

# DEPARTMENT OF STATE

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STATEMENT BY UNDER SECRETARY OF STATE FOR ECONOMIC AFFAIRS  
C. DOUGLAS DILLON AT THE HEARING OF THE JOINT COMMITTEE ON  
ATOMIC ENERGY ON EURATOM AGREEMENTS AND EURATOM LEGISLATION  
TUESDAY, JULY 22, 1958

I should like to express at the outset the regret of the Executive Branch at the late date at which this program has been submitted to the Congress. The schedule, unfortunately, was beyond our control. The new Community did not come into existence until January 1, 1958; it was born without a staff and further labored under the difficulty that M. Armand, the EURATOM President, fell ill and only recently returned to the Commission. However, in something over four months an almost miraculous job has been done by the new Community in gathering a staff and in organizing its resources which enabled the Community to work effectively and quickly with the United States in developing the comprehensive joint program now before the Committee. As the President stated in his message to the Congress, both the Department of State and the Atomic Energy Commission consider it of the greatest importance that the program be acted upon affirmatively by the Congress prior to the adjournment this summer. In subsequent testimony, the Department of State and Atomic Energy Commission representatives will endeavor to make clear why urgent action is necessary to maintain the momentum which has now been developed in Europe.

A striking aspect of the joint program is the combination of practical and political appeal. The fundamental strength of the program is that it is rooted in the benefits to the enlightened self-interest of both parties. The element of self-interest is not to be excused; it is a guarantee that the program will lay the basis for healthy and fruitful cooperation between America and Europe.

The Agreement represents the confluence of two important historic developments: First, the peaceful application of atomic energy, a policy high among the objectives of this Government; second, European unity, a result of European inspiration and a development on which the United States has looked with great interest and favor. Certainly, bearing in mind our own history with the unification of the Thirteen Colonies in the Eighteenth Century, what American can be unresponsive to the gradual process unfolding in Europe and the movement to amalgamate the great strength and historic traditions of the six countries?

There are, of course, specific advantages of special interest to the United States. The representatives of the Atomic Energy Commission will speak to the significant advantages we, and particularly American industry, will gain from this large-scale, cooperative effort to harness the atom for the production of economical nuclear energy. In this connection, EURATOM is unique in having a political status, including certain of the sovereign attributes of the state, which permits us to deal with it bilaterally. Combined with this political status is the scientific, industrial, and financial potential of six of the most developed nations in Europe. The successful implementation of the program will help maintain Western leadership in the peaceful uses of atomic energy. The continuing attacks on EURATOM by the Soviet Union would seem to indicate that they draw the same conclusion.

The higher conventional fuel costs in Europe than in the United States mean that atomic power will be economic in Europe before it is in the United States. United States progress in reactor research and development makes it possible and advantageous for us to collaborate with the Europeans in this program. The instruments for this collaboration are United States industry and European industry interested in embarking upon the production of nuclear components, both working with European utilities. Out of this program there may be expected to grow mutually beneficial licensing arrangements between these industries; scientists and engineers from both Europe and America will gain from intimate association in this major development program.

The European desire to have six reactors in operation before 1963 means that heavy demands will be made on United States' atomic energy industry to supply specialized reactor components. It should be stressed that all of the information developed from the joint research and development program will be freely available on a nonexclusive basis both to United States and European industry. The Joint Program should be a major factor accelerating atomic power development.

Over the last ten years, both the Executive and the Congressional Branches have expressed the sympathetic interest of the United States in European efforts to develop unity. The integration movement among the six has been looked upon as the most promising method to exploit the great economic and political energies of this area. Politically, within the Atlantic Community, unity of the six nations will strengthen the ties with the United States and make possible programs on a scale which individually the nations could not attempt. The economic potential of linking the countries of this area in the three communities, the Coal and Steel Community, the Common Market, and the EURATOM Community, is recognized by all. EURATOM, with its interest in rapidly developing a nuclear power program, presents a unique opportunity for the United States to work in intimate association with Europe and to bring to bear the scientific, industrial and financial resources of both the Community and the United States on a program which is sure to benefit the Community,

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the United States and ultimately the entire world. The nature of the program permits EURATOM and the United States to enter into a special association - a joint endeavor to the end of a mutually beneficial inter-dependence utilizing efficiently the great latent resources of the Atlantic area more effectively to meet the Soviet challenge.

As can be seen, the foregoing virtues of the program are by no means exclusively ours, but of equal significance to the Europeans. But there are certain factors of more immediate significance to the Europeans. One of the most important is that the program will enable the Europeans to augment their present atomic energy efforts and to take full advantage of the progress which has already been made in the United States, especially with reference to proven types of power reactors, and hence save much valuable time. The progress which will be made from this moment on, although of benefit to both sides, will be of immediate benefit and gain to Europe because of their mounting shortage and rising cost of conventional fuels.

There is one other aspect of this matter that is of great importance to Western Europe. The closing of the Suez Canal and the interruption in the pipelines from Iraq last year brought sharply home to Western Europe the extent of their dependence on Middle East oil. Thanks to a large scale increase in deliveries from the Western Hemisphere, European industry was able to continue operating without any excessive ill effects. However, the outlook for the future indicated that as European demand for energy grew, their dependence on Middle East oil would also increase. In order to give themselves increased flexibility the EURATOM countries quite naturally decided to try and cover a portion of the increase in their energy requirements from an alternative source of energy, nuclear power. The events of the past week have highlighted the importance of this aspect of the EURATOM program. A strong nuclear power industry in Europe should have the effect, through providing an alternative source of energy, of lessening the temptation to manipulate petroleum deliveries for political reasons, and should thereby help to lay the groundwork for a healthy and normal economic relationship between petroleum supplier and petroleum consumer. The current crisis in the Middle East is surely dramatic evidence of Europe's urgent need to develop nuclear power.

Recently demonstrated evidences of advanced Soviet scientific and engineering capability have caused a serious and healthy reappraisal within the Atlantic Community of the extent to which the Western countries have been exploiting to the full their potential scientific strength and whether this strength is being mobilized through the most effective, cooperative arrangements. Voices in Europe have queried whether the historic position of the United States in the field of science, engineering, and general industrial development, is not being overtaken by the Soviet Union. Atomic energy is rightfully considered a bellwether of scientific and industrial accomplishment.

Rapid progress on a major program of the scope and character outlined in the documents before the Committee will do much to dispel this questioning attitude, and furthermore, will lay the foundation for the kind of meaningful scientific cooperation which is indispensable to the survival of the West.

In conclusion, I should like to note that while a great deal of the work of carrying out our policy involves the drudgery of the known and of the routine, we stand always prepared to meet new challenges with imagination and resourcefulness. The joint US-EURATOM Program is one of these. It strikes out along new lines and takes full advantage of the great, but only barely exploited promise, of atomic energy. We have, therefore, under this program the opportunity to employ our own substantial talents and industrial capacity in a joint endeavor which promises to enhance our position in Europe, increase their economic strength in a crucial area and at the right time, and to do this in the spirit of cooperation and trust which is the hallmark of the inner strength and future of the Atlantic Community.

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