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OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-2600



INTERNATIONAL
SECURITY POLICY

E249

18 AUG 1989

MEMORANDUM FOR BOB DUBOSE

SUBJECT: Proposal for Early Establishment of the Technical Secretariat (U) - INFORMATION MEMORANDUM

(U) In response to your request I have reviewed the subject proposal. You asked for comments which addressed the questions and issues raised by this proposal. Accordingly, this memorandum focuses exclusively on the "down sides" of the proposal.

TACTICS

(S) Tactically, this proposal is premature and inappropriate for the Canberra Conference forum. The idea of a Technical Secretariat (TS) has been on the table on Geneva for some time. The TS is envisioned as the implementing body for the technical aspects of the treaty. Currently, many of these aspects (e.g., chemical annex, schedules 1-3) are under revision in Geneva; they are not in final form. In June, experts met in Geneva to discuss the "international organization aspects of the CW treaty." The prevailing view was articulated by N.A. Sims of the London School of Economics:

"The difficulty is that until the overall CWC negotiations are nearer to completion it will be impossible to draw up a final and definitive list of functions which the Secretariat will be asked to perform, because those functions can only reflect the functions of the Organization as such, which in turn can only be determined by the precise text of the Convention." (19 June 1989)

(S) Concerning the proposed forum, the U.S. has carefully separated the Canberra Conference from the Geneva negotiations despite strong Australian pressure to do otherwise. We have repeatedly stated that Canberra is not the place for continuing the Geneva negotiations. Canberra is not a negotiating body and it was never intended to detract from or compete with the Conference on Disarmament. The subject proposal is inextricably linked to the negotiations. If it is to be made at all, it should be made in the CD.

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RATIONALE

(S) The proposal is billed as a confidence building measure and, therefore, a treaty facilitator. It claims that early establishment of the TS would develop confidence among the parties regarding CW capabilities and intentions, and the ability to verify and enforce compliance. However, as written, the proposal would not build confidence in either of these areas and could impede progress on a CW convention. The following comments address each of the proposed "functions" explaining why this is so.

o Coordinate early on-site inspection and data exchange.

The starting point for data exchange and on-site inspection (OSI) of the data is declaration of possession. To date, only the U.S. and USSR have acknowledged possession of CW. It was the Soviet declaration in 1987 that made possible the intensive bilateral work which will culminate in a joint paper this August. The cornerstone of this paper is reciprocity. Data on declared stocks and production facilities will be provided by the U.S. in return for similar data from the USSR.

The OSI and data exchange "function" of the subject proposal does not provide for the prerequisite declaration of possession. Multilateral exchange of data and OSI cannot occur without this. If confidence regarding CW capabilities and intentions is to be developed, this prerequisite must be stated in the proposal and all exchanges must be on a reciprocal basis.

o Fund research and design of verification technology.

The interagency community is currently unable to agree on which technologies to pursue, let alone how to coordinate research among various agencies. We may be unable to come up with a unified U.S. position on priorities, approach, etc. In addition, funding for U.S. verification research has not been readily available. What will the subject proposal cost? How will it be funded? Much of the ongoing research is "close hold." Are we prepared to transfer technology without the benefit and safeguards of a negotiated and signed agreement?

More importantly, the description of the state of verification research is misleading. "Promising research" applies only to technologies designed to identify traces of chemicals in declared facilities. The toughest verification problem - detecting clandestine production and stocks - is not even mentioned. Currently, there is no known technology on the horizon to solve this problem. At this stage of the treaty negotiations, the proposed verification research

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coordination would either solve the "easy" problems and build a dangerous sense of false confidence, or it would fail as it tried to grapple with problems for which we haven't a technological clue.

o Create a database on worldwide chemical manufacturing facilities.

The interdependence between different parts of the Convention is underscored as the consequences of early implementation of this function are considered. Central to any acceptable commercial database is the effective protection of proprietary information. Information concerning a commercial plant's production, capacity, and customer lists is extremely sensitive. Misuse of this information could place a firm at a considerable commercial disadvantage. Early implementation of the TS without the detailed procedures, (currently under negotiation), for handling and protecting this information will never be accepted by our chemical industry. In fact, given their increased cooperation on the CW negotiations and the Canberra Conference, a sense of betrayal would be justified. At a minimum, industry should be fully consulted before this idea goes any further.

o Establish a clearinghouse for information on precursor trade.

This function describes the information sharing procedures currently employed, on an informal basis, by the Australia Suppliers Group. Formalization of this process was essentially rejected by the eighteen-country Group during their May, 1989 meeting. There is no evidence to suggest that they would react any differently to "old wine poured into a new bottle." In May, the U.S. successfully proposed an expansion of these procedures whereby countries would voluntarily exchange information about denials of suspicious sales. Several countries have begun to do this. A backdoor attempt to prematurely formalize this process could destroy the cooperation and information sharing which has been developed over several years. Moreover, early implementation of a clearinghouse and a "worldwide database" without a signed Convention - wherein possessors promise to destroy CW looks suspiciously like the implementation of a non-proliferation regime.

This non-proliferation regime aura is intensified when the early implementation of the TS proposal is placed next to the draft convention. In the draft convention, the most important function of the TS is the monitoring of the destruction of CW stocks and CW production facilities. This will be its primary function during the first ten years of the convention. Only after the ten year destruction period will its efforts be focused on the monitoring of non-production in the commercial sector. Most countries see CW stocks and production facilities as the primary threat to their security, especially if they do not have any of their own. These same countries view dual-use precursors as essential to their fledgling pharmaceutical and pesticide industries. An early implementation proposal which does not require declaration of CW, but focuses on gathering and monitoring dual-use precursors will not be accepted by the developing "have not" nations. The inability of the proposal to safeguard confidential

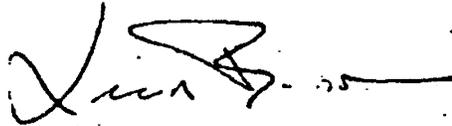
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business information makes it unacceptable to nations with large chemical industries.

In short, the draft convention is a delicate balancing act. The viability of its parts is ensured only by its existence as a unified whole. Premature implementation of one part of the convention in the wrong forum without addressing the concerns of the neutral non-aligned nations and those of the chemical industry cannot achieve widespread support and could jeopardize the convention itself.



Lisa Bronson

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