

intensive research and development over that period, Canada is now in the fortunate position of possessing, in addition to a large uranium resource, one of the most successful of the world's nuclear reactor systems—CANDU.

The spread of international acceptance of CANDU has coincided lately with a radical alteration in the international energy situation. Reliance on imported oil to satisfy the bulk of their energy needs has become, for most countries, especially those of the developing world, a particularly onerous burden on their economies.

It has become demonstrably clear that additional energy sources are needed urgently; nuclear power is the single most important other new source that is now commercially feasible and many countries are making the decision to use it. Canada has already made a decision to rely for part of its energy requirements on nuclear power and a number of countries have turned to us to supply fuel, technology or equipment. With uranium resources in excess of our requirements and a competitive Canadian reactor, we are in the position to make an important contribution to the pressing energy needs of the world and are willing to make it.

At the same time, the government is more than ever conscious of its responsibility to ensure that Canadian nuclear resources do not contribute to nuclear proliferation. This requires that Canada should apply the maximum "safeguards" or restraints attainable to inhibit importing states from using nuclear supplies to further the production of nuclear explosive devices.

The export of certain nuclear equipment, including reactors, fuel fabrication and reprocessing plants, heavy water plants and their major components, and related technology, will require safeguards.

I would like now to outline the provisions that will be required in every safeguards arrangement. The provisions, to be administered by the International Atomic Energy Agency, or through appropriate alternative procedures meeting the requirements of the Treaty on the Non-Proliferation of Nuclear Weapons, will cover all nuclear facilities and equipment supplied by Canada for the life of those facilities and equipment. They will cover all nuclear facilities and equipment using Canadian-supplied technology. They will cover all nuclear material—uranium, thorium, plutonium, heavy water—supplied by Canada, and future generations of fissile material produced from or with these materials. They will cover all nuclear materials, whatever their origin, produced or processed in facilities supplied by Canada.

Most importantly, all safeguards arrangements will contain binding assurance that Canadian-supplied nuclear material, equipment and technology will not be used to produce a nuclear explosives device, whether the development of such a device be stated to be for peaceful purposes or not.

All potential Canadian exporters of nuclear material, equipment or technology are advised that prior to making offers of supply, they must ascertain from the Department of Industry, Trade and Commerce and the Atomic Energy Control Board that there are no safeguards impediments.

Nuclear Safeguards

[Translation]

Mr. Speaker, while adopting the safeguards I have outlined, Canada will of course continue to work with other exporting nations of strengthen the international safeguards structure.

Future exports of the CANDU reactor, along with the major programs of construction already underway and planned domestically, will bring significant benefits to employment in the high technology nuclear industry of Canada.

To ensure that Canadians enjoy the economic gains from sales abroad, the government will encourage the supply from Canada of major high technology components and services. In regard to domestic nuclear power programs, the Department of Industry, Trade and Commerce, in cooperation with my department and with Atomic Energy of Canada Limited will consult with the provinces to establish a cooperative approach of preference for Canadian material, equipment and services.

The Canadian nuclear equipment industry at present has the capacity to produce the components for the nuclear steam supply system for at least three nuclear reactors a year. Domestic requirements will average four units every year over the remainder of this decade, while exports could add at least one additional unit every year. Nearly \$100 million in capital investment has already been committed or planned by the private sector of the industry to expand capacity. Future domestic and export demands will stimulate a further expansion involving perhaps another \$100 million industrial investment.

The Department of Industry, Trade and Commerce will examine the advisability of providing selective assistance through its incentive programs to help the industry upgrade its capability.

[English]

Contingent on compliance with the new safeguard structures required for nuclear exports, the government has authorized Atomic Energy of Canada Limited to negotiate the following sales:

With Argentina, the supply of goods and services for the nuclear part of a second 600 megawatt CANDU nuclear power station. Subject to escalation, these goods and services are estimated at \$90 million, and the heavy water at a further \$60 million.

With Iran, the supply of goods and services for two 600 megawatt CANDU nuclear power units, and possibly two additional.

With the Republic of Korea, the supply of goods and services for one complete nuclear reactor power unit.

Once again subject to full compliance with the safeguard requirements, and in so far as Canadian capacity permits, the government has further authorized AECL to negotiate the following:

With Denmark, the supply of goods and services for the nuclear part of a CANDU nuclear power station.

With Romania, agreements covering CANDU-PHW (Pressurizing Heavy Water) licensing, AECL consultancy, fuel design, development and manufacturing, heavy water production and plant construction, and a scientific and technical exchange.