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INTERVIEW

Controversial Nuclear Ban Treaty

Interview with Robert Margulies, European Atomic Energy Community (Euratom), Brussels

The non-proliferation of atomic weapons in the hopes of achieving worldwide disarmament is the general aim of the nuclear ban treaty; this has the support of many nations. However, discussion about the projected agreement has recently moved further and further away from the military sphere and towards the possible economic effects of the planned treaty structure. The anxieties and reservations expressed by many countries—in particular European countries—are directed mainly against control over the peaceful use of atomic energy in countries without nuclear weapons. The agreement to ban atomic weapons entails a large number of purely economic considerations. Foremost is anxiety about the unrestricted progress of research and development in the sphere of peaceful uses of nuclear technology in those industrial countries which are really very little concerned with the real purpose of the nuclear ban treaty. The following interview* may bring us one step nearer to an understanding of the economic aspects of the nuclear ban treaty, the full extent of whose consequences to research and industry cannot yet be foretold.

QUESTION: Mr Margulies, people in Germany and other European countries are following anxiously the negotiations of the Geneva Disarmament Conference, at which the USA and the Soviet Union are endeavouring to obtain agreement on the nuclear ban treaty. Countries which do not possess atomic weapons are becoming increasingly disinclined to sign this treaty. What are the reasons for this?

ANSWER: I think we must stress that most countries in Europe are quite prepared to accede to a treaty which would prevent the proliferation of atomic weapons, or at least render this more difficult. But what these countries do not want, and cannot accept, is anything that might compromise the peaceful application of atomic energy. This is the point upon which resistance to the draft of

Article III is concentrated, as drafted by the Americans, but not yet accepted by the Russians.

QUESTION: What are the provisions of Article III?

ANSWER: Article III transfers—and this is what appears to me to be the most important thing—the present discrimination between possessors and non-possessors of atomic weapons into the sphere of peaceful applications of nuclear technology. It lays down that all countries which do not possess atomic weapons and which accede to the treaty have to submit to the control of the International Atomic Energy Agency in Vienna. Any delivery of fissionable material to other countries may only be made subject to the control of the Vienna Agency. Nuclear powers, however, are not subject to such control. This is where it essentially differs from the Euratom Treaty, for the European Community is founded upon equality of its members. The solution found here was that all member states—both atomic and

ROBERT MARGULIES

is one of the personalities, who decisively have contributed to the reconstruction of Germany and the economic cooperation in Europe. Margulies, born in 1908 in Düsseldorf, was member of the Constituent Assembly in Baden-Württemberg and in 1949 was elected to the Bundestag. In 1958 he was delegated to the European Parliament in Straßburg, where he was appointed chairman of the Committee for Development Aid four years later. On July 22, 1964, the Federal Cabinet designated him German commissioner of the European Atomic Energy Community in Brussels. Besides this, Margulies who privately has been running a grain import firm since 1939, is member and chairman of numerous state and private organisations. He is for instance chairman of the Mannheim produce exchange, member of the board of directors of the General Association of the German Wholesale and Foreign Trade and member of the Political and Budgetary Committee.

*) The interview was arranged by Gerhard Schildmann and Dietrich Kebschull.

non-atomic powers—should submit to the same control over peaceful applications of nuclear energy. Thus a discrimination was avoided. In our opinion, the same solution should be chosen for the nuclear ban treaty.

QUESTION: How far does the draft treaty go in controlling production in non-nuclear states?

ANSWER: The first draft anticipated a very far-reaching control through the Vienna Agency. It covered base material, fissionable material and all installations—even those of a non-nuclear nature—for the use and processing of fissionable material. On the other hand, a new draft refers solely to control of fissionable material. This is, in principle, the same control as Euratom already exercises over its member states.

QUESTION: The planned treaty controls countries which do not possess atomic weapons. But who will control countries which do possess atomic weapons?

ANSWER: According to the draft, nuclear powers are also exempt from control over the peaceful uses of atomic energy. This solution is for instance illogical when American firms become active in non-nuclear states. There are a number of such cases already. These firms would then be subject to the control through the Vienna Agency. In order to avoid a discrimination, the nuclear powers should, in my opinion, voluntarily submit to the same controls over the peaceful applications of atomic energy as they propose for the states which do not possess atomic weapons.

QUESTION: Is there no danger inherent in these controls of industrial espionage by the controllers?

ANSWER: This is one of the old objections raised by the Soviet Union. For the last 40 years the Russians have regarded any type of control as industrial espionage. I do not know why we have adopted this prejudiced viewpoint. There is no reason why controllers from the Vienna Agency, who will

certainly be pledged to secrecy and will require recognition from the countries in which they are to control, should start off by being suspect of espionage.

QUESTION: Is control to be exercised only over production or is research to be controlled, too?

ANSWER: In controlling the use of fissionable material it is natural that the use of fissionable material in research establishments should also come under control. Euratom's control is restricted to supervising the registration of material and spot-checks are made by inspectors to establish whether the registered fissionable material is really there. These inspectors are invested with police powers, but never had to use them. No member state has ever objected to control by Euratom and this control has always functioned very smoothly.

However, the Vienna control is differently constructed. It will have to be amended if the ban agreement comes into force. Whereas the Euratom control is a comprehensive control for all uses of fissionable material throughout the member states, only the individual establishments are, or were hitherto, subject to control by the Vienna Agency. This means that the Vienna Agency has not only a certain authority to influence the construction of such plants, but it also follows the object controlled, no matter where it is moved to. This might cause considerable difficulties, particularly when material is moved to a country not subject to control by Vienna.

QUESTION: Would industrial firms in non-nuclear states still have any incentive to invest in this sector if their research and technical know-how were to be subjected to general control?

ANSWER: I feel we need to be clear about what is really involved here. Basic nuclear technology is certainly no secret. It is common property, as is the usual practice in scientific matters. All new knowledge is published, insofar as it is not subject to military secrecy. What the industry wishes to pro-

tect is its experience, its know-how. And I think, no-one can take that away from it

QUESTION: So there is no danger that firms in non-nuclear states could be forced into becoming second-rate producers in the field of peaceful applications of nuclear energy.

ANSWER: In my opinion, any such anxiety on the part of these firms is exaggerated. But there is one point which merits a particularly critical consideration. When a reactor is built abroad, this is admittedly lucrative business, but extremely competitive. Such a reactor requires a particular arrangement of fuel-elements. Thus in practice, when the technical apparatus is delivered, the delivery of the other equipment is part of the deal. It is relatively simple for the contractor to get this additional business, unless there is any revolutionary change in technique. Certain American firms, when competing over the construction of reactors, have argued that, in consequence of the nuclear ban treaty, non-atomic powers may possibly no longer be able to deliver the additional equipment—fuel in particular. This argument is incorrect, but since the potential purchaser of a reactor is not so precisely informed of the position, such practices naturally introduce "coarse" elements into the deal.

QUESTION: It is asserted that the treaty prejudices the economic interests of the signatories. Considered from the aspect of the ever-increasing importance of applications of nuclear energy, exports will in future be inhibited. I think that this is, in the main, speculation, which should be scrutinised in detail. To begin with such control will create expenses. Will these be charged to the industry subject to such control?

ANSWER: The costs of the Vienna Agency will be borne by the member states in accordance with an agreed scale. This would cover control costs, too. The main burden of costs will be borne by the USA. However, the Federal Republic will also subscribe a considerable share.

QUESTION: Deliveries of material for reactors in non-nuclear states require a special bill to be passed in the United States. Are we certain that non-nuclear states are able to obtain sufficient fuel without being forced to pay monopoly prices?

ANSWER: We must remember that it was the United States—in particular the US Atomic Energy Commission—which initiated the peaceful applications of nuclear technology in Europe and has continued to give these its support. It was the numerous agreements on exchanges of information between Euratom and the USA which first created the basis for peaceful uses of nuclear energy in Europe. By granting licences, it was American industry which first made it possible for European firms to follow-up this development.

Up to now, Europe has profited enormously from the generous attitude of the Americans. I refuse to believe that America's positive attitude has now undergone a complete change. In addition, there is a delivery agreement on fissionable material between Euratom and the USA which lasts until 1995. Americans cannot just tear up this agreement, under which, incidentally, we too have to be consulted. I am not of the opinion that the Americans would ignore the existence of an international treaty which they themselves concluded and which was ratified by Congress.

QUESTION: From the export aspect, reactors and deliveries of fissionable material are of extreme interest. Is it possible that, in the long term, exports may reach such a volume that their importance for our industry will increase considerably?

ANSWER: At present the European reactor building industry has reached an efficient level based on many years of work and a high level of public investment, as well as investment by the firms concerned. It is able to deliver atomic power works on competitive terms. But there are still insufficient orders. For this reason, every reactor planned becomes extremely

controversial. Whilst the USA currently has contracts outstanding for approx. 24,000 MW and Britain for approx. 8,000 MW, the European reactor industry has no orders at present. It is endeavouring, however, to obtain orders, for instance for reactors planned in Finland, Spain or Rumania.

However we, in Euratom, are firmly convinced that the current boom in the USA will certainly make its way to Europe, even if somewhat delayed. Soon we shall have full—if not over—employment in the reactor building industry.

QUESTION: What countries would then become the main purchasers of such reactors?

ANSWER: First of all, the industrialised countries of Europe: Germany, France and Italy. The role of young industrial states should not be over-estimated. Reactors being constructed now have a capacity of 500 to 600 MW. It is only from this size upwards that they are competitive with oil-fuelled power stations. But, in general, the young industrial nations are not in a position to buy such a volume of power.

QUESTION: The nuclear ban treaty would prohibit deliveries to non-signatories. Would this create a sort of embargo?

ANSWER: According to the draft, we may make deliveries only to countries which are prepared to submit to control. It was the idea of the treaty's initiators, however, that all the 93 states which are members of the International Atomic Energy Organisation in Vienna should accede to the nuclear ban treaty. This should mean that all countries interested in the exploitation of atomic energy would be included.

QUESTION: Would the nuclear ban treaty involve an entrenchment of current power relationships, where the USA almost has a monopoly?

ANSWER: They do, indeed, have a monopoly. For instance, there is practically no other source of enriched uranium, for light water re-

actors working on enriched uranium, than in the United States. But the Americans have been generous in supporting development; they have not only delivered the material itself but have, in fact, made it possible for their clients to buy uranium at a lower price than that at which it is currently on offer in the United States and to get it enriched in the United States on a job processing basis. I see this as a great concession, not as an entrenchment of its own position. The United States is in a strong position and will be so for many years, without needing to protect itself by manipulations of paper formulae.

QUESTION: If so many objections to the nuclear ban treaty can be set aside so simply, why is there anxiety—in Germany, mainly—about signing the nuclear ban treaty?

ANSWER: In Germany it was probably because people were afraid of being overridden by an arrangement, like the tube embargo, the contents and purpose of which were unclear. At the meeting of the EEC Council of Ministers on 10th April, 1967, however, it became clear that member states wished to adhere to Euratom. They want to accede to the Euratom Commission's wishes and make joint and constructive counter-proposals which must not, however, infringe the Euratom Treaty. I should like to hope that we can find a formula, together with the United States, which will enable all Euratom member states—perhaps with the exception of France—to accede to the treaty. The mentioned Article III must be formulated in such a way that it does not infringe the Euratom Treaty and offers an opportunity for an agreement between the Vienna Agency and Euratom.

QUESTION: Do you think that after the projected amendments the Soviet Union will still have an interest in signing the nuclear ban treaty?

ANSWER: Naturally we know very little about what the Soviet Union will do. Our direct partner

is the United States. It is therefore for the USA to get its partner to the contract—the Soviet Union—to recognise the plausibility of a changed formula.

QUESTION: In preparing the nuclear ban treaty, has the United States not overridden existing treaties like the Euratom Treaty and the Treaty between Euratom and the USA?

ANSWER: This has something to do with bureaucracy. The nuclear ban treaty has been handled by a completely different section of the State Department from the one which is responsible for the United States' European relations. But the Euratom member states have stated loud and clear, every time there has been any technical difference of opinion, if their ideas could not be realised, they were no longer interested in Euratom. The Americans might well conclude from such statements that member states would not place much importance upon the continued existence of Euratom.

QUESTION: According to Article 103, Euratom has to give its approval when agreements and treaties are concluded with third parties and which might prejudice the application of the Euratom Treaty. Will such permission be given to individual countries—to the Federal Republic, for instance—or will Euratom appear itself as a party to the negotiations?

ANSWER: Both alternatives will be used. Euratom has been consulted by the Americans under the Euratom-USA treaty and must give an opinion, which will naturally be reached in agreement with member states. When the stage of a draft treaty is reached—under Art. 103

this has to be submitted to the Commission before conclusion—the Commission can react in only one way in order to ensure observation of the Euratom Treaty.

QUESTION: What is your opinion about how the International Atomic Energy Agency and Euratom will co-operate in the future?

ANSWER: Already for years Euratom has tried to co-operate with the Vienna Agency. Hitherto, unfortunately, it has not succeeded in persuading its member states of the expediency of so doing. There is a series of technical matters where co-operation with the Vienna Agency could be useful for both sides. Information is already being exchanged between the Vienna Agency, and Euratom in the scientific sphere. Our experts attend performances of the Vienna Agency and experts from the Vienna Agency attend Euratom proceedings. So there is no rivalry or anything of that sort. Since the Vienna Agency works in the same sector as Euratom it would be easy to harmonise activities, the interests of each being protected, naturally. As far as control is concerned, the by-laws of the Vienna Agency offer a possibility of co-operation which would meet Euratom's wishes. Art. 28d says that the Vienna Agency may recognise the equal standing of a different international organ of control. This takes on a practical significance when states which have accepted the control of the Vienna Agency deliver nuclear material to states under Euratom control, or vice versa.

QUESTION: Military co-operation is, if not an essential condition, at least an incentive for closer

political and economic co-operation. According to the draft of the nuclear ban treaty, any co-operation in the military sphere between countries possessing atomic weapons and those without would be banned. Does this mean that co-operation inside EEC—particularly in respect of France—would be curtailed?

ANSWER: There is no outright ban upon co-operation. It is only the proliferation of nuclear weapons which is banned. This means that France must not deliver nuclear weapons to the Federal Republic. However, this provision in no way prejudices Euratom. The danger to Euratom lies in the risk that the nuclear ban treaty, in its present form—because of Article III—might blow up Euratom. In this case a boundary-line would be drawn across the Community, between France and the other members, the non-nuclear states. Naturally, if the Euratom Treaty were to blow up in this way there would be repercussions upon the Common Market.

QUESTION: What possibilities of escape would there be in such a case?

ANSWER: It is essential to avoid any sort of discrimination in connection with the peaceful applications of nuclear energy. The Euratom Treaty can serve as an example. In addition, it would surely be possible to agree upon a transitional period—but without stipulating any definite period—to build up regionally effective controls to be operated by Euratom within the nuclear ban treaty. This would be easy to do if the Vienna Agency and Euratom could agree to co-operate.



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