

*Nuclear Liability*

may permit the release of radioactive material in quantities that might be hazardous to health outside the plant and cause contamination of property requiring costly decontamination or disposal. This fact raises a number of considerations which require special provisions in the bill.

Because the mention of radiation injury reminds us of the dreadful effects of nuclear weapons, it is important that we do not exaggerate the dangers from the use of peaceful nuclear installations and nuclear materials. It is physically impossible for a peaceful nuclear installation to explode with the violence of a nuclear weapon and produce such a powerful flash of radiation. Even apart from such unwarranted fears, the fear of being held liable for radiation injury could cause anxiety, for example, to manufacturers of equipment used in nuclear installations about the possibility of being exposed to exceptionally large damage claims. This bill, therefore, provides that each nuclear installation should have not only basic insurance but also subsidiary insurance that could provide, if necessary, for the highly improbable or almost inconceivable catastrophic event.

The need for protection of this kind has been recognized by other countries also. Canada is the only industrially important nation in the western world that has not yet enacted legislation to provide for it. The need in Canada has become more pressing since nuclear reactors are being constructed outside federally owned establishments.

● (2:10 p.m.)

Owing to the difficulties of establishing the contributory causes of a nuclear accident, and because some of its consequences may not be apparent for some time, a costly pyramiding of insurance, much litigation and interminable costly delays in settlement could easily result if unrestricted pursuit of damages were allowed. To meet these difficulties, the bill, resembling in this respect comparable legislation in other countries, would impose a duty on the operator to ensure that no injury or damage in Canada resulted from the operation of his installation. The operator would be absolutely liable for any breach of this duty without the claimant having to prove any fault or negligence. Financial responsibility would be channelled to one person, the operator, and subject to minor exceptions he would be the only one liable to third parties for injuries or damages.

The operator's financial responsibility would be limited to \$75 million for any one nuclear incident. Toward this amount, the operator would be required to take out basic insurance with an approved insurer for an amount fixed by the Atomic Energy Control Board with the approval of Treasury Board. The amount of this basic insurance would be fixed after consideration of such things as the type and power of the reactor and its location in relation to population and to geographical features. This basic insurance might be quite small for, say, a research reactor of a well proven type. For large nuclear power stations it would probably approach the limit of commercially available insurance, understood to be about \$25 million. Firm quotations for premium rates cannot, of course, be obtained until this bill has been passed, but on the basis of some figures suggested by insurers' representatives it would seem that the premiums should not unduly burden the industry. The terms and conditions of both the basic insurance, which would not be reinsured by the government, and the supplementary insurance, which would be reinsured, would require approval of the minister.

The difference between the amount of the basic insurance and the total of \$75 million which is to be available for the protection of the public would be reinsured by the government under an agreement between the minister and the insurers approved by the Treasury Board. The bill provides that a fee may be charged for this supplementary insurance and the amount of this fee would be worked out with the Department of Finance.

If the claims exceeded the \$75 million, Parliament could intervene to provide additional funds as it has in the past in cases of major disasters, and these funds would be administered under the terms of the act.

Due to the need for prompt relief in a nuclear incident of catastrophic proportions, the bill provides for setting up a Nuclear Damage Claims Commission when the circumstances warrant. This commission would have wide powers to determine and pay claims.

The bill provides also for compensation for injury or damage outside Canada where suitable reciprocal arrangements exist or have been made with another country.

At the present time, all operating nuclear reactors except one are the property of Atomic Energy of Canada Limited, and that crown company has agreed to indemnify all operators, suppliers and contractors against