment submitted as provided herein: *And provided further,* That no basis for a particular arrangement or amendment thereto need be resubmitted to the Joint Committee for the sole reason that the estimated amount of assistance provided for therein exceeds the estimated amount of assistance previously submitted to the Joint Committee by not more than 15 per centum.

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85TH CONGRESS
1ST SESSION

# H. R. 8996

# A BILL

To authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

By Mr. DURHAM

JULY 31, 1957

Referred to the Joint Committee on Atomic Energy

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DESPATCH

TO: THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, OTTAWA, CANADA.

FROM: The High Commissioner for Canada in Australia, Canberra.

Subj: Reference: U.S. - Australia Agreement on Exchange of Atomic Information for Mutual Defence Purposes.

Security: UNCLASSIFIED

No: 382

Date: July 16, 1957.

Enclosures: nil

Air or Surface Mail: Air

Post File No: 11-3-6-4-2

Ottawa File No. 50219-D-40

74 | 68

Refer DPCO AECL AECB

Commonwealth Far Eastern American

Secret Production

References: 1957 CCOS (6) DRB V 1 B

Mr. Comptroller to see & file DWL

Copy to 7949-B-40

It was announced in Canberra and Washington on Friday, July 12, that Australia and the United States have reached agreement on terms for the exchange of atomic information for mutual defence purposes. The agreement was signed in Washington by the Australian Ambassador, Sir Percy Spender, and the United States Assistant Secretary of State, Mr. Walter Robertson. The announcement states that President Eisenhower has already approved the agreement, which is similar to those in existence between the United States and Britain and the United States and Canada.

2. The Acting Minister for Defence, Mr. Howard Beale, said in Canberra that under the agreement each government from time to time would make available to the other atomic information deemed necessary for

(a) the development of defence plans;

(b) the training of personnel in the employment of and defence against atomic weapons;

(c) the valuation of the capabilities of potential enemies in the employment of atomic weapons.

3. The exchange will continue while the United States and Australia are participating in international arrangements for their mutual defence and security. Under the terms of the agreement, the United States will be able to release to Australia information which will be of great value in defence planning and training of Australian service men to meet conditions of atomic warfare. Similar information developed in Australia can be made available to the United States Government. The agreement is further evidence of the close defence collaboration existing between Australia and the U.S. and complements the agreement for co-operation in the peaceful use of atomic energy concluded by Australia and the United States in June, 1956.

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JUL 25 1957

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NO ENCLOSURES

57 JUL 25 AM 10:10

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4. Mr. Beale's statement went on to point out that there will be no transfers by the U.S. or Australia of atomic weapons or special nuclear material. Terms for such transfers are laid down under a separate U.S. law. In the United States the agreement will now go before the U.S. Joint Congressional Committee on Atomic Energy where it must lie for 30 days before coming into force.

for W.A. Lamont.
for High Commissioner.

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Economic/D.H.W. Kirkwood/gh

American Division

CONFIDENTIAL

Attention: Mr. Broadbridge

July 9, 1957

Economic/D.H.W. Kirkwood/gh

Mr. Confford
to see + file
D.H.W.K.

Lagoona Beach Atomic Reactor Project

50219-D+40
145 1 —

I attach a copy of a letter of July 5 from Dr. Dewar, the Scientific Adviser to the Atomic Energy Control Board, forwarding his latest report on the "Power Reactor Development Company Project Controversy". This, you will recall, concerns the Detroit Edison proposal to construct a fast neutron breeder reactor at Lagoona Beach on international water and close to the Canadian border. The firm obtained provisional authority to proceed from the U.S.A.E.C., but the A.E.C.'s action has since been challenged particularly on the ground that the safety of the proposed design is not assured. Public hearings on the matter have been in course in Washington for some months.

Dr. Dewar telephoned us before sending over this latest report. He mentioned that the hearings to date suggest that the U.S.A.E.C. is having difficulty defending its action, and that the objections to it are being supported at least in part by some of the A.E.C.'s own experts. He also mentioned that the Canadian Reactor Safety Advisory Committee in considering the problem had concluded that this sort of project

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(i.e. where international water or boundary considerations are involved) might well be of a nature where Canada could expect the U.S. Government, through the I.J.C., to provide advance information or even to suggest prior consultation. The Committee recognized that such a suggestion was outside its field of competence, and took no formal action; nevertheless Dr. Dewar wondered if we would care to mention the point informally tothose concerned.

J.F. GRANDY

Economic Division.

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ATOMIC ENERGY CONTROL BOARD
P.O. BOX 1046
OTTAWA, CANADA

IN YOUR REPLY PLEASE QUOTE
FILE NO. 26-P-1

Def. Sec. in the USA
5-0219-D-40
143 | 146.

File DHWK

5 July 1957

Under-Secretary of State
for External Affairs,
East Block,
Ottawa, Ont.

Attention: Mr. D.H.W. Kirkwood

Dear Sir:

As I promised in our telephone conversation yesterday I am forwarding herewith 2 copies of a report dated 18 June 1957 which summarizes developments to date in the PRDC Project controversy.

The presentation of evidence at the public hearings should be completed by the end of August and, after submission of legal argument by counsel, the record will be certified to the A.E.C. for its decision. Meanwhile the Board's Reactor Safety Advisory Committee is studying the evidence already presented to see if any conclusions can now be drawn as to the possible hazard of this project to Canadians and Canadian territory.

Yours sincerely,

D.J. Dewar

D.J. Dewar,
Scientific Adviser.

Encls.

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THE ATOMIC ENERGY CONTROL BOARD

26-P-1
18 June 1957

## THE POWER REACTOR DEVELOPMENT COMPANY PROJECT CONTROVERSY

### Origin of Project

The Power Reactor Development Company (PRDC) Project had its origin in a power reactor study begun in 1951 by the Detroit Edison Company and the Dow Chemical Company. The Dow Chemical Company subsequently withdrew but other companies joined the study group which became known as Atomic Power Development Associates (APDA). As a result of this study, APDA concluded that a fast neutron breeder was the most promising type of power reactor and prepared a detailed design for such a reactor.

In March 1955 the Detroit Edison Company, on behalf of a group of companies, submitted under the AEC power development programme a proposal for the construction and operation of a reactor of the APDA design. This group of companies subsequently became known as the Power Reactor Development Company - a non-profit membership corporation with 21 members (13 operating utility companies, 7 industrial concerns and a service company representing 4 other utility companies).

The PRDC proposal was accepted by the AEC as a basis for further negotiations in August 1955. These negotiations resulted in a contract, signed in March 1957, under which the AEC promised financial assistance to the company in connection with this project.

### Nature of Project

This project calls for the construction and operation by PRDC of a 300 megawatt thermal (100 megawatt electrical ) fast neutron breeder

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atomic power plant at Lagoona Beach, on the shore of Lake Erie, in Monroe County, Michigan - just 10 miles from the nearest Canadian territory. The Detroit Edison Company will build the turbine-generator and other non-nuclear portions of the plant and will distribute the electricity produced by the plant through its local distributing system. Present plans call for completion of construction in 1959 and a year of pre-operational testing prior to full power operation.

According to recent estimates, construction costs of this project will total about $47,000,000., about $33,000,000 of which will be for the reactor and associated equipment. These costs will be borne by the company. The AEC, however, will provide up to $4,450,000 in research, development work and training of personnel and will waive its normal charge for the use of nuclear fuel for the first five years of operation of the project. The value of this waiver is estimated at about $5,000,000.

A good summary of the PRDC reactor may be found in NUCLEONICS, April 1957, pp 68-72.

AEC Action.

In 1955 when this project was first proposed, the AEC Advisory Committee on Reactor Safeguards (a committee composed largely of outside experts which was set up in 1953 to consider the safety aspects of all U. S. reactor projects) began the study of the safety aspects of fast neutron breeders with special reference to the APDA design. This study became a formal consideration of the PRDC proposal after the company applied for a construction permit in January 1956.

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In June 1956 the Chairman of the Committee wrote the AEC (see letter Appendix A) to advise that the committee did not consider that there was sufficient evidence available to enable it to give assurance that a reactor of this design could be operated at the proposed site without public hazard. A large scale research programme was necessary to obtain the additional information required and, even if such a programme were instituted and carried out quickly, there was no guarantee that the results would be such as to enable the committee to give this assurance by the time the reactor was ready for operation. The Chairman pointed out that experience with fast neutron breeders had not been reassuring. The only American reactor of this type - a 1.4 megawatt thermal (200 KW electrical) reactor known as EBR-1 - exhibited instabilities in operation and suffered a melt-down accident in November 1955. The committee therefore considered it essential to

(1) determine the source of the positive component of the temperature reactivity coefficient found in EBR-1 and prove that the PRDC design would not have a similar positive compnent, and

(2) show that there was no possibility that an accident leading to a melt-down of the fuel and its subsequent reassembly could cause an explosion which might breach the gas-tight building surrounding the reactor.

In August 1956 the AEC issued a permit for the construction of this reactor but emphasized that it was conditional and that no operating licence would be issued until the Commission had been satisfied as to the safety of the reactor, particularly as regards the points mentioned above. The AEC's action in issuing even a conditional permit, however, stirred up considerable controversy in view of rumours of the concern expressed by the Reactor Safeguard Committee and several labour unions and individual union officers intervened in accordance with AEC Regulations to oppose the granting of this permit. In October 1956 the AEC released

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the text of the Advisory Committee's letter and ordered public hearings to determine

(1) whether there was sufficient information available to provide reasonable assurance that a reactor of this type could be operated at the proposed location without undue risk,

(2) whether the applicant was financially qualified to operate such a reactor, and

(3) whether the construction permit already issued should be continued, amended, or cancelled.

Canadian Interest.

When the controversy regarding this project first developed, it was noted that the proposed site was only 10 miles away from the nearest Canadian territory. Records of nearby Canadian weather stations indicated that the wind direction would be from the site towards Canadian territory at least 20% of the time. It was realized, therefore, that a serious accident to this reactor might well affect Canadians and Canadian property. For this reason, the AEC was requested to provide technical information regarding this project and arrangements were made for Canadians to attend the forthcoming hearings as observers so that the Board's Reactor Safety Advisory Committee would be better able to assess the possible hazards of this project to Canadians and Canadian territory.

Public Hearings.

When the public hearings began early in January 1957, PRDC submitted the testimony of six witnesses.* One of these witnesses gave evidence on the organization and finances of the company. From his testimony it is evident that the company is not overly endowed with funds. The company hoped that at least half of its income would come from the sale to the AEC of the plutonium produced in the reactor, (but from an AEC price schedule released later, it became evident that the company's income

* For a list of witnesses called by PRDC, the Unions and AEC see Appendix B.

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from such sales would be much smaller than anticipated).

The other PRDC witnesses presented evidence on the scientific and technical aspects of the project. They emphasized that there was no public hazard from construction activities. With regard to the instability of EBR-1, they testified that studies had given a strong indication that "bowing" of the fuel elements was the cause of the positive component of the temperature reactivity coefficient and they claimed that such bowing could not occur in the PRDC design. They pointed also to the high level of containment afforded by the steel shell and submitted a number of calculations on the maximum power of an explosion resulting from reassembly of the fuel after the melt-down. The most recent of these calculations indicated that the explosive effect would be far too small to breach the containment structure. In view of these studies they saw no need for construction of a pilot plant but emphasized that the design of the core would not be frozen until the latest possible date to permit any modifications considered desirable as a result of the AEC - PRDC research programme. They also hoped to profit from the design work and operating experience on the EBR-2 and Dounreay (Scotland) fast neutron reactors - two fast neutron breeder reactors of intermediate size having certain similarities with PRDC - which were originally scheduled to go into operation before PRDC. Evidence presented indicated, however, that EBR-2 was unlikely to be ready for operation prior to the start-up of the PRDC.

The Unions called four witnesses. Two AEC officers outlined the AEC procedure for handling applications for construction permits, operating licences, etc., and testified that the AEC had not set up any

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standards for assessing the financial qualifications of an applicant. The Unions then called the Chairman and later another member of the Advisory Committee on Reactor Safeguards who testified that the June 6th 1956 letter still expressed their viewpoint regarding this project. They did not think that bowing had yet beendefinitely established as the cause of the positive temperature reactivity coefficient in EBR-1. They agreed that the containment afforded by the steel shell was good but expressed some concern over the wide variation in results of calculations of the maximum explosion possible as a result of reassembly of the fuel after melt-down. In general, also, they indicated that they would have preferred the construction and operation of a pilot plant prior to construction of the full size PRDC reactor.

The AEC has indicated its intention of calling five witnesses and, as of June 17th 1957, has made available the narrative testimony of four of these. Two of these witnesses, both members of the Advisory Committee on Reactor Safeguards at the time the June 6th letter was written, reported that they now believed that, barring unanticipated developments, there was reaonable assurance that sufficient information would be available on the health and safety aspects of the PRDC project by scheduled start-up time. One of these witnesses, however, outlined additional research which he considered should be carried out to check on the safety of the reactor in operation. The third witness, also a member of the Advisory Committee, testified that very little attention had been paid to the question of the suitability of the proposed site for the project. In his opinion much more information would be required before any definite statement could be made regarding the hazards

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to the public as a result of an accident to a reactor constructed at this site. The fourth AEC witness testified that in his opinion the PRDC estimates on the cost of the reactor were several million dollars too low.

Present plans call for the submission of the remaining testimony early in August. The hearing examiner will then hear legal argument on the points at issue before certifying the record to the AEC for its decision.

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# APPENDIX A

## REPORT OF ADVISORY COMMITTEE ON REACTOR SAFEGUARDS

June 6, 1956

Mr. K. E. Fields
General Manager
U. S. Atomic Energy Commission
Washington 25, D.C.

SUBJECT: Power Reactor Development Company
(Atomic Power Development Associates)
Fast Power Reactor
(Reports APDA 108 and 114)

Dear Mr. Fields:

The present status of the reactor being proposed by the Power Reactor Development Company, associated with Atomic Power Development Associates, was reviewed by the Advisory Committee on Reactor Safeguards at its Eighteenth Meeting on June 3, 1956. This review included the design of the reactor, the state of information on the nuclear properties and the relation of the reactor to its containment and its site. The proposed PRDC reactor represents a greater step beyond the existing state of the art than any other reactor of comparable power level which has been proposed by an industrial group.

From this review the following conclusions were derived:

1. Even though there are no facts or calculations available to the Committee that clearly indicate that the proposed reactor is not safe for this site, the Committee believes there is insufficient information available at this time to give assurance that the PRDC reactor can be operated at this site without public hazard.

2. It appears doubtful that sufficient experimental information will be available in time to give assurance of safe operation of this reactor unless the present fast reactor program of the AEC is amplified and accelerated as detailed below.

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3. It is impossible to say whether or not an accelerated program would give sufficient information to permit safe operation of this reactor at the Lagoona Beach site on the time schedule presently proposed.

The folllwing program of investigation is suggested in order to provide information to judge the safety of the proposed operation.

1. The origin of the positive component of the temperature coefficient in EBR-I must be established. A clear demonstration must be given that a coefficient of this magnitude cannot exist in the PRDC design. The experimental program required would involve three phases:

a. Study of the spontaneous behavior of the new EBR-I core designed with rigid fuel elements to insure against the possibility of bowing. Such a study might have to include experiments with both series and parallel flow through core and blanket.

b. Extensive studies of oscillator experiments on the PRDC design with a stimulator, using a wide variety of component temperature coefficients and associated time constants. These studies should be designed to demonstrate that oscillator tests in the startup of the PRDC reactor can produce all the temperature coefficient information required to assure safe transient properties of the reactor, i.e., a negative prompt temperature coefficient of sufficient magnitude to prevent a fuel meltdown.

c. Further experimental work on ZPR-III to show the magnitude and size of the Doppler effect in order to verify the theory.

2. The magnitude, time constant, and sign of the various components of the temperature coefficients in the PRDC design must be evaluated

(more)

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together with a reasonably complete theoretical understanding of their origin in terms of the mechanical design. This program has three aspects;

a. A demonstration by t he simulator studies under 1b. - that the proposed start-up program on PRDC can give the information required over a wide range of possible coefficients and time constants.

b. Conduct of oscillator studies on the EBR-II reactor to show that they are feasible and capable of being interpreted to give the necessary information.

c. Startup program on the PRDC reactor itself to obtain the final information needed before the reactor can be safely operated at full power without meteorological restrictions.

The objective of this program must be to ascertain whether the various negative coefficients are sufficient to prevent meltdown under any conceivable circumstances of control mal-operation.

3. The Committee as a whole was not satisfied with the evidence presented that no credible supercriticality accident resulting from meltdown could breach the container. It is felt that a more extensive theoretical and experimental program to examine all the possibilities needs to be established and pursued vigorously. The following are examples: mechanical mock-up studies designed to study distortion of core on sudden melting, criticality studies in ZPR-III design to investigate maximum supercritical arrangements, detailed design studies of the reactor structure, with supporting mock-up experiments, to insure sub-critical distribution of melted fuel and to assure that free fall of core parts cannot re-assemble a critical mass suddenly.

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4. It is considered critically important that the EBR-II program be pursued more aggressively and coordinated more closely with the PRDC design than is presently the case. The EBR-II program is the only program now constituted which could provide engineering information and operating experience on a high-power-density fast reactor in advance of the scheduled date for operation of the PRDC reactor.

The nature and content of the EBR-II program which the Committee considers essential depends on the outcome of investigation 3 above. If it can be shown that a supercritical accident with sufficient energy release to breach the building cannot take place, then the EBR-II program should be aimed at providing general engineering information relevent to the economical design and safe operation of the PRDC reactor.

On the other hand, if it cannot be shown that breaching of the building during a meltdown is impossible, then a much more extensive EBR-II program is required. The test reactor to be operated as EBR-II should then be a genuine prototype of the PRDC reactor. The fuel elements of the test reactor should be identical in all essentials to those proposed for the PRDC reactor, and operated at power densities at least as high as those to be used in the PRDC reactor. The static and dynamic properties of the test reactor should be fully investigated, completely understood theoretically and proved incapable of causing meltdown. These properties should be investigated both for the reactor with its initial charge of U-235 and U-238 and for the reactor with the steady-state concentration of plutonium in the core.

5. The program should not be limited to the abovepoints but should be broadened to

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whatever extent may be shown necessary by the program itself.

The Committee wishes to note that the experience that now exists on fast power reactors of high power density is not wholly reassuring. While the EBR-I incident is not directly relevant in this connection because the reactor was known to possess an unstable prompt power coefficient under the conditions of the terminal experiment, nevertheless the fact remains that the origin of this unstable coefficient has not been clearly established and therefore its possible occurrence in the PRDC design cannot be definitely excluded on the basis of present experimental information. Opinions differ as to whether its absence can be completely assured in a safe way by the oscillator tests in the pre-startup program proposed for the PRDC reactor in situ.

The Committee considers it important that bold steps be taken to advance the development of the fast breeder reactor concept and commends the willingness of the Power Reactor Development Company to risk its capital and prestige in advancing the development of this reactor concept. But the Committee does not feel that the steps to be taken should be so bold as to risk the health and safety of the public. It is important for the AEC to provide sufficient development facilities and experimental information that the safety aspects of the PRDC reactor can be reliably appraised in advance of operation of the reactor itself.

Sincerely yours,

/s/ C. Rogers McCullough

C. Rogers McCullough
Chairman,
Advisory Committee on
Reactor Safeguards

* APDA-108 Description of Developmental Fast Neutron Breeder Power Reactor Plant, Sept. 1, 1955.
APDA-114 Location and Environmental Safety of Developmental Fast Breeder Power Reactor Plant.
"Some Supplementary Safeguard Topics Relevant to the Power Reactor Development Company Reactor."

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# APPENDIX B
## List of witnesses PRDC Hearings*
## Washington
## 1957

A. PRDC witnesses:

1. Mr. E. A. Acker
   Vice-President and Chairman of the Financial Committee, PRDC

   Narrative testimony submitted 8 Jan.
   Union and AEC cross examination 4 - 8 March.

   Canadian observers: C. J. Mackenzie
   G. C. Laurence

2. Dr. H. A. Bethe
   Professor of Physics, Cornell University and Consultant to APDA

   Narrative testimony submitted 8 Jan.
   Union cross examination 11 - 13 March
   AEC cross examination 13 - 14 March.

3. Dr. N. Hilberry
   Director, Argonne National Laboratory

   Narrative testimony submitted 8 Jan.
   Union cross examination 15 & 18 March
   AEC cross examination 18 - 19 March

4. Mr. W. K. Davis
   Director, Division of Reactor Development, AEC

   Narrative testimony submitted 8 Jan.
   Further PRDC examination 19 March
   Union cross examination 19 - 21 March
   AEC cross examination 21 March

5. Mr. W. J. McCarthy, Jr.
   Head of Nuclear Engineering, APDA

   Narrative testimony submitted 8 Jan.
   Union and AEC cross examination 1 & 3 April

   Canadian observer - E. Siddall

6. Mr. A. Amorosi
   Technical Director, APDA

   Narrative testimony submitted 8 Jan.
   Union and AEC cross examination 9 - 10 April

   Canadian observer - J. D. Babbitt (part time)

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B. Union witnesses:

1. Mr. K. E. Fields,
General Manager, AEC

Union examination 13 May
No PRDC or AEC cross examination

2. Mr. H. L. Price
Director, Division of Civilian Application, AEC

Union cross examination 14 May
No cross examination

3. Dr. C. R. McCullough
Chairman of Advisory Committee on Reactor Safeguards and Deputy Director of Hazards Evaluation, Division of Civilian Application, AEC

Union examination 20 May
AEC cross examination 21 May

4. Mr. D. A. Rogers
Manager, Central Engineering Group, Allied Chemical and Dye Corporation and Member, Advisory Committee on Reactor Safeguards

Union examination and AEC cross examination 21 May

C. AEC witnesses:

1. Dr. H. Brooks
Newly appointed Dean of Engineering and Applied Physics, Harvard University and former ACRS member.

Narrative testimony submitted 10 June
Union cross examination 10 - 11 June
PRDC cross examination 11 June

2. Dr. M. M. Mills
Associate Director, University of California Radiation Laboratory, Livermore, and member ACRS

Narrative testimony available 10 June
Union and PRDC cross examination - expected to be completed week of 17 June

Canadian observer - E. Siddall

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3. Dr. A. Wolman
Professor of Sanitary Engineering, Johns Hopkins University, and member ACRS

Narrative testimony available 10 June
Union and PRDC cross examination expected to be completed week of 17 June

Canadian observer - E.Siddall

4. Mr. H. M. Radley
Assistant Chief, Engineering Branch, AEC

Narrative testimony available 10 June
Union and PRDC cross examination expected to be completed week of 17 June

Canadian observer - E. Siddall

5. Dr. M. Benedict
Professor of Nuclear Engineering, Massachusetts Institute of Technology and member ACRS

Narrative testimony - not expected before late July
No date set for cross examination

* Canadian observer - D. J. Dewar unless otherwise specified.

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JULY 3, 1957

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

In my statement on February 22, 1956, announcing the designation of 40,000 kilograms of uranium 235 for research and development purposes and for fueling nuclear power reactors at home and abroad, I stated that the Atomic Energy Commission would recommend that more supplies be made available for sale or lease as necessary in the future for additional nuclear power projects.

At the recommendation of the Chairman of the Atomic Energy Commission, in which the Secretaries of State and Defense concur, I have determined under Section 41b of the Atomic Energy Act of 1954 that 59,800 kilograms of uranium 235, in addition to previous allocations, may be made available for peaceful uses at home and abroad under conditions prescribed by the United States Government.

The additional quantities of uranium 235 which will be made available for distribution over a period of years are:

a. 30,000 kilograms in the United States, through lease for all licensed civilian purposes, principally for power reactors.

b. 29,800 kilograms outside the United States, through sale or lease, to Governments of individual nations or to groups of nations with which the United States concludes Agreements for Cooperation.

Distribution of special nuclear material will be subject to prudent safeguards against diversion of the materials to non-peaceful purposes.

Added to the 40,000 kilograms of uranium 235 designated on February 22, 1956, and the 200 kilograms designated earlier, this designation brings to 100,000 kilograms the total amount of this material to be made available as required for peaceful purposes, divided equally between domestic and foreign uses.

At current prices, established by the Atomic Energy Commission last November, the value of 100,000 kilograms of uranium 235 to be sold or leased is about $1.7 billion.

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I am gratified that the advance toward power and knowledge from the atom is proceeding at a pace which requires provision of additional supplies of the basic atomic fuel.

Further details concerning the new determinations of availability of uranium 235 are set forth in the attached statement by the Chairman of the Atomic Energy Commission.

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AEC

UNITED STATES
ATOMIC ENERGY COMMISSION
Washington 25, D. C.

Tel. ST 3-8000
Ext. 307

JULY 3, 1957

STATEMENT BY LEWIS L. STRAUSS, CHAIRMAN,
UNITED STATES ATOMIC ENERGY COMMISSION

In accordance with the President's statement on February 22, 1956, announcing the availability of 40,000 kilograms of uranium 235 for distribution at home and abroad for research and development purposes and for fueling nuclear power reactors, the Atomic Energy Commission has recommended to the President that substantial additional supplies of uranium 235 be designated at this time for distribution for peaceful uses. The President has approved this recommendation.

The Commission's recommendation is due to the progress of nuclear power development. The point has been reached where licenses granted or under consideration by the Commission for nuclear power plants in the United States require more than the initial 20,000 kilograms of uranium 235 made available for domestic use by the President's determination of February 22, 1956. The growing nuclear power programs in friendly nations also require additional supplies of atomic fuel.

The President's current action therefore is another important step in furthering both domestic and foreign applications of atomic energy for peaceful purposes.

The present and previous determinations by the President make the uranium 235 available in equal amounts for domestic and foreign distribution. This does not necessarily create a pattern for any subsequent designations that may be recommended.

Each allocation of uranium 235 to atomic power projects in the United States must cover the initial fuel-loading, the estimated amount that will be burned by the reactor during the period for which reactor operation is licensed, and the estimated "pipeline" requirements, that is, the uranium 235 that will be committed in the manufacture of fuel elements, the

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cooling of irradiated fuel, and the reprocessing of the used fuel to recover the unfissioned uranium 235. Under the Atomic Energy Act of 1954, the AEC may issue licenses to domestic reactor operators for fixed periods. Allocations under such licenses now approximate 17,000 kilograms. The new Presidential determination makes a total of 50,000 kilograms available as required for such domestic allocations. The physical transfers of material will be spread over the periods of the licenses.

Plans of those nations which have concluded or which are now negotiating power agreements with the United States indicate that their needs also will exceed the 20,000 kilograms of uranium 235 previously made available for such use. Their needs are calculated on a basis that includes the initial fuel loading, "pipeline" requirements, and consumption during the term of the agreement for cooperation. The new Presidential determination makes a total of 50,000 kilograms available as required for distribution abroad.

Seven agreements for cooperation with friendly nations in various parts of the world providing for power reactors are now in effect, 7 more are about to be concluded, and a number of others are under negotiation. Twenty-nine agreements for cooperation providing for research reactors are now in effect. Negotiations have been completed on eight additional research agreements and it is expected that they will become effective within the next year.

The terms of distribution are similar to those in previous determinations. No agreements for cooperation under the Atomic Energy Act of 1954 are made by the United States with the Soviet Union or its satellites.

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