

Bruxelles, le 14 juillet 1958.

EURATOM

La Commission

Relations Extérieures

Library Copy

EXTRAIT DU "FORUM MEMO" JUNE, 1958

Q & A: AN EXCLUSIVE MEMO INTERVIEW WITH EURATOM PRESIDENT

LOUIS ARMAND

(Each month the MEMO interviews a leading newsmaker in the atomic energy field. This month it is Louis Armand, President of the six-nation European Atomic Energy Community with which the United States proposes to undertake a joint power reactor construction program calling for the installation of one million kilowatts capacity in the Euratom countries by 1963.-Ed.)

Q: The pending U.S.-Euratom agreement is regarded by many here as the greatest step forward the U.S. has taken so far toward the peaceful development of the atom in the international field. How do you foresee its effects in Europe, (a) technically, (b) economically, and (c) politically?

A: (a) On the technical plane, the agreement enables us to pass directly to the realization of power stations equipped with reactors using enriched uranium and cooled by boiling or pressurized water, whereas, in our own countries, up to the present, electric power stations have been equipped only with gas-cooled natural uranium reactors. We consider this an advantage because the actual state of nuclear technology demands that we proceed in several directions at the same time. Further, we are convinced that the simultaneous use of the two techniques will improve them both.

(b) On the economic plane, American cooperation will accelerate realization of the first nuclear power stations in Europe and will speed up the process of equipping industry. The prospect of this agreement, following numerous visits by European industrialists to the United States, has stimulated industrial circles. On the whole, American action can catalyze the start of equipping Europe with nuclear energy.

(c) On the political plane, the agreement will reinforce not only European integration, but also Atlantic solidarity, and it is occurring very opportunely at the present time. This will be the first time that the United States and Europe have worked so closely together in the industrial and scientific field and I think it will be an historical example of very great importance for the future.

Library Copy

Q: The agreement calls for installing nuclear power plants delivering one million kilowatts of electricity by 1963. In view of this, do you still regard the "Target for Euratom" objective of 15 million kilowatts by 1967 as a realistic goal?

A: The aim of the joint program is to set up in the Community by 1963 an installed nuclear capacity of about one million electric kilowatts in the form of reactors of tried types on which research and development has been carried to an advanced stage in the U.S., and thus substantially to increase the total capacity envisaged in the framework of the programs underway in the member states. This Community capacity can be estimated at about 4,000 megawatts installed by 1965. United States cooperation will certainly increase this figure.

It is not possible to say at this time how much installed power we will have attained by 1967 under the impetus of Euratom. Probably the objective of 15 million kilowatts proposed by Messrs. Etzel, Giordani and myself will not be attained. We proposed this objective to our governments more than one year ago, but they have not yet had the opportunity to take it into consideration, thereby causing a considerable delay at the very outset. Then again, the following factors have resulted in slowing up of the nuclear effort: the financial difficulties of certain countries, confirmation of France's hopes about oil in the Sahara, and higher costs for the nuclear power stations than had been originally planned.

As for primary costs, we hope that the power stations of the joint U.S.-Euratom program will afford us more favorable terms, so that the final date of realization of the objectives of the "Three Wise Men" will be retarded by only a few years.

Q: According to what we know about the pending U.S.-Euratom agreement, it is not clear to what extent the power utilities in Euratom countries will participate. Do you see any problems arising in connection with gaining their support and their direct financial participation? In the same vein, is there any danger that because of direct financial participation and support by Euratom and by member nations the long-range Euratom effort may become predominantly a "nationalized" program?

A: We believe that the program is sufficiently attractive to interest the electricity producers of the Euratom countries in participating in it. These producers know that sooner or later they will have to produce electricity from nuclear energy. Even if it cannot immediately be obtained at the same cost as electricity from conventional sources, the agreement offers the means of starting nuclear energy production with the financial risks reduced and rather precisely limited.

As you know, the reactor-building program is complemented by a large research and development program. This is probably its chief advantage from the producers' point of view, even if it is a fairly long-term one. Indeed, this is what holds out the hope that investment costs, as well as fuel costs, may be considerably reduced in a few years from now. Here I should like to stress that nuclear power stations, unlike conventional power stations, can profit greatly from the technological progress that accompanies and follows their actual construction.

As regards direct financial participation by electricity producers, this raises no problem up to the level of costs equivalent to those for a conventional power station. The remainder of the costs are partly covered by a loan which would be made by the United States government; but there will still be a certain fraction for which other finance will have to be found. While this residual capital may be raised with government aid in some of our countries, that by no means implies a socialization or nationalization of the program, any more than does government support in the United States such as amortization facilities, tax exemption, etc.

Finally, I should like to emphasize that Euratom will not participate directly either in the building or in the financing of the power stations; that will be the task for industry, possibly assisted by the governments. Euratom will only be an intermediary, offering its good offices. As is stated, in fact, in the preamble to the Memorandum of Understanding: "The joint program must be conducted so as to obtain the maximum support of the industries of the Community and of the United States. Indeed, their active participation is truly indispensable to the success of the program." To sum up, Euratom and the joint program will not socialize industry but will bring it help and assistance without modifying its present structure.

Q: Under the joint program, Euratom undoubtedly will "import" a considerable amount of U.S. technical knowledge. Do you think that Euratom will also import substantial amounts of nuclear power products made in the U.S.?

A: It seems clear that, in the framework of the program, European industrialists will import nuclear products from the United States, including fuel elements. But it is very difficult to predict the likely amounts of such imports at this stage. Besides, Euratom industrialists will remain perfectly free to import as much or as little as they wish.

Q: Among the reactors developed in the U.S. is there a preference in Euratom for the PWR or BWR type? Will the joint program concentrate only upon water-type reactors using enriched uranium?

A: Euratom does not have an a priori preference as between PWR or BWR reactors. It is possible that other types of reactors will also be adopted to realize the joint program.

Q: How would you compare the quality of safeguards and controls to be enforced by Euratom on the use of special nuclear material with those now in force in the U.S. bilateral agreements?

A: One of the Commission's first duties under the Euratom treaty is to set up an absolutely watertight control system. The Euratom control system will be the first concrete step on the road to a truly international control since it will be an effective system of mutual control - that of a multinational community with reciprocal control and surveillance. By its

very existence and efficacy it will serve as an example and will favor the objectives of the International Atomic Energy Agency control system. It will be established according to the criteria which have been agreed upon between Euratom and the American government, based on the principles of the Euratom treaty, of the I.A.E.A., and of the bilateral agreements of the U.S. In order to benefit from the United States' extensive experience in this field, Euratom has asked the U.S. government to help it in setting up and operating its control system. Thus the control system set up by common accord gives the U.S. an even stronger guarantee than they could obtain at present under any bilateral or international agreement.

Q: Do you envisage eventually a similar joint program with the United Kingdom?

A: The United Kingdom has appointed as its representative to Euratom Sir William Meiklereid, its representative to the European Coal and Steel Community, and has expressed its desire to begin discussions with Euratom with a view to a cooperation agreement. At the moment, of course, it is too early to say just what this future agreement will contain.

Q: In view of the institutional relationships Euratom enjoys with the Common Market and the Coal and Steel Community, do you plan to encourage the integration of the Euratom Commission's activities with those of the other two executive branches as a means of speeding the economic and eventual political integration of Europe?

A: There is close collaboration between the three Communities and between their executives. The proof of this can be seen in the contacts already established between the members of the High Authority of the ECSC and of the two Commissions, for example, on the subject of establishing joint services, on the means of working out a joint energy policy, on joint participation in the studies, preparations, and negotiations for the "Free Trade Area" project in its nuclear aspects, etc. It is still too early to work out in definitive form all the details of this cooperation and common action, which will vary according to the various ends and means in question. But we too are convinced that the three European Communities must not be isolated one along side the other, but that they must blend one day into THE European Community.