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JANUARY 30, 1976

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# STATEMENT DISCOURS

SECRETARY  
OF STATE  
FOR EXTERNAL  
AFFAIRS.

SECRÉTAIRE  
D'ÉTAT AUX  
AFFAIRES  
EXTÉRIEURES.

NOTES FOR A STATEMENT  
IN THE HOUSE OF COMMONS  
BY THE SECRETARY OF STATE  
FOR EXTERNAL AFFAIRS,  
THE HONOURABLE  
ALLAN J. MACEachEN,  
ON NEGOTIATION OF NUCLEAR  
CO-OPERATION AGREEMENTS  
WITH THE REPUBLICS  
OF KOREA AND ARGENTINA.  
OTTAWA, JANUARY 30, 1976.

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I wish to announce that nuclear cooperation agreements have been signed with the Governments of the Republic of Korea and the Republic of Argentina, and I am tabling today copies of the texts of these agreements.

The Agreement with the Republic of Korea was signed in Seoul on January 26. It will 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 financing arrangements having been already concluded.

The Republic of Korea is a developing country in the process of significant industrialization. Its economy is basically sound and its pattern of growth has been remarkable in recent years, but it has large power requirements over the coming periods which its indigenous fuel resources are not in a position to satisfy. As part of its efforts to generate sufficient energy for its programmes of industrialization and development, the Republic of Korea has established a significant programme of nuclear power generation. The acquisition of a CANDU power reactor is intended to supplement the country's nuclear power generation programme. The Republic of Korea is already building a power reactor supplied from the USA 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 cooperation pursuant to contracts which were 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 programme for over 25 years and operates a number of research reactors as well as a heavy water moderated power reactor built with the cooperation of the Federal Republic of Germany.

The cooperation to be undertaken under these two Agreements reflects 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 cooperation 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 that:

- 1) the items supplied or items produced with these, including subsequent generations, will not be diverted to any non-peaceful or explosive purpose,
- 2) these guarantees are verified through inspection mechanisms of the International Atomic Energy Agency,
- 3) 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,
- 4) 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,
- 5) 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
- 6) that adequate measures for the physical security of materials be in place to protect the supplied items from the threat of subnational diversion.

The safeguards commitments including the application of the IAEA 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.