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 EO 12958, Sec. 1.4 (b) (1.4 (b) 4)
 FPC/HDR by WJW 8 22 94
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STATE DEPT. DECLASSIFICATION REVIEW
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 EO 12958, 22X
 FPC/CR/DC by _____ Date: _____

10 August 1954

MEMORANDUM FOR: Mr. Roy Snapp, AEC
 Mr. Gerard C. Smith, State ✓
 Lt. Col. William Kintner, Defense

SUBJECT : Attached Memorandum re NSC 5431

1. The Director of Central Intelligence has authorized dissemination of the attached CIA/State memorandum dealing with aspects of the program proposed in NSC 5431, for the use of your principals at the meeting on this subject tomorrow, and for the Council meeting on Thursday.

2. The Director has seen the memorandum but has not approved its contents in detail. As stated therein, it has been approved by the Board of National Estimates and by the Office of Intelligence Research of the Department of State.

[Redacted signature box]

PAUL A. BOREL
 Acting Assistant Director
 National Estimates

[Redacted box]

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SPECIAL AGENT TO THE SECRETARY
 S/AE
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APPROVED FOR RELEASE DATE:
 11-Dec-2008

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CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

9 August 1954

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Political and Psychological Effects of a US Program
for Cooperation with Other Nations in the Peaceful
Uses of Atomic Energy*

ASSUMPTION

That the program would be as outlined in the draft report
to the NSC on "Cooperation with other Nations in the Peaceful
Uses of Atomic Energy", 4 August 1954.

CONCLUSIONS

1. The initial response of the Free World countries to
the proposed program would almost certainly be generally favor-
able, though the program would arouse fears and provoke criticism
from some elements in all Free World countries.

2. For the most part, the proposed program will not
cause participating countries to agree to commitments to the

* This memorandum was prepared jointly with and is concurred
in by the Office of Intelligence Research of the Department
of State.

SPECIAL ASSISTANT TO THE SECRETARY
S/AE

AUG 10 1954

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US in other fields, and the advantages which the US is likely to receive from the program will be in the form of good will. Moreover, the general political and psychological advantages brought the US by the program would tend to fall off over the longer term, although this decline would be mitigated to the extent that the momentum of the program could be maintained.

3. In some cases, intraregional fears and antagonisms would be sharpened if certain countries, e.g., West Germany, Japan, Israel, were selected to participate in the program and neighboring countries were not. Such conflicts would probably be lessened in most such cases if the US program established regional research centers and made them available to all qualified scientists in the region.

4. The Bloc would probably reject participation in the program and would probably attempt to counter it largely by propaganda means. Communist propaganda would probably not significantly affect the willingness of Free World countries to participate in the program.

DISCUSSION

1. General Response. The initial response of the Free World countries to the proposed program would almost certainly be generally favorable and would probably bring political and

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psychological benefits to the US. Many nations, particularly those which are more advanced scientifically, would regard the program as a long overdue relaxation of US policies of secrecy and exclusiveness in the atomic energy field and as a practical implementation of the President's speech of 8 December 1953. The underdeveloped nations would probably regard the opportunity to participate in the program as enhancing their prestige.

2. However, some criticisms will probably be made: (a) that the proposed program is too modest and is not commensurate with the resources of the US and the scientific capabilities of the more advanced countries or the needs of underdeveloped countries; (b) that it should provide for installation of power rather than research reactors, (countries which already have research reactors may argue that they are ready for the next step in their atomic energy development programs, and many backward countries will argue that their need is for a source of cheap energy quickly). There may be some instances in which the fact that the US does not propose to finance the entire program will cause disappointment.

3. It is also likely that some elements in some countries will voice fears that any association with the US in the exploitation of atomic energy will increase the chances that they

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will themselves become involved in atomic war. These fears will be played upon by Communist propaganda, but are not likely to have any decisive effect on any non-Communist government.

4. However, the program could probably be presented in such a way as to mitigate some of the above criticisms and fears if effective publicity were given to the uses of research reactors and the fact that the proposed program would not advance the military utilization of atomic energy except in an indirect and theoretical way. Informed foreign opinion would also probably recognize that work on the peacetime uses of atomic energy is still in the experimental stages and that the program would give participating countries an opportunity to train personnel who would be able to utilize the products of this research as they became available. The general reaction in underdeveloped areas may be more favorable to the United States if the offer is construed as a first step in a program to assist underdeveloped countries to obtain power reactors. Such an interpretation would, however, carry with it the expectation that the US or the international agency to be established would assist in solving the economic and financial aspects of programs involving power reactors.

5. Longer Term Reactions. There is some danger that over the longer term some countries participating in the program would become disillusioned as experience taught them the cost of maintaining an

atomic research program and that they would endeavor to persuade the US to make additional financial contributions; similar problems have been encountered in present technical aid programs. There might be some popular dissatisfaction due to the lack of tangible and spectacular benefits produced by the program, but this can be lessened by avoiding the build-up of excessive expectations. Nevertheless, the general political and psychological advantages brought the US by the proposed program would tend to fall off over the longer term, although this decline would be mitigated to the extent that the momentum of the program could be maintained.

6. Reciprocal Commitments. Most participating countries would probably expect that no political commitments would be attached to participation in the program, because of the President's emphasis in his "atomic pool" speech upon the fact that his proposal was being made for the general benefit of mankind. These expectations would be reinforced by the modest character of the program presently proposed. Moreover, those countries which supply the US with atomic materials would probably regard the US offers under the proposed program as no more than their due. In some cases the US might be able to get a modest quid pro quo by bilateral negotiations, particularly from countries which do not supply the US with atomic materials. For the most part, however, countries will not be willing to make commitments to the US in other fields and the

advantages which the US is likely to receive from the proposed program will be in the form of good will.

7. Multilateral vs. Bilateral Agreements. While the aims of the US program could probably be achieved, at least in part, through bilateral arrangements alone, a concrete US proposal for creation of an International Atomic Energy Agency affiliated with the UN would evoke a more favorable Free World reaction. Among other things, it would encourage those countries not receiving immediate benefits from the US to expect that they would benefit later through a multilateral spreading out of these benefits. Many countries would also anticipate that in an international agency they would have more leverage upon the US and be less directly committed to the US. At the same time a US proposal for eventual creation of an international agency would ease the way for prior bilateral agreements. Some Asian countries might prefer assistance via a UN agency to direct US assistance, but we believe it unlikely that any Free World country would on this account forego the benefits of aid direct from the US.

8. Individual Country Problems. Those countries which supply nuclear materials to the US will, like Belgium, almost certainly demand special consideration. They will expect US assistance under the proposed program as a quid pro quo for their continued supplying of such materials.

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9. In addition to the UK, France, Norway, the Netherlands, Belgium, Sweden, Switzerland, and Canada, all have fairly advanced atomic research programs of their own; some already have research reactors, and the others are building or planning to build one or more; some are working on power reactors. Most of them would probably be highly interested in benefiting from US technological assistance and in obtaining supplies of refined fissionable materials. West Germany could probably rapidly develop an atomic research program if present restrictions upon its activities in the atomic energy field were modified.

10. A second group of Free World countries which have less advanced atomic research programs, includes: Italy, India, Argentina, Brazil, Australia, the Union of South Africa, and Japan.

11. A third group of countries have demonstrated active interest in the development of atomic energy for peacetime uses, but have no programs of their own or are engaging in research of a peripheral nature only. These countries would require a greater degree of US assistance and support than those in the second group. They include: Israel, Yugoslavia, Spain, Portugal, Greece, Turkey, and Mexico. Most remaining Free World countries are either not actively concerned with atomic research or completely lack the necessary capabilities.

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12. Regional Problems. However carefully the proposed program is handled, there is likely to be dissatisfaction and discontent in some countries which do not immediately participate, either because they feel that the US has underestimated their scientific capabilities, or because they feel that there are special circumstances which justify their inclusion in the program at an early stage. In some areas, intraregional antagonisms may be sharpened if certain countries are declared eligible to the exclusion of others. This factor will be particularly important if it proves difficult to demonstrate the complete dissociation of a program for the use of atomic research reactors from any increase in military potential. The establishment of an international organization under UN auspices for the administration of research done under the proposed program would tend to allay the fears and suspicions that may be created by the construction of an atomic research reactor in one country in regions where there is great sensitivity to any changes, real or surmised, in the balance of power. Such regional problems might also be overcome if regional research centers were set up to utilize the research reactors constructed under the proposed program.

13. If Argentina and Brazil were the only countries declared immediately eligible in Latin America for participation in a reactor program, their neighbors' fears would probably be aroused,

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and if a reactor were constructed in only one of those two countries, the other would probably react unfavorably. However, the creation of regional tensions could probably be minimized if facilities could be provided for qualified scientists from all the Latin American countries to work with a research reactor constructed in some suitable location.

14. Israel and Turkey are the only states in the Middle East which have the scientific capability to participate in a reactor program. Construction of a research reactor in Israel, however, would arouse strong adverse reactions in the Arab states, and it would not be feasible to set up a regional research center in Israel. The establishment of a regional research center in Turkey would produce a mildly favorable response in the Arab states and would permit some form of participation by all states in the area, save possibly Israel.

15. In South Asia, India's response to the offer of a research reactor would be enthusiastic because of that country's great need for scientific and technological progress. The political and psychological benefits to the US would, therefore, be considerable, but they would not be a determining factor in India's general political orientation. India would be unlikely to agree to any direct concessions to the US in exchange for the opportunity to participate.

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Moreover, while the reaction of most other South and Southeast Asian states would be favorable, Pakistan, which has established close ties with the US, would react adversely if India alone received US assistance. Pakistan's reaction would be less adverse if a regional research center (perhaps for all the Colombo powers) were established, even if this were located in India.

16. In the Far East, Japanese participation to the exclusion of countries like Indonesia, the Philippines, and South Korea would create misgivings in the excluded countries. Creation of a regional center, however, would tend to mitigate this reaction. Despite the high cost of power in Japan there has been only limited interest in atomic energy development in that country, and moreover, memories of Hiroshima and the recent thermonuclear experiments in the Pacific have produced a wary public attitude toward atomic energy matters. There would be divided counsels in Japan on the benefits of the proposed program, but the net reaction would probably be favorable.

17. An important regional problem would be created in Europe by the uneasiness of other countries if the US decided to support an atomic energy program in West Germany. There already exists in Europe an international organization formed for the purpose of cooperative action in the atomic energy development field. Some

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European states would probably prefer to see US assistance under the proposed program go to this organization, rather than to individual states.

18. Soviet Reaction. The USSR, for reasons of both prestige and security, would probably reject participation in the proposed program. It is also unlikely that the USSR would seek to counter the US offer by indicating that it too was willing to help supply atomic reactors and technicians to underdeveloped countries. At most, Moscow might report with considerable fanfare the establishment of atomic reactors in the Satellite states or Communist China, citing the conditions of their establishment as exemplifying correct relations among sovereign states.

19. The Soviet Union would probably rely primarily on propaganda to counter or "expose" the US program. Moscow would stress above all else that the US was seeking to divert public attention from the major international problem of banning the use of nuclear weapons. It would minimize the significance of the US proposal, arguing that only with agreement to prohibit nuclear weapons would sufficient nuclear fuel be diverted to the peaceful use of atomic energy to be of substantial economic benefit to other nations. It would point out that the US planned to continue the full scale production of atomic weapons. The proposal, it would be charged,

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is a direct descendant of the Baruch Plan and, as such, is designed to secure US control over atomic research and production throughout the world. Nevertheless, we believe it is unlikely that such a propaganda assault would significantly reduce the US program's appeal to the Free World or would diminish appreciably the benefits which the US would receive.

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PAUL A. BOREL
Acting Assistant Director
National Estimates

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