MEMORANDUM
NATIONAL SECURITY COUNCIL
INFORMATION
June 16, 1972

MEMORANDUM FOR MR. KISSINGER
FROM: Helmut Sonnenfeldt
SUBJECT: IAEA-EURATOM Negotiations on Safeguards Agreement

This is to bring you up to date on the negotiations between the International Atomic Energy Agency (IAEA) and EURATOM on a safeguards agreement for nuclear material. As you recall, I directed your attention in my memorandum of April 27 (Tab A) to our interest in these negotiations, which arises primarily out of the danger that the Soviets may insist that US shipments of nuclear materials to EURATOM, in the absence of a EURATOM-IAEA safeguards agreement, violate the non-proliferation treaty.

A European Community delegation visited State last week (cable at Tab B) to report their hope that the negotiations might be completed by the end of June. There are still disagreements between EURATOM and the IAEA, notably over the role of IAEA inspectors who, according to the draft agreement, will accompany the EURATOM inspection teams (i.e., how independently will the IAEA men be allowed to function?).

If the end of June deadline is met, an IAEA Board of Governors meeting could consider the agreement in July. Our missions abroad feel that any slippage beyond that, however, could be serious, since the EURATOM countries' parliaments need to have an IAEA agreement by September in order to begin their ratification of the NPT. If the process in the EURATOM countries becomes protracted, we may expect the Soviets again to challenge our continued shipments of nuclear materials to these countries.

For the moment, then, there is little need to worry. But we will keep an eye on the progress of these negotiations.
SUBJECT: MEETING WITH HAFERKAMP ON EC-IAEA NEGOTIATIONS
1. On June 5 EC group led by Commission Vice President HAFERKAMP and EC Director General for Energy SPAAK held one hour informal discussion on EC-IAEA safeguards negotiations with USG group headed by ACDA Deputy Director PARLEY with EUR, SCI, ACDA and AEC representation.

2. HAFERKAMP and SPAAK gave brief status report including little new information. SPAAK said goal was for basic agreement to follow INFCIRC 153 with as few changes as possible, mentioning EC appreciation that basic agree-
MENT WILL ALSO BE APPLICABLE TO INDIVIDUAL STATES.

PROTOCOL WILL COVER SPECIAL POSITION OF EURATOM.

SUBSIDIARY ARRANGEMENTS WILL INDICATE SPECIFIC APPLICATION OF GUIDELINES CONTAINED IN BASIC AGREEMENT. SPAAK AND HAIFERKAMP WERE HOPEFUL FOR SETTLEMENT OF REMAINING POINTS BEFORE END OF JUNE AND EXPECTED TO PRESENT TEXTS TO EC MEMBER STATES AT END OF THIS WEEK. THEY POINTED OUT, HOWEVER, THAT WHEN ACTUAL LANGUAGE BEING DRAFTED, THERE WAS INEVITABLE TENDENCY TO REOPEN BASIC ISSUES WHICH SENIOR NEGOTIATORS HAD ASSUMED WERE RESOLVED. SPAAK SAID THERE IS STILL DISAGREEMENT BETWEEN EC AND IAEA REGARDING BASIC PHILOSOPHY AND APPROACH WHICH HE HOPED COULD BE FINESSED THROUGH SKILLFUL DRAFTING.

SPAAK CHARACTERIZED ROLE OF AGENCY INSPECTORS AS INACTIVE OBSERVERS, ACCOMPANYING EURATOM TEAMS. HE SAID THAT AS OBSERVERS THEY WOULD BE ABLE TO OBTAIN INDEPENDENT

SAMPLINGS AND BE FREE TO SELECT ANY ASPECTS OF INSPECTIONS FOR OBSERVATION IN ORDER TO FULFILL THEIR RESPONSIBILITIES TO AGENCY IN VERIFICATION THAT ANY DIVERSION WOULD HAVE BEEN DETECTED. IN HIS VIEW THIS WOULD MINIMIZE DUPLICATION. IT WOULD NOT BE ACCEPTABLE FOR IAEA OBSERVER TO HAVE FUNCTION AS PART OF INSPECTION TEAM AS THIS WOULD IMPLY EURATOM UNABLE TO FULFILL ITS FUNCTIONS WITHOUT HELP OF IAEA INSPECTORS. HE IMPLIED THERE WAS NOT YET COMPLETE AGREEMENT WITH IAEA ON NATURE OF AGENCY PARTICIPATION. HOWEVER, HE VAGUELY INDICATED THAT UNDER SOME CIRCUMSTANCES AGENCY COULD SUPPLEMENT EURATOM INSPECTION WITH SOME OF ITS OWN.

FARLEY STRESSED THAT US FOR ITS OWN PART WOULD HOPE TO LEARN MORE ABOUT SPECIFIC TECHNICAL DETAILS OF IAEA-EURATOM ARRANGEMENT. HE NOTED THAT US EXECUTIVE BRANCH WOULD AT SOME POINT HAVE TO SATISFY ITSELF AND CONGRESS AS TO TECHNICAL ADEQUACY OF ARRANGEMENTS. HAIFERKAMP SEEMED APPRECIATE THIS NEED AND IN THIS CONNECTION MENTIONED POSSIBILITY OF CONSULTATION IN US-EURATOM SAFEGUARDS TECHNICAL WORKING GROUP.

HAIFERKAMP SAID THAT IN INTERIM BETWEEN AGREEMENT AND RATIFICATIONS, EURATOM AND IAEA WOULD DO EVERYTHING NECESSARY SO THAT FULL IMPLEMENTATION COULD IMMEDIATELY FOLLOW RATIFICATION BY ALL MEMBER STATES. IN RESPONSE TO QUESTION AS TO WHETHER ANYTHING
MORE COULD BE UNDERTAKEN DURING INTERIM TO ACTUALLY IMPLEMENT SAFEGUARDS, HAFERKAMP SAID. SITUATION FOR RATIFICATION IS VERY DELICATE, PARTICULARLY IN FRG, AND THAT ANY FORMAL INTERIM ARRANGEMENT CONCEEDING RIGHT OF PARTICIPATION AGENCY INSPECTORS MIGHT BE SEIZED ON BY NPT OPPONENTS AS ENCROACHMENT ON AUTHORITY OF VARIOUS NATIONAL PARLIAMENTS. HE FELT THAT BEST APPROACH, THEREFORE, WOULD BE FOR HIM TO INVITE VIENNA TECHNICIANS AND OTHERS TO BRUSSELS ON HIS OWN AUTHORITY AS EC COMMISSIONER FOR INFORMAL DISCUSSIONS AND CONSULTATIONS IN ANTICIPATION OF SAFEGUARDS IMPLEMENTATION. HAFERKAMP ALSO SAID RATIFICATION WOULD BE FACILITATED IF CURRENT NEGOTIATIONS BETWEEN EC AND US ON UPDATING COOPERATION 6. SPRINGSTEEN IN DISCUSSING INTERIM PERIOD AND RATIFICATIONS CALLED SOVIET DEMARCHE ON US FUEL SUPPLY TO EURATOM TO WHICH US WILL SHORTLY RESPOND. HE POINTED OUT THAT SOVIETS AND OTHERS MAY MAKE FURTHER CHALLENGES ON CONTINUED US SHIPMENTS TO COMMUNITY SHOULD RATIFICATION BY EC MEMBER STATES BECOME PROTRACTED.

7. SOME QUESTIONS WERE RAISED ABOUT HOW AGREEMENT WOULD BE CHARACTERIZED TO IAEA BOARD OF GOVERNORS BY EC MEMBER STATES. SPAAK DECLINED TO SAY WHETHER THEY WOULD TERM IT UNIQUE OR SPECIAL.

ROGERS