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Ambassador NFM DELHI

1073
ESP. NO.

THE DEPARTMENT OF STATE, WASHINGTON.

May 2, 1960

- a) Embtel 3210, March 25, 1960 (Rptd London 154; Vienna 05)
- b) Embassy Airgram G-228, March 25, 1960

ACT	MIAA	INFO
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SUBJECT: **GOI Position re IAMA Safeguards.**

Enclosed is the text of a GOI Aide Memoire, dated April 28, 1960, given to the Deputy Chief of Mission by Foreign Secretary S. Dutt that same date.

The GOI document is a response to the Embassy's Aide Memoire of March 24 (ref. "b") requesting the GOI to support the safeguards system proposed at the IAMA Board of Governors meeting in Vienna, March 29.

The GOI Aide Memoire reiterates the reasons for India's opposition to the safeguards system (as presented in IAMA GOV/510) and lists in paragraphs 7, 8 and 9 the three basic changes needed in the approach to the safeguards problem.

Action Requested: Although we doubt that further argument will change the GOI viewpoint, we would find it helpful to receive from the Department some precise answers to the objections raised in the GOI Aide Memoire in paragraphs 5, 7, 8 and 9.

For the Ambassador:

Anita C. Lauve
Second Secretary of Embassy

Approved by:

[Signature]
Edward A. Dow, Jr.
First Secretary of Embassy

Enclosures:

Text of GOI Aide Memoire dated March 28, 1960.

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Safeguards

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"Commencing from the time India became an independent nation, she has worked consistently for bringing about peace in areas of conflict, for reduction of tensions, for realising world disarmament and for the diversion of energies and resources at present wasted on warlike preparations to more constructive purposes. In these matters, India has not only avoided steps, which may have led to aggravation of international tensions, but has made constructive attempts to pave the way for a better understanding amongst nations. She has also recognised that in this context the atom is a central factor and, in consequence, repeatedly declared her intention of avoiding its potentialities for evil purposes. She is not only in favour of contracting but of banning altogether its use for warlike purposes. Her policy is well known through the statements and declarations made by her leaders in the Indian Parliament and elsewhere.

2. "India shares the desire of the United States to expand the use of the atom for peaceful purposes and has, therefore, extended her full support at all times to International Atomic Energy Agency. The U.S. A.E.C. Technical Mission, which recently visited India, were impressed by the cost in the time of her senior scientists at which India was assisting the Agency. She is willing to exert every effort to assist in the evolution of a system to prevent the diversion of fissionable and other materials to warlike purposes, provided such a system is basically consistent with the honour and dignity of every nation to which it is made applicable.

3. "The problem of Agency safeguards against diversion of materials for military purposes has been perhaps the most difficult faced by the Agency so far. It led to the most active debate at the time of the Conference on its Statute in 1956 and since then India has given careful and continuous attention to it with a view to evolving an universally acceptable system. It is India's view that atomic energy has become an absolute necessity for the peaceful development and prosperity of several countries, and that fissionable material is, so to speak, the life blood of the future economy of many states. It is the responsibility of every nation, therefore, to cooperate in arriving at an order which will lead to the most rapid exchange of technical knowledge and the materials required to put the atom to its most beneficial use.

4. "It is a matter of regret to India that the system so far developed by the Agency tends to be discriminatory in character and, in consequence, repugnant to the Charter of the United Nations. In the true spirit of the Charter a system of safeguards, universally applicable to all nations without distinction, is the only one possible. The need for all nations to realise this has become the more urgent now, as the Great Powers move gradually towards an agreement to ban all nuclear tests, and to set up a world-wide system to control the implementation of the ban.

5. "The Agency's system for the attachment of safeguards is, in India's view, discriminatory, as it would impose controls only on those countries which seek Agency aid, and which are therefore ipso facto less industrially developed, while it leaves the highly developed nations completely free from controls. The less developed nations, and particularly those which have recently freed

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themselves of colonial subjugation, are naturally apprehensive that external controls and inspection in so vital a sector as power production, in whatever guise they may be, will result in the loss of independence again, whether it be economic or otherwise, unless it can be demonstrated to the contrary. Such a demonstration is possible only if the Great Powers are willing to subject themselves to the same system as is proposed for the lesser nations whether they receive aid from the Agency or not.

"6. To achieve the dual objectives of formulating an acceptable system of safeguards and, what is equally important, a system which will not hamper the rapid development of the atomic energy programmes of nations, the Government of India considers that basic changes, as explained below, in the approach to the problem are essential.

"7. In the first place, the attachment of safeguards to the supply of hardware, i.e., nuclear reactors and other facilities of components thereof, is entirely unnecessary and redundant. Such hardware is becoming freely available either as complete units or in the form of components, and it would be neither practicable nor realistic to seek to control the supply of such equipment owing to its widespread availability. Manufacturers in several countries have invested heavily with a view to developing the nuclear power industry rapidly and are naturally concerned to get a fair return for their investment. For this reason, it would not be in the interest of either manufacturing or recipient countries to have restrictions, which would hamper the free flow of nuclear equipment and facilities. A nation cannot produce a weapon simply by virtue of its having received such hardware. It would need a continuous supply of nuclear material, and moreover its technological and industrial capabilities would have to be sufficiently developed. If such a level of development is reached by a country, it would be able to make its own reactors and facilities without the need to obtain them from elsewhere. Thus the impact of the safeguards on hardware would fall primarily on the industrially under-developed nations, while having little impact on the industrially developed ones.

"8. Secondly, the attachment of safeguards to the supply of source material, such as uranium and thorium concentrates or ores, is again redundant for the same reasons as have been explained in the preceding paragraph. These materials are now freely available as articles of commerce and the Government of India cannot accept the position that safeguard and control conditions should be attached to the supply of such source material required for peaceful programmes when large amounts of such materials are freely supplied by some countries to others for military purposes. Several countries, including industrially underdeveloped nations, have sizable deposits of these materials, and if onerous conditions are attached to their supply, the countries will resort to developing their own sources, even if the end product is realised at a cost which may be higher than that at which it would be made available with control conditions. The sale of these materials should at the very most require only an undertaking by the recipient country that the materials supplied will be used

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solely for peaceful purposes.

"9. Finally, as already stated, the only system of safeguards which would be practical and truly effective without being discriminatory would be that which envisages world-wide controls applicable to all nations without distinction. Until the stage for the evolution and implementation of such a system is reached, however, a modified system, which would cater for the attachment of safeguards to the supply of special fissionable materials, may be introduced. Such a system should prescribe and fix the quantities to be supplied free of safeguards and restrictive conditions at reasonable levels, and the requirements of accounting and inspection should be insisted upon "to the extent relevant" as prescribed in Article XII of the Statute of the Agency. Generally speaking, it may be inferred that if a country is not able to produce fissile material, it will also not have the capability to produce an atomic weapon. On the other hand, if a country is determined to produce a weapon and has the requisite technical knowledge to do so, then considerations of cost will not deter it from producing its own fissile materials.

"10. The Government of India hopes that the United States and the other Member States of the Agency will appreciate the genuineness of the difficulties which have prevented agreement on the proposed safeguards system so far. Until and unless the system is free of discrimination, the Government of India must regret its inability to accept the system. The Government of India will, however, give favourable consideration to any system which will not only be effective but universally acceptable, and will continue its efforts to assist in the evolution of such systems.

"Ministry of External Affairs)
 Government of India)
 New Delhi)
 28. 4. 1960.)"

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Suite 701, Gelman Library, The George Washington University,
2130 H Street, NW, Washington, D.C., 20037,
Phone: 202/994-7000, Fax: 202/994-7005, nsarchiv@gwu.edu