the convention.

Moreover, although any chemical may be used for one or more permitted purposes, there are some specific chemicals which pose special risks for diversion to chemical weapons purposes, and we believe that these chemicals must be subject to particular regulation, depending on the degree of risk they pose and the degree to which they are used in industry. To this end, Annex III presents three schedules of chemicals that are subject to special regulation if they are used for permitted purposes.

First, there are some chemicals — for example, super-toxic lethal nerve gases — that are extremely dangerous, but also have limited applications for research, medical, or protective purposes. These chemicals are listed in Schedule A. Paragraph 3 of article III proposes that the production and use of such chemicals shall be in "laboratory quantities", that is, a few kilograms. In other words, no large-scale commercial uses of such chemicals would be allowed.

Second, there are other chemicals, such as hydrogen cyanide and phosgene, which are used for permitted purposes in large quantities, yet which also pose a particular risk for diversion to chemical weapons purposes. This category includes both precursors and toxic chemicals. These chemicals are listed in Schedule B. The United States believes that each party should be required to make annual reports concerning the production and use of such chemicals. Because of the large-scale production and widespread use of these chemicals, more stringent verification measures, such as on-site inspection, would not increase confidence in compliance.

Finally, there are some chemicals which are used for permitted purposes that are not as widely used as those listed in Schedule B, and which pose a greater risk of diversion to chemical weapons purposes. These chemicals are listed in Schedule C. They are largely "key precursors", although some toxic chemicals should also be included. The United States proposes not only that production and use of such chemicals be declared, but also that their production should be subject to systematic international on-site inspection on the basis of random selection of facilities. Our approach in this area is based on earlier proposals by the delegations of the United Kingdom and the Federal Republic of Germany.

But the list of activities that should be permitted does not stop with these peaceful uses that I have discussed thus far. We believe that any convention must also have provisions, such as those in articles II and III of the United States draft, which allow the use of certain chemicals for "protective purposes". "Protective purposes" are defined as a subset of "permitted purposes"; they are purposes directly related to protection against chemical weapons, rather than directly related to the weapons themselves. For example, while a party may not produce mustard gas so as to be able to engage in chemical warfare, it may produce a small amount of mustard gas necessary to test clothing designed to protect its troops from chemical attack.

Obviously, to prevent a party from using the "protective purposes" exception to maintain an inherent chemical weapons production capability, the amount of chemicals that a party may have for "protective purposes" must be carefully regulated. This is true for all toxic chemicals, but especially for super-toxic lethal chemicals and their precursors. Paragraph 2 of article III of the United States draft provides for such detailed limitations. Specifically, the amount of super-toxic lethal chemicals and key precursors that a party may produce or use for these purposes is strictly limited to the amount that can be justified for protective purposes, and in no event may the total amount exceed one ton per year. Once a party has produced or acquired its one ton limit, even if it has used some of that amount, it may not produce or acquire additional chemicals until the following year. If a party chooses to produce super-toxic lethal chemicals or key precursors for protective purposes, such production may only occur at "a single specialized facility"; that is, a single, declared facility of limited capacity.