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RESTRICTED



MINISTRY OF DEFENCE
Main Building, Whitehall, LONDON S.W.1
Telephones: [redacted] ext. [redacted]

Our reference: FMP/687/72
Your reference:

3rd February 1972

Dear [redacted]

Peaceful Nuclear Explosions : International Observation

I should like to make one observation on [redacted] comments to you on this subject.

[redacted] suggests that one of the legitimate aims of observation might be to ensure that PNEs are not used for military purposes by the supplier, but he admits that it would be difficult if not impossible to prove that the nuclear weapon state was not using data from a PNE for its own weapons research.

Unfortunately, I have failed to ascertain from my copy of [redacted] partial redraft of the guidelines whether or not he has introduced such an aim into the guidelines. However, I should say quite simply that if we judge a thing is virtually impossible to verify (and I believe we do) then there is little point in including such a provision. The most that can be done is to verify that the nuclear device was exploded in fulfilment of its declared purpose; that is, the peaceful nuclear aim. That there may be some military bonus to the weapons state concerned will have to be accepted.

The derivation of weapons benefits, such as they may be, from PNE, will in any case only acquire possible significance in total CIBT regime. While underground testing for weapons purposes, (even if the number is quite limited) is still permitted, there would seem little or nothing to be gained from attempting to gain extra benefit from PNE. Additionally, the guidelines we are considering apply only to PNE in Non-Nuclear Weapon States. Is it proposed that tests in nuclear weapon states deemed necessary by them to develop the required PNE devices should also be subject to some requirement to verify that such explosions were solely for PNE?

Yours sincerely,

[redacted signature]

ACSA(N)

[redacted]
DTI (AE Division)
Millbank Tower
Millbank SW1

Copy to: [redacted] Cabinet
[redacted] AWED

~~CONFIDENTIAL~~

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2 February 1972

RP/D/01540

PEACEFUL NUCLEAR EXPLOSIONS (PNE) - INTERNATIONAL OBSERVATION

A good deal of detailed work has been done on providing technical information on the subject of PNE, for the benefit of IAEA in particular, and on studying IAEA's possible role in respect of them under the Non-Proliferation Treaty. All this has tended to be pursued through [redacted] (AWRE), as the United Kingdom technical representative on an (ad hoc?) IAEA Panel, with various comments from other sources according to the papers (mainly technical) circulated by [redacted] or from your office.

I have just seen [redacted] comments (FCO) on the draft memorandum and guidelines circulated by [redacted] (DTI) with his letter CW/59/080 on 6 December 1971 and on which I then sent along a comment. [redacted] comments are clearly the outcome of fairly close study of the whole subject ab initio rather than merely on the translation of a previously agreed Panel report into a set of operational guidelines. He raises two particular issues which I do not think can be dealt with satisfactorily by ^{this} correspondence. These are:

- a. What is to be the United Kingdom line on financing the international observation of peaceful nuclear explosions?
- b. What do we see as the real purpose of international observation, and how should we see it within the framework of our general attitude to peaceful nuclear explosions?

I would agree that (b) is fundamental and must be clear if satisfactory guidelines are to be formulated. The "could be" suggested in [redacted] paragraph 5 has of course been more or less our deliberate approach so far, perhaps for reasons of general scepticism about PNE prospects.

It thus seems to me that a stage has been reached when it is now necessary for some committee discussion on the broader policy issues underlying the proposed guidelines. If you, and others to whom I am copying this letter, agree I suggest that those issues requiring a Whitehall co-ordinated view be set out in a paper by either DTI or FCO, or jointly, for discussion in the NPO(G) sub-committee. Broad policy decisions on our attitude to PNE involvement have in the past been referred to the Official Committee on Nuclear Policy (NPO).

I am copying this letter to [redacted] in FCO, [redacted] in Ministry of Defence and [redacted] at AWRE.

Yours sincerely

[redacted]
[redacted]
Department of Trade & Industry

*CRA ✓ [redacted] 7/2
I would like [redacted] to
briefed on this topic
in the near future. Can
you arrange please. [redacted]*

~~CONFIDENTIAL~~

D/9/08

██████████ Esq
Department of Trade & Industry
(AE Division)
Millbank Tower
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GW/39/080

SMN 7/2

31
28 January 1972

PEACEFUL NUCLEAR EXPLOSIONS - INTERNATIONAL OBSERVATION

1. I enclose comments on the draft memorandum and guidelines asked for by ██████████ in his letter of 6 December 1971 to ██████████. In preparing our comments (with our Arms Control and Disarmament Department) we have borne ██████████ and ██████████ comments in mind. As you will see we have an open mind on some of the main points. In particular the basic problem of what the observation is for does not seem to have been clearly thought out and there are conflicting arguments on this.

2. Copies go to ██████████ and ██████████ for any further comments they may have. I understand that you will be considering and collating all our comments and will let us see a draft in due course.

██████████
Science and Technology Department

Copied to - Director via

see para 5 on 3rd page.

will discuss

these papers

LHC

FINANCE

1. The South Africans and the Swiss have commented that arrangements for financing observation should be clearly described in the Guidelines. We are not convinced of this. This could be a contentious issue and should therefore be kept out of discussion of the Guidelines at this stage. We agree that it would be useful for the UK to start to develop a line on this question now, so that we can influence IAEA thinking towards our view.

2. As [REDACTED] indicates in his letter of 18 November to [REDACTED], there are two alternative arguments:

- i. that observation is a service for which one or both of the supplier and recipient states should pay and
- ii. that it is a service for the general benefit which all members of the Agency should support.

We are inclined to support ii. on the grounds:

- a. as in paragraph 1(a) of [REDACTED] comments in his letter of 20 December, that such observation guards against breaches of the Non-Proliferation Treaty (NPT);
- b. in the light of our comments on Purpose of observation (my paragraphs 4-7 below), that, if observation is limited simply to paragraph 1 of the draft Guidelines, the difficulties mentioned in [REDACTED] paragraph 1(c) disappear and
- c. that the international Community's influence on the arrangements for IAEA's might be increased if the IAEA was made responsible for paying for observation.

However the arguments are by no means one-sided and we should perhaps accept a consensus view on the point.

PURPOSE OF OBSERVATION

3. This point is fundamental. There are various possible
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functions of observation, as is obvious from the comments in annex A to the Director-General's memorandum. Observation might cover the areas of:

- a. non-proliferation in the sense of Articles I and II of the NPT (Pakistani comment);
- b. ensuring that FNE's are not used for military purposes, such as the development by Nuclear Weapon states of nuclear weapons;
- c. health and safety (South African and Argentinian comments);
- d. liability in case of damage (Swiss comment);
- e. guarding against infringements of the Partial Test Ban Treaty (PTBT) (Danish comment).

4. Some of these suggestions raise particular difficulties. For example: with c. in paragraph 3 above there is the problem discussed by [REDACTED] in his paragraph 2 and also by [REDACTED] in paragraph 10 of his brief of 18 November 1970 for the UK representative on the IAEA Working Group on the International Observation of FNE's. With b. there is the point that it would be difficult if not impossible to prove that the supplying nuclear-weapon State was not using data from a FNE for its own weapons research.

5. The UK attitude to the various possible functions (listed in paragraph 3 above) and to the question how the guidelines should define the purpose of observation cannot be decided except in the framework of our general policy towards FNE's. It could be for instance that the consequences of a FNE programme for the prospects for the negotiation of disarmament measures (eg CTB) and for the implementation of the PTBT, will be thought so undesirable, and the commercial and other benefits of FNE's to the UK so minimal, that we should wish to go as slow over

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the implementation of a PNE regime as is possible without incurring the accusation of deliberately wrecking Article V of the NPT. These are policy questions to which we are giving renewed thought under the spur of the IAEA guidelines paper. If it is the case that PNE's are not in our commercial interest and would be undesirable on other (arms control) grounds, then there might be a Machiavellian case for making the guidelines as strict as possible and therefore for including as many as possible of the functions listed in paragraph 3 above in a definition of the purpose of observation. We tend to think however that the case for concentrating on the non-proliferation issue, since it is from the NPT that the requirement for international observation derives and since it now seems to be the general view that this should be the aim of observation, is acceptable. There are some risks that PNE's could have an adverse effect on the prospects for CTB or on the PTBT, but these problems can be dealt with elsewhere than in the guidelines for observation. Another reason for limiting the IAEA's functions narrowly is that we think that to widen it would be to involve the nuclear weapon states and the IAEA in an almost impossible discussion about the permitted areas of IAEA activity.

6. This approach would require that paragraph 1 of the guidelines should remain the sole definition of the purpose of observation. References in the guidelines to the "declared purpose" would have to be deleted to avoid ambiguity.

7. Having said this there is a perfectly good alternative view that legitimate aims of the exercise would include:

- a. The need to reassure Third Parties on a number of issues including point b. below, health and safety (in practical terms this would be limited to providing an ex post facto report on radioactive contamination, if any.

- b. the desire to minimize the risk of disclosure of weapon design information;
- c. the desire to verify, as far as is possible, that the PNE is used solely for a peaceful purpose;
- d. the need to avoid seeming to delay implementing Article V of the NPT.

PARAGRAPH 5 OF THE GUIDELINES

8. We do not understand the reasons for including paragraph 5, unless it is designed to protect the supplier and recipient States from incompetence or interference on the part of the Agency. We would like to have [REDACTED] views (and through him those of the Agency) on this paragraph; unless there is a good reason for its inclusion, it should be deleted.

PARAGRAPH 7 (d) OF THE GUIDELINES

9. We are not clear why [REDACTED] suggests (in his paragraph 9) that paragraph 7 (d) of the Guidelines should be deleted. For the purpose as defined in paragraph 1 of the Guidelines it would be at least of value as reassurance that "documents and materials" were under observation. If so, it would be necessary to specify precisely those items the observers should observe. These would presumably consist of:

- a. the device
- b. specified equipment
- c. specified documents

Surely the fact that such items are under observation does not mean that they need leave the custody of the supplier State?

OTHER COMMENTS ON THE DRAFT GUIDELINES

10. There should perhaps be included in the text of the Guidelines a paragraph similar to paragraph 9 of the Director-General's memorandum.

11. We have made a partial redraft of the Guidelines. The changes either are in manuscript or have been retyped. The changes do not cover points discussed above but include some of [REDACTED] comments (in his paragraphs 3, 4, 7, 8, 10, 11, (part of) 14, 16, 19, 20) and some of our own (described in my paragraphs 12-17 below) which are designed to clarify the draft.
12. The change in paragraph 3 (d) is to make it consistent with paragraph 3 (b) (see [REDACTED] paragraph 3).
13. It would seem logical to include the substance of paragraphs 9 and 10 in the general statement of the scope of observation in paragraph 6. Paragraph 6 is therefore redrafted and paragraphs 9 and 10 deleted.
14. Paragraphs 11 and 12 belong logically in the section on Character of Observation. Section C is therefore deleted.
15. The changes in paragraph 13 are designed to make the meaning tighter.
16. The bracketed phrases in paragraph 15 seem to be superfluous.
17. The change in paragraph 17 is designed to identify the areas of observation and reporting.
18. No doubt the IAEA are aware of the complication introduced by paragraph 18 of the Treaty of Tlateloclo, which allows for PNE's under a regime allowing for unrestricted access to any area.
19. I have relettered the Sections. Paragraphs would also have to be renumbered if the amendments suggested above were accepted.