SECOND INTERIM REPORT OF THE
WORKING GROUP ON DISARMAMENT POLICY

Attached is the second report of the working group on disarmament policy.

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Attachment:
Second Report.
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SECOND INTERIM REPORT OF THE WORKING GROUP ON DISARMAMENT POLICY

1. The working group on US Disarmament Policy, consisting of representatives of the Departments of State and Defense, the Atomic Energy Commission, the Central Intelligence Agency, and the Office of the Special Assistant to the President (Dr. Killian), established on April 7, 1958 by the Special Cabinet Committee on Summit Preparations, made an interim report on April 16 assessing the adequacy of existing disarmament policy and the opportunities for new US initiatives in this field.

2. In its first report the working group presented certain conclusions with respect to present US disarmament policy as a whole and cited specific proposals with respect to nuclear weapons tests made by representatives of the Departments of State, Defense, CIA and AEC. The group recognized that the question of separation of the nuclear test issue from other elements of a disarmament agreement must be resolved at a higher level of the US government. It further recognized that other areas of US disarmament policy were equally important and should be examined and reformulated. Accordingly, the group reported that pending a decision on the nuclear test issue, it would continue to review other aspects of the US disarmament position with a view to determining what specific modifications might be recommended.

3. Since the date of its last report the working group has considered in four meetings (April 17, April 18, April 22 and April 24) other major aspects of disarmament policy in the broad categories of nuclear provisions, inspection against surprise attack, reductions in armaments and armed forces, and proposals relating to missiles and outer space. Although the group has not completed its work, a status report on the proposals for policy changes thus far submitted by departmental representatives along with preliminary comments on these proposals is presented at this time in view of the fact that some of the members of the Cabinet Committee will be departing shortly for the Copenhagen meeting of NATO Foreign Ministers. These proposals and views have not been approved as official positions of the departments concerned and are not submitted at this time for decision by the Cabinet Committee.

4. Attached as Tab A is a summary by major categories of views of departmental representatives as discussed thus far. The texts of proposals and comments submitted to the working group are attached as Tab B. The working group is continuing its work along lines previously reported.
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I. NUCLEAR PROVISIONS

Proposed Changes:

State - The proposed policy permits a two-year test suspension separate from non-nuclear measures. Prior agreement to the production "cut-off" would not be required, but continuation of the suspension after a two-year period would be conditioned upon agreement on an adequately inspected production "cut-off", with the US declaring at the outset its intention to resume testing if the above condition had not been met. The US would declare that, if tests were resumed, we would conduct them underground so that no further radioactive material would be put into the atmosphere.

The new policy permits agreement on a "cut-off" as a separate step.

Regarding methods of implementing a "cut-off", present policy provides that all future production be devoted to non-weapons purposes, including stockpiling -- which assumes permission to set production rates at present or even higher levels, so long as production is not used for weapons. The new policy permits the additional alternatives of (1) closing existing production facilities, with non-weapons use needs to be met from past production, or (2) retention of only those production facilities needed to meet expected non-weapons use requirements for, say, the next ten or fifteen years.

CIA - The CIA feels that it would be to the advantage of the US to announce a short unilateral cessation of the production of nuclear material for weapons purposes. This would emphasize the importance which we place on cessation and put pressure on the USSR on this issue. In view of the great future demand in the US for nuclear material for peaceful purposes and the stock of nuclear weapons already available we believe that the US could take this action without jeopardizing US security.

CIA recommends that the clause prohibiting transfer of nuclear weapons be dropped on the grounds that the Soviets probably have more reason to fear the transfer of nuclear weapons than we do.

Atomic Energy Commission - The Atomic Energy Commission does not favor an agreement providing for the suspension of nuclear testing independently of other provisions of the June 11, 1957 NSC Policy Paper on Disarmament. The Commission believes that any agreement dealing with the testing of nuclear weapons should be tied in with one or more of the other important US disarmament proposals.

The Atomic Energy Commission recognizes the fact that US security depends not alone on our military strength but also on international alliances and other political factors. If there must be a suspension or
limitation on nuclear testing, the Atomic Energy Commission believes that the United States should agree to a program of limitation on nuclear tests in lieu of any temporary or complete suspension of tests. The AEC, therefore, has informally approved the following modification of the present US position on nuclear tests:

(a) unrestricted testing underground to be allowed under international monitoring necessary to insure containment and with advance notice of all test explosions.

(b) restricted testing aboveground to be allowed under international inspection and with agreement that no test explosion of more than 100 KT would be made, and that not more than 20 test explosions would be held in any one calendar year by any nation.

Comments on Proposed Changes:

State - A post-HARDTACK test suspension is in our interest because it would tend to preserve the substantial lead in weapons technology we will have after HARDTACK; establish significant inspection posts behind the Iron Curtain; and inhibit Nth country nuclear capabilities.

The test issue is probably the most difficult psychological issue we face in foreign affairs. Foreign and domestic pressures for a test cessation will continue to increase, in part due to the forthcoming UN Radiation Committee report. Within a year or two we will face a majority UN resolution calling for a separate test ban. Moreover, passions aroused abroad by this issue constitute a threat to the security of our military base system. Also the new policy would deprive the Soviets of their chief diversionary tactic in disarmament negotiations, enabling us to focus world opinions on more significant disarmament issues.

If the proposal includes underground testing only in case of resumption, it would help to meet the health issue.

A "Cut-off" would preserve our present stockpile lead, and would stop the development of Nth country nuclear capability. Since such a proposal, by itself, is probably unacceptable to the USSR, armament and force level reductions we would accept if a "cut-off" were agreed to are proposed.

The alternative "cut-off" methods would, in the case of a complete shutdown, drastically reduce inspection needs; or if limited production facilities were retained, would reduce such needs to proportions acceptable to the US and even possibly the USSR. It is unlikely that the USSR would accept a "cut-off" at an early stage so long as it is framed in terms requiring very comprehensive inspection. US and Free World non-weapons needs for fissionable material for the next ten to fifteen years do not appear to require existing large production capabilities.
Atomic Energy Commission - The AEC representative prefers the wording in the June 11, 1957 Policy Paper on Disarmament with regard to the cut-off of nuclear production to that contained in paragraph 2.a of the State proposed change. The AEC representative believes that the State Department proposal would imply that closing down production facilities is the most desirable way to insure that no future production of fissionable material is used for weapons purposes. Present estimates of future domestic and overseas requirements for fissionable material for peaceful purposes will require the continued operation of most US production facilities. Under these conditions, all that could be said about closing down such facilities is that each contracting party should have complete discretion to operate them or to close them down. That option is, of course, available to any country at the present time. AEC sees no advantage in including an optional provision to close down facilities.

The AEC representative invites attention to the note following this paragraph (Paragraph 2 of the State proposal) which states that the obligations under this provision will not affect the use after the cut-off date of fissionable materials on hand at that date to maintain weapons. This would require the operation of certain production facilities for the purpose of producing material to be used in maintaining weapons in stockpile. The AEC considers this requirement as vital to the maintenance of an effective stockpile and could not support any provision of a disarmament agreement which would prevent this requirement from being fulfilled.

The AEC representative calls attention to the hiatus in the steps proposed in paragraph 5 of the State paper in that no provision is made to specifically deal with the situation arising if the effective date for the cut-off of production is later than the expiration of the agreed period for the suspension of nuclear testing.

The AEC representative objects to the provision that, if tests were resumed, they would be limited to underground tests, on the ground that this is too restrictive. Provision should be made for aboveground testing under the limitations suggested by AEC as outlined under Proposed Changes.

CIA - The provisions of this section of the State Department paper should convince the majority of our allies and uncommitted nations that we are striving for a sound and reasonable solution to the nuclear problem. The period of a test suspension should provide a clear opportunity for the rest of the world to judge whether the Soviet Union is sincere in its alleged desire for a relaxation of tensions. Furthermore, continued delay in the adoption of a test suspension by the US provides additional opportunity for the USSR to withdraw from its unilateral suspension. If this were to happen, the USSR could then advance the argument that it was forced to withdraw by US intransigence and "warmongering." This would give the USSR double propaganda mileage out of their unilateral test suspension.
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Defense - The Department of Defense representative does not concur in the proposal that, independently of agreement on other elements of a disarmament program, the US should agree to refrain from nuclear weapons testing. He considers that the suspension of nuclear testing should, as a minimum, be linked to measures for the control of production of fissionable materials and for the prevention of great surprise attack.