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Mr. du PLESSIS (Union of South Africa): The support given to the provisions of article VI as they stand cannot but be gratifying to those who laboured so long and sometimes under such difficult conditions in the preparation of this draft statute. As speakers have pointed out, the balance achieved is a delicate one which should not lightly be disturbed. On the other hand, it is understandable that many believe that further improvements to this article could be effected. After having listened to the previous speakers, however, I incline to the hope that that article will remain as it was determined at the Washington talks.

As the representative of an African Power, I wish to refer specifically to amendment 6, sponsored by Egypt, Ethiopia, Indonesia and Syria, and amendment 5 sponsored by Liberia.

The object of amendment 6 is to ensure that Africa and the Middle East shall be represented by two seats in category three of the Board. As I stated in my general statement, my delegation is fully in sympathy with the thought that lies behind this amendment. During the Washington meetings, it was indeed our understanding that two of the seats in this category should go to the Middle East and Africa. This is still the understanding of my delegation, and it has been confirmed this afternoon by the representative of the United States of America. My delegation believes strongly, however, that it would be unwise to attempt to spell this out in the statute. For the reasons which have been so ably described by many previous speakers, we believe that nothing should be done to disturb the balance achieved at Washington, and this amendment would have the effect of disturbing that balance.

This is equally true of the amendment introduced by the representative of Liberia. The additional problem raised by the Liberian amendment is that it is more than usually difficult to define the borders between the Middle Eastern and the African regions. A number of countries situated on the continent of Africa traditionally have regarded themselves as part of the Middle East. I trust, therefore, that the representatives concerned will agree to allow the compromise arrived at to remain undisturbed.

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I now come to the amendment of the delegation of the Philippines, presented in document IAEA/CS/Art.VI/Amend.4. We understand the reasoning which has inspired this amendment. To anyone who reads it for the first time, article VI is one of the most cumbersome and involved provisions which has appeared in an international document. The representative of the Philippines quite logically sought to simplify it. The reasons for the apparent complexity of this article should however be clear to all. It took the Washington conference two months to build this formula clause by clause. As the representative of India said in his general statement, it will not be easy to alter any small part of the structure without having to change the whole. The effect of the Philippine amendment is precisely to remove one of the stones in the structure. If it took two months for twelve Powers to find a compromise, it will take this large conference far longer to devise an alternative. In fact I doubt very much whether an alternative can be devised.

I should now like to turn to the amendment submitted by Denmark and Iran, in terms of which contributions of members should be taken into account in designations before the Board of Governors. This concept is attractively simple on paper. I fear, however, that its simplicity is deceptive. The original draft statute devised in 1955 provided that the Board should be composed of the five most important contributors of technical assistance and fissionable materials; five more should be elected from the principal producers of source materials; six more members were to be elected by the General Conference. I would imagine that this reference to contributors of technical assistance and fissionable materials is the inspiration for the Danish and Iranian amendment.

This concept of contributors was found to be unworkable during the Washington discussions, and for that reason it was dropped. I shall seek to show some of the reasons why it is unworkable.

The statute makes provision for contributions of various kinds in articles VIII, IX, X and XIV. The contributions under article XIV will be the financial contributions of members to the regular budget of the Agency and any financial contributions which may be made to the general fund. The Danish amendment, however, refers only to contributions under articles VIII, IX and X, and clearly does not have article XIV in mind.

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Under articles VIII, IX and X, members will make available to the Agency information, special fissionable materials, source materials and service equipment and facilities. The information given to the Agency will of course be in the nature of a free gift. It is possible, too, that a part of the special fissionable materials made available to the Agency will be in the form of a donation. It is conceivable also that donations will be made of source and other materials and equipment. It is, however, not the purpose of the statute that the Agency function mainly on the basis of donations. The financing of atomic development will take place largely outside the Agency, and donations given to the Agency, if the Agency is a success, will not play the major role in its activities. Articles IX and X indicate what the role and the fundamental goal of the Agency is conceived to be. Article IX, paragraph A is designed to serve a threefold purpose. First, it is designed to serve a purpose related to disarmament. In President Eisenhower's concept, it would be a pool drawing off and sterilizing military supplies of fissionable materials, and thus promoting disarmament. The finances of such a procedure would have to be worked out at a later stage. In any case, it cannot be "contributions" in this sense which the framers of the amendment have in mind. The process is likely to affect very few countries if and when it becomes operative, and it is scarcely a factor which could be taken into account in designations for the Board of Governors from other regions of the world.

The second process envisaged in article IX, paragraph A and in articles VIII and X is to make it possible for members to make donations. I have already pointed out some of the difficulties in using this criteria for designations to the Board. There is a further practical difficulty. It would be well-nigh impossible to assess the relative value of information, fissionable materials, source materials and facilities. One cannot compare a pound of cheese with a sheet of music.

There is, however, a further sense of the word "contributions" which the sponsors of the amendment have in mind. The third, and from the point of view of most of us here by far the most important practical purpose of article IX, which is the crux of this part of the statute, is in a sense a commercial one. Article IX also provides that members may make available fissionable and other materials on a basis of reimbursement. In certain cases the materials may be called for by the Agency itself and paid for by it. In other cases the Agency may request that the materials be sent direct to Member States and paid for by them. By far the major

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part of these transactions will be on a strictly commercial basis. It is clear that the framers of this statute hope and envisage that a growing part, and perhaps one day the major part, of the world's trade in source, fissionable and other atomic materials, and perhaps too in plant and facilities, shall be conducted through the Agency or under its controls and auspices. This will be the major practical role of the Agency for a long time to come. A counterpart of this role will be the Agency's work of assisting members to make financial arrangements with other bodies. It was with this commercial and controlling role in mind that a different wording was given to article IX, paragraph A and paragraph B of the statute. Article IX, paragraph A, dealing with fissionable materials, provides that members may make them available on terms agreed with the Agency. It does not give the Agency the right to refuse these materials since such a right would be incompatible with the disarmament purposes of the Agency.

Article IX, paragraph B, does, however, give the Agency the right to refuse source and other materials. The reasons for this are obvious. If this provision were not there, the Agency might be severely embarrassed by contributions of source and other materials -- contributions, that is, at a price -- for which there was no immediate need or market. Large quantities of uranium oxide in an unrefined form might be of no use to the Agency in its early years. I ask: Should the contributions which are refused by the Agency be taken into account in designating members for the Board? When is a contribution not a contribution?

There is one further complication which the amendment seems to overlook. We all know that certain groups of prospective members of the Agency are negotiating for the establishment of regional atomic bodies. These bodies will not be directly under the aegis of the Agency. EURATOM is one of them. We all know, too, that such regional arrangements may contribute greatly to the advancement of atomic energy. They can thus be of much indirect benefit to the Agency. Are "contributions" between members of regional bodies nevertheless to be left out of account? Let us assume that a country which qualifies as one of the "big five" makes its major contribution through EURATOM. Is it therefore to be deprived of its seat on the Board of Governors?

I should like to refer again to this prime practical role of the Agency. At present the atom trade, if I may call it that, is entirely bilateral. There is no system of agreed controls. There is no regular pooling of effort and information.

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There is no central organ to assist the under-developed countries. It is to remedy these deficiencies that the Agency is being established. And if it is to succeed it must in time attract a substantial part of the atomic trade of the world.

Nevertheless membership of the Agency may impose grave and onerous obligations on the major Powers in the atomic field. In so far as they channel their trade through the Agency, they will be expected to assume commitments not normally found in commercial contracts. The decisions of the Agency in so far as they use it may affect their vital national interests. It is for this reason that the statute gives a special position to the leading atomic Powers in the world, and to the leading atomic Power in each of the major regions of the world. With changes in the pattern of atomic development there will be changes in the composition of the Board.

In a very real sense article VI does take into account the contributions of the member States. The contributions which are important for us here and to the world at large are those which contribute to the development of the peaceful uses of atomic energy. Without production of source materials, there could be no talk at this stage of the peaceful uses of atomic energy. Were it not for the output of the mines of the so-called producer countries, all the uranium available would still be exclusively appropriated for military purposes. There would be no stocks of fissionable materials which could be diverted to peaceful ends. In short, there would be no Agency.

Similarly, without the contributions of the major industrial Powers in developing the peaceful technology of the atom, there would be no need for an Agency. There would be no information to pool, no isotopes to use, no reactors to produce electricity.

Finally, I should like to direct attention to the amendment itself. I shall make no comment on a concept that seats on the Board should be in any sense open to the highest bidder as seats on a stock exchange, except to say that this, too, would introduce great uncertainty into the functioning of the Agency and might offer dangers of manipulation. It will be seen that the amendment affects only paragraph A 1 of article VI. It does not affect paragraph A 2, nor for that matter paragraph A 3, although, as the representative of Syria has rightly remarked, every member can make a contribution to the Agency. Why does it leave

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paragraphs A 2 and A 3 out of account? We all recognize that there is a reason for this omission. The Board represents a compromise -- imperfect and illogical in outward appearance, but designed to ensure the support of those countries and groups of countries without whose active support and co-operation the Agency cannot succeed. The change suggested by the representatives of Denmark and Iran would affect and disturb this compromise. My colleagues from Denmark, Iran and the Philippines are experienced and perceptive diplomatists. They will appreciate that there is much which cannot be said; but I am sure that they will understand the sense of what has been said and the issues at stake. For countries not represented at Washington, it must have been difficult indeed to perceive how fragile is the international agreement reached there. After this debate, I am sure they will perceive it. My colleague Mr. Serrano on a similar occasion earlier graciously withdrew an amendment. I appeal to the sponsors of both these amendments to reconsider them in the light of this debate and to conclude perhaps that these amendments should also be withdrawn.

Mr. HUPTI (Syria) (interpretation from French): May I make a few points with respect to the various amendments to article VI.

First as to Nationalist China's amendment, which is contained in document IAEA/CS/Art.VI/Amend.1, from the standpoint of form it is a definite improvement, and my delegation is in a position to support it.

As to the amendment of Egypt, Ethiopia, Indonesia and Syria, my delegation feels that it is a reasonable proposal. In the general debate, we had mentioned the inadequate representation of areas as vast and as important as the Middle East and Africa on the Board of Governors. We had pointed to the moral obligation to give to the members of the group of Asian and African countries adequate representation on the Board of Governors. In the debate, there were many references to the balance of the present composition of the Board, and we were told not to disturb this balance. We were also concerned over maintaining this balance. We feel, together with others, that the co-operation of certain large Powers is a prerequisite for the success of this endeavour. But we should like to make sure that the views of the large number of delegations whose sincere purpose it is to improve this balance be taken into account, instead of rejected with a sort of bored weariness.