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(GC(XIII)/400)

### FUND OF SPECIAL FISSIONABLE MATERIALS

#### Note by the Director General

1. At the end of the background paper which the Board of Governors has provided for the General Conference's discussion of a fund of special fissionable materials<sup>1/</sup>, the Board has referred to inquiries that were sent earlier this year to the major suppliers of such materials, indicating that the Director General would bring to the Conference's notice such replies as he received to those inquiries.
2. By noon on 23 September two such replies had been received and are reproduced below.

#### Text of a letter received from the Governor from France

"AIEA 69/226 MPL/jm

"26 June 1969

"In your letter of 16 May 1969, you asked me to inform you if the French Government would be prepared to supply special fissionable materials on a commercial basis and furthermore to make such materials available for the Agency's special fund.

"Document GOV/1348 of 4 June 1969<sup>2/</sup> clearly indicates that this fund is amply stocked at present, especially in view of the rate at which fissionable materials have been used since its inception. In the circumstances, it would appear that the fund will be able to meet the foreseeable needs of Member States for a long time to come.

<sup>1/</sup> GC(XIII)/409, para. 19.

<sup>2/</sup> This document is for restricted distribution.

"Nevertheless, as you know, the French Government has always given the closest consideration to all possible ways of helping the Agency, and I can assure you that the same attention will be accorded to any request which cannot be met from the Agency's fund of special fissionable materials."

Text of a letter received from the Resident Representative of the United States of America to the Agency

"12 August 1969

"I am writing in response to your letter dated 13 May 1969 concerning the availability of special fissionable materials through the IAEA and inquiring about the supply of such materials by the United States. Specifically, you inquired about the possibility of additional United States contributions of materials being made to the existing special fissionable materials fund and whether all terms and conditions applicable to bilateral transactions also apply to materials supplied through the Agency.

"At the outset, I should like to say that I believe the record of the United States in providing fissionable materials, notably enriched uranium, to other countries under attractive conditions for use in peaceful nuclear projects is widely known. As you noted in your letter, the United States has already allocated, pursuant to the United States-IAEA Agreement for Co-operation (which entered into force 7 August 1959)<sup>3/</sup> 5 070 kilograms of uranium-235, of which only approximately 50 kilograms has been used thus far, principally for fueling research reactors and for other research purposes. Of the three kilograms of plutonium and 0.5 kilograms of uranium-233 allocated for Agency activities by the United States, 1.3 kilograms of plutonium and 0.5 grams of uranium-233 have been used.

"All of the materials supplied through the Agency have been subject to the same terms and conditions as are applicable to materials which are transferred bilaterally for similar purposes. However, a major advantage associated with materials supplied through the Agency has been the \$50 000 gift of materials, now totalling in the aggregate \$500 000, which the United States Atomic Energy Commission has made annually to the Agency since 1959 to assist and encourage research on peaceful uses or for medical therapy. Fourteen member states of the Agency have thus far received gifts of material in accordance with this offer.

"You also noted in your letter that United States' supply policy now provides for the possibility of (a) long-term supply up to 30 years, (b) toll-enrichment, and (c) supply of enriched uranium inventory up to five years in advance of actual needs, and that these provisions are not reflected in our current agreement for co-operation. While these more recent terms and conditions are not as yet reflected in our agreement with the Agency, it should be noted that they are primarily relevant to special fissionable materials for use in power reactors. To our knowledge, no requests for fueling such reactors have as yet been made to the Agency, nor has the Agreement for Co-operation been a limiting factor in the use of the Agency as an intermediary for fueling

power reactors. It is the normal preference of my Government to include the most current terms and conditions in agreements in response to proposals related to specific power projects, in view of varying needs of individual countries for fuel quantities and supply arrangements and of the need for my Government to maintain a realistic allocation of its capacity for the production of enriched uranium. My Government is fully prepared to consider requests for special fissionable materials through the Agency for power reactor projects under the same terms and conditions that are applicable to the supply of materials bilaterally.

"In summary, based on requests received thus far by the Agency for special fissionable materials, all of which have been for research reactors or research purposes, the quantity of materials that the US has thus far committed to the Agency would appear to be more than adequate, although as stated above the US is fully prepared to consider requests for material for specific power reactor projects. The US has supplied, and will continue to supply, materials through the Agency on the same terms and conditions as materials that are supplied on a bilateral basis for similar purposes."