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NOTES ON THE "ATOMS FOR PEACE" PROGRAM

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(For Declassification of V)

*Smith's thoughts on*  
*AF P*  
*000024533*

January 12, 1956

1. The "Atoms for Peace" program has been extremely successful psychologically. It has created expectations concerning nuclear power and US assistance that will be hard to live up to.
2. Private US firms are already announcing plans for substantial nuclear power activities. These include the 11,000 kilowatt reactor Westinghouse will build for the Brussels fair and the three small power reactors American and Foreign Power will build for South America.
3. The present unfavorable economics of nuclear power sets the pace at which foreign atomic power activities can proceed. This lack of immediate economic incentive is helpful--we have serious problems of control of nuclear materials, security of information, and availability of nuclear fuel which we must work out. Time will help us on all of these.
4. At present the USSR has not made any move toward nuclear power assistance; instead they have followed our example on a smaller scale in research reactor and training assistance. Note that the power plant they have offered India is a hydroelectric plant.
5. At present the most important aspect of international atomic energy activities is the political and security aspect. Our International Atomic Energy Agency negotiations are crucial for the safe development of nuclear power abroad under controls to insure mutual security. The US should be prepared within 3 or 4 months to come up with substantial quantities of nuclear material to be made available abroad under the aegis of the Agency--if the USSR goes along with our IAEA thinking.
6. For most countries right now training is the most important assistance.
7. Research Reactors are useful only to countries with some technical competence. Countries like Pakistan, Colombia, Iraq, etc., can use even research reactors only on a long term basis.
8. The delay in resolving procedures for paying half the cost of research reactors has not really held up any foreign programs--though there have understandably been many inquiries as to what the amount and procedures would be.
9. Organizational arrangements:
  - A. The Secretary of State and Chairman AEC are responsible for implementing basic policy on atoms for peace as set forth in NSC 5507/2. The only specific provision regarding financial assistance in NSC 5507/2 relates to power reactors, and states that any such financial assistance will be handled under established foreign assistance programs. There are no present plans for financing power reactors abroad.

*Release in FOIA*  
*2008 does not object*

Department of Energy Declassification Review

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9. B. Agreement is reported to have been reached by AEC and ICA, whereby AEC will implement the President's offer of June 11, 1955 that the US pay one half the cost of research reactors built abroad.
- C. The FY 1957 ICA budget includes \$8 million for atoms for peace. This includes funds for research reactor assistance, AEC training programs--where ICA assists in processing--expert advice to countries setting up atomic energy programs, and similar activities.
- D. The Asian Nuclear Center is to be <sup>financed</sup> ~~signed~~ initially from the special fund for Asian developments.

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