

Similarly it is evident that all members will benefit from the safeguards which will facilitate the dissemination of nuclear information and resources and will contribute to international security.

However, the provision of resources to meet the costs of Agency projects poses more difficult problems. These resources, according to the draft statute, are to be provided in the following ways. Countries receiving assistance will be expected to contribute to the cost of projects through charges which, in the words of Article XIV, will be designed to produce revenues adequate to meet the expenses and costs. Under this arrangement projects in which the Agency participates will produce substantial revenues during their lifetime; and charges levied in connection with these projects will normally make them self-supporting. For these projects the role of the Agency will nevertheless be essential, for it, - that is, the Agency - will be the channel through which not only materials but technical and managerial skills will be made available.

In addition it will be possible for the Agency, in approved cases, to go beyond these essential forms of assistance. As time goes on the Agency may be expected to accumulate funds of its own, both from revenue earned and also from voluntary contributions for which the Draft Statute clearly provides. These funds can be used in connection with projects which cannot be made entirely self-supporting. And finally in order to obtain preliminary financing, the Board of Governors is authorized to incur indebtedness subject to the approval of the General Conference. I know that this provision has troubled some delegations but we believe that these fears are unwarranted. In many cases the Agency will participate in projects for which external finance may be available either bilaterally or through international organizations such as the International Bank. It is clearly desirable that the Board of Governors be authorized to enter into borrowing arrangements in order to get projects under way while the recipient states and the Agency cooperate in mustering adequate resources to amortize the costs over the life of the project.

It is the considered view of the Canadian Government that the provisions of the draft statute on organization and finance represent a satisfactory basis for Agency operations. The composition of the Board of Governors, and the respective roles of the Board and the General Conference, were matters which involved compromise during the preparation of the draft statute. We believe that on these matters the particular balance achieved in the draft statute is the best available. To attempt afresh the complex task of working out such a balance would be burdened with difficulties and with real risks for the success of our work, and would be most unlikely to produce a better result than that before us. My Delegation agrees of course that any member of this Conference is free to propose changes, but we earnestly hope that, before any important changes are pressed, Delegations will consider carefully their effect on the substantial agreement already achieved.