



# Statements and Speeches

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No. 76/7

## NUCLEAR CO-OPERATION AGREEMENTS WITH KOREA AND ARGENTINA

A Statement in the House of Commons on January 30, 1976, by the Secretary of State for External Affairs, the Honourable Allan J. MacEachen.

I wish to advise the House that nuclear-co-operation agreements have been signed with the Governments of the Republic of Korea and the Republic of Argentina.... The agreement with the Republic of Korea was signed...at Seoul on January 26. I shall allow the sale to the Republic of Korea of a CANDU power reactor produced by Atomic Energy of Canada Limited to go forward. The attendant commercial and financial arrangements have already been concluded. The Republic of Korea...is a developing country that is in the process of significant industrialization.

The economy of the Republic of Korea is basically sound. Its pattern of growth has been remarkable in recent years, but it has large power requirements over the coming periods that its indigenous fuel resources are not in a position to satisfy. As part of its efforts to generate sufficient energy for its programs of industrialization and development, the Republic of Korea has established a significant program of nuclear-power generation. The acquisition of a CANDU power reactor is intended to supplement the country's nuclear-power-generation program. The Republic of Korea is already building a power reactor supplied from the United States, and is contracting for one additional unit from that source.

The agreement with Argentina was signed in Buenos Aires today. It covers the sale of a CANDU reactor to the Argentine Republic and attendant technical co-operation pursuant to contracts concluded in 1974. World-wide inflation since that time has created difficulties, and the commercial terms of those latter contracts are currently being renegotiated.

Argentina is an important Latin American country, which has had harmonious relations with its neighbours for over 100 years. It is a member of the International Atomic Energy Agency. It has had a successful nuclear-development program for over 25 years, and operates a number of research reactors as well as a heavy-water-moderated power reactor built with the co-operation of the Federal Republic of Germany.

The co-operation to be undertaken under these two agreements reflects

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the position announced by the Prime Minister in 1975, when he noted that Canada would continue to seek to make available to developing countries the benefits of the peaceful applications of nuclear energy, provided that adequate guarantees against the possible diversion of such co-operation to non-peaceful, explosive purposes were available. This is a position endorsed by other nuclear suppliers.

These agreements provide that identified nuclear exports, including nuclear technology in physical form, shall only be authorized on the basis of coverage by an intergovernmental guarantee: *First*, that the items supplied or items produced with these, including subsequent generations, will not be diverted to any non-peaceful or explosive purpose; *second*, that these guarantees are verified through inspection mechanisms of the International Atomic Energy Agency; *third*, that the retransfer of items supplied and items produced with these, including subsequent generations of nuclear material, only be done with the consent of the Government of Canada; *fourth*, that the enrichment and reprocessing of nuclear material supplied, or nuclear material produced with items supplied, only be done with the consent of the Government of Canada; *fifth*, that IAEA safeguards and other mechanisms of bilateral verification for aspects of guarantees, where the IAEA system is not applicable, be in place for the life of the supplied item or for items susceptible to these guarantees produced from these items; and, *sixth*, that adequate measures for the physical security of materials be in place to protect the supplied items from the threat of sub-national diversion.

The safeguards commitments, including the application of the International Atomic Energy Agency inspection system, undertaken by the Republic of Korea and the Republic of Argentina represent juridical assurances of a high order, which fully meet international standards and Canadian safeguards policy.

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