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President: Mr. HAUNSCHILD (Federal Republic of Germany)

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GENERAL DEBATE AND ANNUAL REPORT FOR 1979 (continued)

1. Mr. CASTRO MADERO (Argentina), congratulating the President on his election, said that since the last session of the General Conference considerable progress had been made with the Argentine nuclear programme. First, an order had been placed for the third Argentine nuclear power station, Atucha II, with a reactor of the pressurized-water type using uranium and heavy water. The power station would not be a turnkey project, since the National Atomic Energy Commission (CNEA) would take charge of directing the project, for which purpose it had been decided to form an engineering company to be in charge of the architect engineering of the power station. The company would be owned 75% by the CNEA and 25% by the Kraftwerk Union (KWU) Company, which was to provide the imported nuclear and conventional components which could not be manufactured in Argentina. With the engineering company it was hoped to consolidate the experience already acquired by the CNEA, which had acted as principal contractor for the assembly of the nuclear components of the Embalse nuclear power station, and to enable national industry and engineering organizations to participate as fully as possible in projects.
2. Another important step had been the signing of a contract with the Swiss company Sulzer Brothers for the construction of a heavy-water production plant with a capacity of 250 tonnes per annum. The plant, which was scheduled to be in operation in 1984, would meet the needs of Argentina's nuclear power programme.
3. In addition, a contract had been signed with an Argentine-French consortium for the construction and operation of a plant producing uranium concentrates at the Sierra Pintada deposit, which would increase the CNEA's present U_3O_8 production from 200 to 700 tonnes per annum from 1984. Under the contract private organizations would be assured of participation in what was to be an important and productive nuclear activity.
4. Further efforts had been made in other CNEA activities, including the setting up of a fuel element fabrication plant which, with a planned capacity of 250 tonnes of clad uranium per annum, was to begin producing fuel elements for the Atucha I power station in 1981; in addition, a Zircaloy tube rolling plant was at an advanced stage of construction and was to come into operation in 1983.
5. All those activities were designed to fulfil the two basic objectives of the nuclear programme: the completion of the fuel cycle in Argentina and the

- acquisition of industrial and engineering capacity needed for constructing, with as high a degree of national participation as possible, the nuclear power stations which would be needed to satisfy electrical energy requirements towards the end of the century. As was essential for the success of the programme, the work described had been accompanied by considerable research and development efforts. In addition, Argentina's activities in the sphere of nuclear safety and in the production and application of radioisotopes and radiation had also continued to develop in a most satisfactory manner.
6. The year 1980 had seen much multilateral co-operation in the peaceful uses of nuclear energy. Where the Agency was concerned, in addition to renouncing a share of the benefits from the voluntary fund for technical assistance, Argentina had increased by 20% the number of man-months it provided in the form of fellowships, which were organized in such a way as to be as productive as possible. As in the previous year, Argentina had offered to pay for the implementation of three projects for which funds had been requested by Latin American countries but which the Agency had not been able to finance. The number of Argentine experts providing services under the technical assistance programme continued to be the highest in the region. Moreover, as in previous years, his Government was able to pledge a voluntary contribution to the Technical Assistance Fund for 1981 in accordance with its assessed percentage.
 7. His country was continuing to provide active support to the Inter-American Nuclear Energy Commission and was spelling out the details of offers which it had made to the Commission during its XIth Ordinary Meeting held in Santiago de Chile in July 1979.
 8. The first regular meeting of non-aligned co-ordinating countries on the peaceful uses of nuclear energy, held in Buenos Aires between 30 June and 4 July 1980, had been particularly auspicious, with a significant number of developing countries represented in that group, which also included Argentina. The final communiqué of the meeting showed that there was full agreement about important aspects of the international situation, including the position of non-aligned countries as regards international organizations and conferences.
 9. With regard to the Second NPT Review Conference, the co-ordinating group had proposed calling for strict observance of the Treaty, as that would guarantee the development of nuclear energy for peaceful purposes and an immediate halt to the nuclear arms race.

10. While the group had recognized that the Agency played an important role and that the technical assistance it gave to non-aligned and developing countries was useful, it had concluded that a proper balance needed to be reached between the Agency's promotional and regulatory activities, that a proper balance was also needed in the representation of different regions both in the policy-making organs and on the Professional staff and that no distortion of the Statute should be allowed, especially where regulatory activities were concerned.

11. Attention had been paid at the meeting in Buenos Aires to problems of bilateral relations and to the negative effects of the conditions imposed by the "London Club" and other supplier countries on international co-operation and exchange in the peaceful nuclear field. The problems resulting from unilateral decisions applied retroactively, from claims to the right of "prior consent" and from undue restrictions on the transfer of technology had received particular attention.

12. A promising start had also been made at the meeting towards the establishment of a co-operation programme, and specific areas had been identified for co-operation in research and development, exploration and mining, the production of radioisotopes and radiation sources, studies on radiation protection and nuclear safety, nuclear power production and fuel cycle activities. Possible mechanisms for such co-operation, within a multilateral and/or a bilateral framework or by means of projects with multilateral support, including the establishment of technology centres, had also been explored.

13. It was intended that the co-operation programme should involve not only non-aligned countries but all developing countries. At the meeting Argentina had put forward a proposal for co-operation covering a wide range of activities involving the peaceful uses of nuclear energy; such co-operation would be open to all developing countries without the imposition of discriminatory clauses or political conditions which affected the sovereignty of States.

14. At the bilateral level, considerable progress had been made in the design and construction of a nuclear research centre in Peru within the framework of co-operation between Peru and Argentina. On 4 February 1980 the foundation stone had been laid for the centre, at Huarangal, signalling the end of the conceptual engineering stage and the beginning of the civil engineering and detailed engineering stage.

15. He announced with particular satisfaction the recent signing with Brazil of a wide range of instruments which gave legal and political weight to nuclear co-operation activities already in existence. Those agreements were particularly welcome, because the substantial increase in co-operation that was to ensue would provide a clear demonstration of the fallacy of suggestions relating to a nuclear arms race between the two countries which had been made for the purpose of limiting the nuclear development of both of them.

16. Other causes for satisfaction had been, in one case, the signing and, in others, the beginning of negotiations of new co-operation agreements and the extension of existing agreements with countries having a greater or lesser degree of technological development and representing almost all regions. Although Argentina concentrated particularly on Latin America, it was prepared to co-operate closely with all countries within a framework of mutual respect in order to enable all peoples to have access to the benefits of nuclear energy.

17. Argentina was dedicated to peace and, in accordance with its well-known policies in relation to the transfer of technology, it had embarked upon negotiations with a view to submitting the research reactor at the Bariloche Nuclear Centre, the Atucha II nuclear power station and the industrial heavy water plant, all of which were under construction, to Agency safeguards during 1980.

18. In addition, Argentina had agreed to amend the safeguards agreement signed with the Agency in relation to the fabrication of fuel elements for the Atucha I power station (see document INFCIRC/250) in such a way that uranium dioxide for the plant would be subject to safeguards immediately it came under Argentine jurisdiction.

19. Negotiations with the Secretariat relating to a safeguards agreement under Article 13 of the Tlatelolco Treaty were continuing with a view to ensuring that it was entirely in accordance with the spirit and letter of the Treaty.

20. Turning to the Agency's activities since the last General Conference, he noted with satisfaction the Secretariat's efforts - the results of which were evident - to solve the problem of balances in non-convertible currencies, and he hoped that that positive trend would be maintained in future years.

21. However, although it was gratifying that the funds available for technical assistance had seen an increase, albeit a modest and insufficient one, he wished

to register his concern and dissatisfaction at the fact that conditions that did not devolve from the Statute had started to be imposed on the provision of that assistance.

22. Nor had the gap occurring in the past between the funds available and the needs of requesting countries been filled, and the number of technically sound projects for which funds were not available was alarming. In fact, approximately one third of the total technical assistance requested by Member States for 1980 could not be provided. Despite the fact that technical assistance was one of the Agency's most important activities, it did not expand with requirements, whereas the safeguards programme continued to be extended in a way that had never been foreseen. His delegation believed that the shortfall in funds for technical assistance was excessive and all possible steps should be taken to solve that problem.

23. Where the Agency's safeguards responsibilities were concerned, Argentina had already in the Board expressed its gratification at the fact that, as in previous years, no diversion of safeguarded nuclear material had been detected. He also welcomed the Secretariat's efforts to improve equipment and to use inspectors more effectively. He believed that priority should be given to the inspection of "sensitive" facilities and to direct-use materials and that further use needed to be made of computer systems.

24. At a time of great insecurity where nuclear supplies were concerned, the establishment by the Board of the Committee on Assurances of Supply (CAS) was to be welcomed. The Committee would assist States to achieve a climate of mutual confidence between suppliers and recipients, which was necessary if normal conditions for the exchange of equipment, materials and technology were to prevail.

25. The Agency's safeguards system should be applied in a rational manner and at the level of complexity required for each stage in the fuel cycle. No other controls should be applied, since that would make it more difficult to bring about the atmosphere of confidence and harmony, to the restoration of which all needed to contribute.

26. With regard to the Agency's international plutonium storage (IPS) activities its concern to define its responsibilities under Article XII.A.5 of the Statute was opportune, since the International Nuclear Fuel Cycle Evaluation (INFCE) had demonstrated that plutonium fuel cycles would definitely be needed for nuclear power in the future. Similarly, any efforts made by the Agency in the context

of its international spent fuel management (ISFM) activities to help solve the problem of spent fuel storage for those countries which did not have plans for appropriate facilities deserved support and were in keeping with its Statute.

27. The termination of the Second NPT Review Conference without a consensus having been achieved on the wording of a final declaration demonstrated the great differences in opinion between NPT parties, in particular between developing countries on the one hand and non-nuclear-weapon industrialized States and the depositories for the Treaty on the other. The difficulties experienced by the Conference in reaching consensus reinforced the position of the Agency, within which all matters relating to assurances of supply and to verification and control measures designed to prevent the diversion of special fissionable materials for military purposes should be resolved, in order to ensure that the functions set forth in Article III of the Agency's Statute were carried out. Argentina believed that steps taken by a State or group of States to impose conditions on others without listening to their arguments and the non-fulfilment of obligations under treaties and international agreements constituted an erroneous policy which would produce results opposite to that which all wished to see achieved, namely, genuine horizontal and vertical non-proliferation as an initial step towards complete nuclear disarmament.

28. The Agency had produced positive results in other spheres, such as food and agriculture, life sciences and physical sciences. However, Argentina was concerned by the fact that, although all those activities had a promotional character and provided a very useful type of technical assistance to developing countries, in future they would be subject to restrictions in order for a near-zero growth in the budget to be achieved. Although Argentina supported the latter objective, it believed that savings should be sought in the safeguards programme through the optimum development of equipment and the rational use of staff, not by the reduction or elimination of promotional activities.

29. On the other hand, he gave his delegation's full support to the increase in the nuclear safety and environmental protection programme and to the continuation of the Nuclear Safety Standards (NUSS) programme at a suitable level. Any efforts made in those activities and in those related to the management of radioactive wastes would benefit the future development of nuclear power. He further wished to state his Government's appreciation of the activities of the International Centre for Theoretical Physics at Trieste.

30. Finally, he congratulated the Director General and the Secretariat on their work, in recognition of which he pledged his Government's full support for all the Agency's activities.

31. Mr. SMOLDEREN (Belgium) congratulated the President on his election, for which his long experience in international co-operation made him particularly well qualified. He also praised the Agency's Secretariat and the Director General for the work they had done during the past year. Dr. Eklund had shown great skill, devotion and impartiality, often in difficult circumstances.

32. He was sorry that the Second NPT Review Conference, which had taken place recently in Geneva, had been unable to reach final agreement on a set of recommendations - or indeed even on statements - after its thorough examination of the Treaty and its Preamble. While the Review Conference had seemed unanimous in its desire to maintain and consolidate the Treaty, its participants had held differing views about how to do so.

33. Regarding Articles III and IV, which were particularly important for the Agency as they concerned safeguards and the development and peaceful utilization of atomic energy, the problem in reaching a consensus was due to differences of interpretation and practice with respect to the supply of nuclear material and equipment and of nuclear technology applied or developed unilaterally or by groups of countries without prior consultation with all the States party to NPT. His delegation was therefore delighted at the establishment of the Committee on Assurances of Supply, an open-ended committee set up in June 1979 by the Board of Governors which should enable a solution to be found to the problem of guaranteed nuclear supplies, the most difficult aspect of which was the application of unanimously accepted safeguards in line with the provisions of NPT. Belgium intended to take an active part in the work of that Committee and would continue its efforts to reconcile the two goals of non-proliferation and the development of civilian nuclear research and industry on the basis of non-discrimination between nuclear-weapon and non-nuclear-weapon States.

34. Non-discrimination was a precondition for attaining non-proliferation. Restrictions on the development of the peaceful nuclear activities of non-nuclear-weapon States were inadmissible, even where advanced sectors and sensitive technology were involved, provided that the latter were subject to the safeguards stipulated in NPT - which meant, essentially, the Agency's full-scope safeguards.

35. That situation had been recognized when NPT was being concluded, that is, at a time when a number of non-nuclear-weapon States were already developing their activities in sensitive sectors of the nuclear fuel cycle. And that was why the system known as full-scope safeguards - which was different from the Agency's previous safeguards system - had been inaugurated to prevent the diversion of produced materials, whether enriched uranium or plutonium, to the manufacture of weapons or prohibited nuclear explosive devices.

36. The States party to NPT had also, apart from accepting full-scope safeguards, given sufficient political guarantees regarding their intentions. Reinforcing safeguards with respect to those countries would be totally unjustified, unfair and absurd. Any further measures to strengthen controls aimed at preventing horizontal proliferation should be taken primarily with regard to countries which were not party to NPT or any equivalent international treaty but had nonetheless developed significant nuclear programmes.

37. At the NPT Review Conference the Belgian delegate had said that, in order to reduce the discriminatory elements in the Treaty, the nuclear-weapon States should submit their civilian plants to the same safeguards regulations as the non-nuclear-weapon States, adding that such voluntary action would serve as an example and reassure the international community that the nuclear-weapon States did not have ulterior motives as regards civilian nuclear developments and transactions in nuclear materials. The Belgian delegate had welcomed the fact that the United Kingdom had submitted to the safeguards system imposed on the other EURATOM Member States party to NPT, and that the United States of America had given a similar undertaking, the agreement concluded with the Agency to that effect having just been ratified by the United States Senate. The Belgian delegation at the Review Conference had not been able to suppress some disappointment that the other nuclear-weapon State party to the Treaty was still refusing to follow suit.

38. Belgium could not share the view held by some that international safeguards in nuclear-weapon States were an expensive luxury, since such controls would serve as an example. Moreover, elimination of the discrimination implicit in Article III of NPT should have reassured those at the Review Conference who were worried by allegations that significant amounts of special fissionable material had gone missing in one of the nuclear-weapon States party to the NPT. Finally, such a measure could be considered the first stage in attaining international safeguarding of nuclear activities; in other words, it should pave

the way to the later stage, for which there was worldwide demand, namely cessation of the vertical proliferation of nuclear weapons and the complete cessation of underground tests.

39. What had been possible during the drawing up of the EURATOM Treaty, which provided for the safeguarding of all civilian nuclear activities of Member States, whether or not they had developed nuclear weapons, should also be possible on a world scale. Thereafter, the argument based on discrimination used by countries refusing to accede to NPT would have no foundation.

40. The fact that a number of countries - and not the least significant ones either - had so far stayed outside the Treaty was deplorable. However, if one were serious about reinforcing the universality of the system, then making conditions more favourable for those who had stood aloof than for signatories or maintaining all manner of discriminatory distinctions between the military powers and others would only strengthen the position of the non-signatory countries and hinder the task of making the system universal.

41. For the second year running the Agency had complained about the vetoing of inspectors by certain countries which, for example, allowed no inspections on their territory or were too selective in accepting inspectors. However, one must not lose sight of the fact that in international relations reciprocity was a basic principle. A country which rejected an inspector was not necessarily practising discrimination but might, as was often the case, be trying to end it: the veto would be lifted when the home countries of rejected inspectors themselves agreed to be inspected. Inspections should be serious and impartial; they should not be used to maintain military privileges or to further industrial espionage. Also, the Agency should be mindful of the special relations existing between some States or groups of States, a reality which might complicate its work but must nonetheless be recognized.

42. Belgium welcomed the opening in Canada of the first regional safeguards office and hoped that a second office, in the Far East, could soon be opened. The opening of regional offices would undoubtedly help to make safeguards more effective and, in the long term, reduce the inspectors' travelling expenses.

43. After the occasionally excessive budgetary growth of recent years the Agency had made a real effort to keep the increase in its 1981 budget within reasonable limits. It should continue that policy in the future and, in

particular, look into ways of reducing the running costs of the VIC. With one year's experience behind it, it was in a position to estimate costs more precisely and avoid all unnecessary expense. That was particularly vital in view of the fact that some countries had adopted very stringent budgetary measures to reduce all kinds of costs in 1981. Belgium had set a limit of 6.12% on its budgetary growth.

44. Belgium could not yet forecast its 1981 contribution to the General Fund but hoped that, circumstances permitting, its contribution would be as high as in previous years. The Belgian delegation had noted that the target figures cited for 1982 and 1983 were meant as a rough guide only; that was especially important since it was difficult to predict how circumstances would change. Thus it was more important than ever that contributions should continue to be voluntary and subject to the approval of national Governments.

45. The difficult period the Agency was going through in no way diminished the importance attached by the Belgian delegation to the technical assistance programme. Apart from its voluntary contribution to the General Fund, each year Belgium was increasing the number of fellowships it offered to Third World graduates wishing to acquire greater expertise in order to help put into effect their countries' plans for peaceful nuclear development. Those fellowships, which in 1978 had amounted to 36 man-months, had increased to 59 man-months in 1979 and 90 man-months in 1980. Since 1977 Belgium had also given B.Fr. 2 million a year for a research programme at the Seibersdorf Laboratory being carried out in collaboration with other Governments to help control insect-borne diseases. The project was being conducted in Nigeria, but it was hoped that its results might contribute to improving overall health in several other African countries.

46. With regard to reactor safety and environmental protection, the Agency's role should be to formulate recommendations, establish internationally accepted levels of protection, review the latter periodically to make any necessary adjustments and stimulate the preparation of international agreements.

47. That was the spirit in which the nine EEC countries, together with the European Commission, had signed the Convention on the Physical Protection of Nuclear Material (CPNM) on 9 June 1979. He hoped that many other countries, especially those which might have international responsibilities in that

connection, would follow suit. Such conventions could achieve their aims only if they were supported by the largest possible numbers of countries.

48. On the invitation of the Belgian Government, the Eighth Conference on Controlled Nuclear Fusion had been held in the summer of 1980 in Brussels. Over 500 scientists from 36 countries, along with scientists attached to the European Community and the Agency, had taken part in the meeting, which had been an inspiring example of international co-operation. By organizing that conference, Belgium had demonstrated its interest in a future technology which might lead to new forms of power generation.

49. The energy crisis of the past decade, which would become increasingly serious towards the end of the century, called for the massive mobilization of all available energy resources and the speedy development of new technology. At the Eleventh World Energy Conference, held in Munich from 3 to 12 September, it had been pointed out that such action was absolutely necessary for industrial and social progress, for the development of the Third World and for world peace. Chancellor Helmut Schmidt of the Federal Republic of Germany had stated unreservedly at that conference that, second only to the preservation of peace, energy was the most important problem facing the world at present. In that context, despite campaigns to sway public opinion away from it in some countries, atomic energy seemed to be an indispensable complement to other forms of energy. National authorities would, of course, bear full responsibility for the choices they made, but the Agency would still have a major part to play with respect to information, co-ordination, promotion and safeguards. He hoped that the Agency would be able to fulfil that role with the efficiency and skill it had shown during the twenty-four years of its existence, qualities which most of the participants at the NPT Review Conference, moreover, fully appreciated.

50. Mr. ZANGGER (Switzerland) said he would first like to commend the Director General on having drawn up what was virtually a zero real growth budget for 1981, in full conformity with the austerity required by the uncertainties prevailing in world economic trends. It was hoped that the same approach would be adopted in years to come. To achieve that purpose it would be necessary to make a thorough analysis of all the Agency's activities, with a reassessment of priorities and the pruning of programmes where necessary.

51. Financing for technical assistance - one of the most important Agency activities - would have to be increased and put on a more predictable basis. Hence the adoption of a method of yearly planning that envisaged a target for the coming year and indicative figures for the next two years seemed most appropriate. Since, however, a planning procedure of that kind should permit considerable increases in technical assistance in future years, national administrations would have to be given the means of justifying the requests for funds that they submitted each year to their own Governments. In other words, it would have to be shown that the planning was based on a sound multi-year programme indicating that the envisaged projects were worthwhile. Furthermore, there would have to be, for each project, an evaluation of the results and of the services rendered to the recipient country so as to demonstrate the usefulness of the development aid. Information on project planning itself and on the evaluation of results should be included in the Agency's annual report on technical assistance.

52. In its statement to the General Conference in 1979, the Swiss delegation had presented an overall picture of the development of nuclear energy in Switzerland. Inasmuch as no great changes had taken place since that time, the details could be found in the relevant record. There were, however, a few points that could be added. Following the commissioning of the GÖsgen Power Station at the beginning of 1980, nuclear power now accounted for roughly one third of Swiss electricity generation. In the field of research and development, the Federal Reactor Research Institute had continued its studies of high-temperature reactors, gas-cooled fast breeders and the relevant technical services.

53. Mention should also be made of the fact that the public acceptance of nuclear energy in Switzerland was just as much a fundamental problem as in many other countries. Hence the Agency's achievements in that field - both in the past and in the future - were generally appreciated. Public acceptance of nuclear energy would be greatly facilitated as soon as it was clearly demonstrated that its risk/social benefit ratio favourably compared with other conventional and new energy sources, and as soon as the final disposal of high-level waste in suitable geological formations could be successfully demonstrated somewhere or other in the world. The Agency would do well to give particular attention to those two topics.

54. As far as the problem of the non-proliferation of nuclear weapons was concerned, there was not the slightest doubt that the matter was at present passing through a transition phase, accompanied by a certain disequilibrium normal in such circumstances. As an illustration of the lack of balance, the International Nuclear Fuel Cycle Evaluation (INFCE) had ended with the adoption of a consensus report, whereas the Second Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons had not done so. INFCE had been a technical exercise, whereas the NPT Review Conference had been a political one, which illustrated clearly that the non-proliferation of nuclear weapons was primarily a political problem and could not be solved solely by technical means. No combination of technical or institutional measures aimed at preventing non-proliferation could be considered an adequate alternative to political action aimed at eliminating the reasons for which nuclear weapons were manufactured.

55. The recent NPT Review Conference had not, of course, cast doubt upon the value of the Treaty itself, but it had led to a deeper awareness of the different opinions prevailing with regard to the fulfilment of the various commitments entered into in the civil and military domains and to the question of an overall equilibrium in respect of those commitments. The Conference had drawn up a balance of the existing opinions that could serve as a basis for shifting the emphasis of activities in the years to come.

56. In the civil domain, it was gratifying to see that the discussions and the efforts to draft a final communiqué at the NPT Review Conference had pinpointed specific recommendations, of which some would give the Agency added responsibilities. A particular instance was the yearly meeting of the States party to the Treaty to discuss the application of Article IV relating to co-operation, particularly within the context of Article III.

57. Furthermore, the Conference had confirmed the importance of the responsibilities devolving upon the Committee on Assurances of Supply (CAS) and of the studies on institutional arrangements for organizing multilateral operations in certain parts of the fuel cycle - International Plutonium Storage (IPS) and International Spent Fuel Management (ISFM).

58. The recommendations formulated in relation to civil applications concerned bilateral relations, multilateral relations and the Agency's activities. As a

whole, they provided for the development of the non-proliferation regime on a constructive basis and promoted what could be termed a building block approach. In short, the civil nuclear energy domain called for continued progress on the basis of NPT and along paths opened up by INFCE in the search for, and pursuit of, a nuclear policy more and more geared to universal application.

59. In conclusion, he wished to recall some of the salient points of the Swiss non-proliferation policy as applied to the civil uses of nuclear energy: first, Switzerland considered NPT a basis for international efforts to prevent the proliferation of nuclear weapons, universal acceptance of it being a priority concern. Second, Switzerland would continue to support additional non-proliferation measures that seemed prudent and timely, provided they applied on a multilateral basis and were, as far as possible, supported by all countries concerned. A non-proliferation policy based solely on greater pressure or more severe limitations would ultimately have the opposite effect. Third, Switzerland was in favour of NPT being applied as judiciously as possible, mainly by facilitating international co-operation in the peaceful uses of nuclear energy under Agency control. A non-proliferation system could not be effective or lasting unless States were convinced that their interests were best served by their being part of it rather than outside it. It was in that spirit that the Swiss authorities were strictly fulfilling all the international commitments into which they had entered, including those which derived from NPT, and were even going beyond the fulfilment of their NPT-related commitments. They would continue along those lines and would not be distracted by press campaigns.

60. Mr. KORHONEN (Finland) said that, apart from coal, nuclear energy was the only significant long-term alternative source of energy which could reduce dependence on oil. According to INFCE projections, the nuclear power generating capacity in the world would have to increase some seven- to tenfold over the next 20 years if a global energy balance and modest economic growth were to be maintained. However, prospects for the development of nuclear energy continued to be undermined by a number of uncertainties including safety, non-proliferation and public acceptance. The Agency must tackle those problems effectively and assist Member States to secure stable and adequate production of energy. It was evident, therefore, that the activities of the Agency would expand more rapidly than those of any other organization within the United Nations family.

61. There had been significant developments since the previous session of the General Conference, in New Delhi. In February, the International Nuclear Fuel

Cycle Evaluation had been concluded, and its results provided an ample basis for future energy planning. For Governments, INFCE laid down in a systematic and logical manner the material and economic framework for future decisions and would probably lead to a reconsideration of nuclear policies in a number of countries. His delegation had often stressed the importance for small countries like Finland, largely dependent on foreign supplies, of having very clear principles and conditions on which to base decisions on highly investment-intensive nuclear energy programmes. The INFCE results would facilitate the calculations involved.

62. The results of the recently concluded Second NPT Review Conference were far from satisfactory. Nonetheless, although the parties had been unable to reach a consensus, the basic validity of NPT had remained unquestioned. Indeed, views expressed on the peaceful use of nuclear energy were very similar. The nuclear-weapon States had special responsibility under NPT and should give proper weight to the arguments presented at the Conference by non-nuclear-weapon States. The responsibility of the nuclear-weapon States for the whole non-proliferation regime, and especially for the implementation of Articles IV and VI of NPT, had not diminished.

63. The Convention on the Physical Protection of Nuclear Material had been opened for signature the previous March. In spite of elaborate technicalities, the Convention was proof of a strong political awareness regarding the responsibilities resulting from the possession and handling of nuclear materials. Finland would sign the Convention as soon as possible and hoped it would have universal adherence.

64. Safeguards activities, including the implementation of safeguards agreements, were one of the most vital tasks of the Agency. They could only expand with the increasing use of nuclear power, and the Agency should therefore be granted the necessary manpower and other resources to meet its responsibilities.

65. Within the limits of its resources the Agency had discharged its safeguards tasks in an excellent manner. Technical and manpower problems, however, should be the subject of continuous review. His delegation supported the Director General's appeal for less restrictive conditions to be applied to the acceptance of proposed safeguards inspectors. The more efficient use of existing safeguards resources should also be encouraged. It was Finland's experience that efficient Agency safeguards control enhanced national control.

66. He noted with satisfaction that no anomalies had been detected during the past year. It should not be forgotten even in that context that the principal problem in non-proliferation efforts was not technical but political. The annual report again indicated that the amount of nuclear material not covered by safeguards agreements with the Agency was increasing. That development was all the more deplorable as it would undoubtedly continue to hamper the transfer of nuclear technology for peaceful purposes and would justify various restraints and controls in bilateral arrangements which might otherwise have been unnecessary.

67. He welcomed the increased emphasis on nuclear safety, the inclusion of the supplementary nuclear power safety programme in the Regular Budget, and the creation of a specific Division of Nuclear Safety. It had become evident that the acceptability of nuclear energy in a number of Member States would depend largely on the credibility of safety systems and their implementation. The safety of all large industrial endeavours was a most complex question. Although statistics showed that nuclear power risks were low on an absolute scale and in comparison with other means of energy production, some important topics required further development if public confidence in the safety of nuclear energy was to be won. The improved utilization of operating experience, the increased importance of operational safety, the need for more comprehensive emergency plans and ways in which international co-operation could improve safety were subjects to which his delegation attached great importance. International co-operation to produce international safety recommendations was vital to countries which had to rely on services from abroad.

68. His delegation had often stressed the importance of giving high priority to technical assistance activities and had also expressed its Government's willingness to accept a substantial increase in the target for voluntary contributions. The Agency should be capable of rendering assistance in planning and implementing nuclear power programmes in a safe and adequate manner to those countries which had chosen the nuclear option but had not yet been able to create the technological infrastructure it required. The nuclear option should be kept open for those countries. Significant emphasis should be put on the vital areas of manpower training, infrastructure organization and safety questions.

69. He welcomed the agreement on the substantial increase in longer-term targets for financing technical assistance. His Government was preparing to

provide supplementary funds to finance certain technical assistance projects, particularly those relating to manpower training and safety. Those funds would considerably exceed the amount corresponding to Finland's assessed contribution. He hoped that in future the Agency would be able to provide funds for technical assistance which were even more generous than the agreed figures.

70. The Agency faced a number of old and new challenges in the 1980s. The major projects relating to International Spent Fuel Management and International Plutonium Storage (IPS) had been under way for some time. It was especially gratifying that the IPS project was making good progress; the Member States already had the opportunity to consider and comment on the first Draft Statute for IPS. The Committee on Assurances of Supply was a new and important responsibility for the Agency. The Committee provided a proper forum where, for the first time, supplier and consumer countries could discuss ways of improving the assurance of nuclear supplies in accordance with non-proliferation considerations. The Committee would also tackle the fuel cycle problem of countries which were dependent on services from other States.

71. In that connection, he wished to draw attention to the problems of the ever increasing complexity of the multilabelling and multitracking systems resulting from the numerous bilateral agreements between supplier and recipient countries. That kind of complexity might in the long run jeopardize the original objectives of control systems and hamper the necessary transfer of nuclear material. The Agency must be prepared to study and seek solutions to that problem.

72. Non-nuclear-weapon States accepted - were indeed demanding - that full-scope safeguards should be applied to the whole fuel cycle. They were thus entitled to request in return that the nuclear-weapon States accept full-scope responsibility for all those phases of the fuel cycle where their advanced status in nuclear technology made it appropriate or in which restrictions on use or transfer accepted by the recipient State necessitated it. That responsibility should extend from raw uranium supplies to reprocessing and other uses of spent fuel and to the final disposal of waste. Those problems, although enormous, should be constantly reviewed by the Agency in the 1980s.

73. Mr. KHAN (Pakistan) said that nuclear energy was passing through its most crucial phase. The great debate initiated in the 1970s about the ethical and environmental aspects of nuclear energy was still continuing. With no

alternative technologies in sight or on the horizon, the doubts raised about nuclear power were depriving the world of the benefits of a real and economic option already available.

74. The economies of the industrialized and developing countries had been badly shaken by unresolved energy problems and, while the advanced countries were better prepared to absorb and manage unforeseen price increases, the Third World was facing a grim future.

75. Solemn warnings had been given by responsible world leaders that the pursuit of energy security might lead to military conflicts in the effort to gain control of diminishing energy supplies and other raw materials. Nothing destabilized the world more than a feeling of insecurity resulting from a fear of likely shortages or interruptions of vital energy supplies.

76. Pakistan had noted with deep regret that the North-South negotiations on a common strategy for development had almost broken down in the United Nations following the unenthusiastic response given to the Brandt Commission's programme of survival. It had also been disappointed by the serious divergence of views at the recently concluded NPT Review Conference in Geneva. In spite of those set-backs, however, it continued to believe that there was no other alternative but to continue serious negotiations between the rich and the poor and between nuclear and non-nuclear States. At the twentieth session of the General Conference, Pakistan had proposed that, instead of imposing unilateral guidelines and restrictions on the export of equipment, technology and materials, the supplier States should enter into a dialogue with the recipient States to develop mutually acceptable norms governing nuclear trade within the framework of appropriate safeguards. That plea had gone unheeded. The supplier States had refused the transfer of peaceful nuclear technology, equipment and materials. They ought to recognize that that policy had not worked. Proliferation was essentially a political problem which could not be solved by technical means. The unilateral renouncing of agreements and contracts had been self-defeating and was directly responsible for the spread of nuclear fuel technology in different parts of the world. After having lost several precious years, the Board had finally decided to set up a Committee on Assurances of Supply. Pakistan welcomed that move as a positive and constructive step and was willing to contribute to the long delayed dialogue.

77. The Pakistan Government had repeatedly and unambiguously declared that its nuclear programme was intended entirely for peaceful purposes. Pakistan was

deeply committed to the cause of non-proliferation and did not believe that the security of developing countries was enhanced by the acquisition of nuclear weapons. It was, therefore, opposed to both horizontal and vertical proliferation. It reiterated its stand on the establishment of a nuclear-free zone in South Asia and the development of a treaty banning the manufacture and introduction of nuclear weapons in that region. It was also prepared to consider any other reciprocal measures and arrangements to achieve the same objectives.

78. The Pakistan delegation had already expressed its views on the Agency's programme for 1981-1986 and the budget for 1981 in discussions in the Board. Much greater imagination might have been shown in planning the Agency's programme for the next five years. While Pakistan strongly supported the making of savings in low-priority areas, it did not believe that a zero-growth budget should be imposed at the expense of crucial promotional and technical activities. The Director General himself had stated that a forced retrenchment in certain programmes of special significance to the developing countries was undesirable. The increasing bias in the Agency's budget towards regulatory at the expense of promotional activities was to be regretted since it was found to adversely affect the Agency's effectiveness in influencing the nuclear energy development programmes in Third World countries. The Agency was not helping matters by revising the long-standing Guiding Principles for the Provision of Technical Assistance and by interpreting those guidelines in a very restrictive manner so that developing countries were being forced to opt out of the technical assistance programme. If that trend gained momentum, it would have serious repercussions on the acceptability of the Agency's safeguards functions.

79. The problem of financing technical assistance from predictable and assured sources had not been resolved. The temporary solution adopted would give everyone more time, but the real issue had been avoided. Pakistan believed that the best way to finance technical assistance was through the Regular Budget.

80. Pakistan noted with satisfaction the continuing development of the Agency's safeguard system, and believed the system was a sound, satisfactory and reliable means of ensuring that the nuclear energy projects and programmes remained peaceful. Also, it congratulated the Agency on the award of the Nobel Prize in Physics to the Director of the International Centre for Theoretical Physics.

81. Pakistan had followed carefully the work of the Agency relating to international plutonium storage. It fully supported the safeguarding of plutonium

in accordance with the Statute of the Agency but did not subscribe to the proposition that the fuel reprocessing and plutonium recycling plants and breeder reactors which would play a dominant role in the next decade should remain the monopoly of a few industrialized States. The information and material should be accessible without any discrimination or hindrance to the developing countries for the benefit of their peaceful programmes.

82. Over the past four years, the General Conference and the Board had been dealing with the question of the amendment to Article VI.A.2. After considerable debate, the General Conference at its twenty-second session had unanimously supported a resolution noting that the majority of Member States endorsed the proposition that a modest increase of one seat for Africa and one for the Middle East and South Asia would be desirable. It was to be hoped that a consensus on that modest increase would be reached without undue delay. Not only was the existing imbalance unjust; it adversely affected the representative character of the Board, its efficiency and its effectiveness. Any delay in the acceptance of the compromise formula would constitute a denial of the right of the two least represented regions, which supplied more than half of the world's energy and oil needs and a considerable amount of uranium. Delay on the issue would not only lead to difficulties in the Board but would also pave the way for demands for a much larger increase in representation.

83. Pakistan fully supported the holding of a United Nations conference in 1983 on the promotion of international co-operation in the peaceful uses of nuclear energy. It had also been pleased to note that the Co-ordinating Committee on Atomic Energy of the non-aligned countries had had a very productive and useful meeting at Buenos Aires and endorsed its declaration that it was the sovereign right of all nations to acquire and apply peaceful nuclear technology for their development under appropriate safeguards.

84. Pakistan was proceeding with its peaceful nuclear energy programme, with emphasis on nuclear power and technology and the application of nuclear techniques in agriculture and medicine. The search for nuclear raw materials had led to the discovery of additional deposits of uranium, zirconium and other substances. Nuclear fuel had been manufactured locally for the country's natural-uranium heavy-water power reactor. The recent increases in the price of oil had made nuclear power even more attractive for Pakistan and provided a strong incentive for planning new reactors. The Government had already

approved the construction of a 600-MW plant to be located at Chashma. Work had commenced on the seventh nuclear medicine centre, at Islamabad, and the third agricultural centre, at the Peshawar Nuclear Institute, had started functioning.

85. The fifth International Summer College on Physics and Contemporary Needs, held in Nathiagali, Pakistan, from 14 June to 2 July 1980, had been attended by 150 participants from 22 countries. The College had established itself as an example of how a developing country could help itself by inviting distinguished scientists from other countries to discuss the latest advances in physics and their applications for development.

86. In conclusion, he expressed his country's full support for the work and programmes of the Agency.

87. Mr. SIAZON (Philippines), recalling the Eisenhower "Atoms for Peace" declaration of 1953, which had resulted in the establishment of the Agency in 1957 and in the widespread use of nuclear energy for peaceful purposes under Agency safeguards, said that that era had been characterized by international co-operation and by high public expectations. To a large extent, those expectations had been fulfilled by the introduction of nuclear power in developing countries and by the increasing applications of nuclear energy for medical and agricultural purposes.

88. Today, however, the prevailing attitude towards nuclear energy was far from favourable. Fear of nuclear proliferation and concern over problems of nuclear waste had combined to restrain the increasing use of nuclear energy not only in the developed countries but also in the developing countries. National policies relating to non-proliferation and environmental protection had had retroactive effects and in some cases had resulted in delays, additional costs and adverse economic consequences in the developing countries. Those policies had aggravated the already complex energy problems of some of the countries in question.

89. Changes in public attitudes towards nuclear energy required changes in strategy, and the Agency must therefore adjust its approach and programmes to the present requirements. Such an adjustment, however, was possible only with the full co-operation of Member States.

90. First of all, the Agency had to expand and accelerate its activities in connection with nuclear safety. More emphasis had to be placed on the safe

disposal of radioactive wastes and on international co-operation in spent fuel management. The Agency had to continue to update its various safety codes and to strengthen its capacity to provide advice to Member States on the licensing of nuclear power plants, on the safety aspects of site selection, on the safety assessment of plants and on safety aspects of the technical specifications set forth in bids. It must also be prepared to intensify its programmes for training personnel from developing countries in all phases of the safe operation of nuclear power plants. As a further measure, it should promote more strongly the establishment of multilateral agreements between neighbouring countries and the Agency itself for the provision of emergency assistance in the event of nuclear accidents. Such agreements should be formulated in such a way that developing countries with nuclear power plants were assured of emergency assistance from one or more developed countries in the event of a nuclear accident.

91. The Agency should refrain from portraying nuclear energy as an energy alternative without serious problems. Significant efforts had to be made to explain to the public that, while there were problems associated with the use of nuclear energy, those problems were not insurmountable and solutions were in fact being successfully developed by national Governments, by the international community and by the Agency itself. It also needed to be underlined that, in spite of the problems, nuclear power was a viable and necessary source of energy for the economic development of many countries. The Agency must transform its public image into that of an organization with the competence and authority to provide objective advice on the peaceful uses of nuclear energy. An intensive public information programme would be required for the purpose.

92. The Agency was much better known at present for its safeguards functions than for its competence in nuclear energy. Perhaps there was some basis for that misconception. Its more serious efforts in connection with nuclear safety started only after the Three Mile Island accident, and the resources earmarked for such activities in the 1981 Regular Budget were much less than 25% of the real costs of safeguards. For example, Table I of document GC(XXIV)/630 showed only US \$12 000 of expected extra budgetary resources for activities related to health and safety, while three Member States were expected to provide US \$1 385 000 voluntarily for safeguards. Clearly, the emphasis which Member States placed on nuclear safety must be reflected in their contributions to the Agency. In that connection, it might be worthwhile to consider

soliciting financial or technical support from non-military nuclear industries in Member States for programmes geared to improving public ideas about nuclear safety.

93. The fear of nuclear proliferation that many developed nuclear supplier countries felt had led to unilateral and sometimes retroactive changes in their nuclear supply conditions. Those changes had eroded confidence in the security of supplies and caused delays in the nuclear power programmes of developing countries.

94. The Agency had a central role to play in the matter of non-proliferation as it provided the only mechanism for the application of international safeguards. Recently, however, non-proliferation conditions had been developed on the outside and introduced into the Agency only after agreements had been reached elsewhere. That practice must stop. Since the Agency had the main responsibility for international safeguards, it was essential that non-proliferation questions should be considered and resolved within the framework of the Agency. Moreover, non-proliferation conditions and safeguards could be acceptable only if they went hand in hand with assurances of supply that were considered to be equitable. The price of "irrevocable safeguards" was "irrevocable supply".

95. In order for supplier countries to accept the Agency as the main forum for the consideration of non-proliferation issues, it might be necessary to assure them that the Agency's safeguards system would continue to be adequate in deterring nuclear proliferation and that the developing countries would continue to support the safeguards activities of the Agency. Confidence in the Agency's safeguards system could be maintained only as long as the Agency was provided with sufficient resources to carry out its safeguards functions effectively. Those resources would have to be provided by the developed countries because of their greater capacity to pay.

96. The present level of resources for safeguards could not be considered high when viewed in the context of expenditures for national security systems. The present safeguards allocation, however, represented a very large part of the Agency's Regular Budget. As long as safeguards were not viewed as having the effect of crowding out the Agency's promotional activities, the developing countries would continue to support them. However, they might become less enthusiastic if they were given the impression that promotional activities of interest to them would have to be reduced in order to accommodate expansion of the Agency's safeguards activities.

97. The Philippines believed in the importance of the Agency's safeguards activities and was ready to ensure their continuing effectiveness. At the same time, it strongly believed that the Agency must also continue to improve its promotional activities and to concentrate primarily on the nuclear fuel cycle. The Agency's activities in regard to food and agriculture, the life sciences and the physical sciences had been very successful and had encouraged 13 countries in Asia and the Pacific to collaborate closely on at least seven projects in the peaceful uses of nuclear energy. The Regional Co-operative Agreement for Research, Development and Training Related to Nuclear Science and Technology (RCA) had not only provided an impetus to increased activity in the peaceful uses of nuclear energy but also enabled nuclear scientists in the region to transcend the socio-economic and political differences which occasionally arose between their respective countries.

98. The Agency should continue to involve itself in activities of interest to Member States that were not yet in a position to avail themselves of nuclear power. It should also improve its training programmes to enable those countries to benefit from nuclear power in the future if and when they decided to do so.

99. His delegation had in the past expressed dissatisfaction with the increasing trend towards reducing the promotional activities of the Agency in order to accommodate large expansion of safeguards activities within the overall budget. It believed that, in the preparation of the programme and budget, the primary concern should be the attainment of the Agency's objectives, namely, the promotion of the peaceful uses of nuclear energy under appropriate international safeguards. The necessary resources should be made available to implement a programme that would attain those objectives. The approach to the 1981 budget had been somewhat unorthodox because first the expenditure ceiling (corresponding to zero real growth) had been established and then the programme tailored to fit the predetermined expenditure ceiling. If continued in the future, that procedure would undoubtedly lead to increases in safeguards activities at the expense of promotional activities. Such a development could certainly lead to the unhappy situation of transforming the Agency's safeguards activities into another North-South issue.

100. The establishment of the Committee on Assurances of Supply (CAS) by the Board of Governors would undoubtedly contribute to ensuring the central role of the Agency in the twin issues of non-proliferation and assurances of supply. With the failure of the Second Review Conference of Parties to the Treaty on

the Non-Proliferation of Nuclear Weapons (NPT) to agree on a final document, CAS had become doubly important. His delegation would endeavour to have the tentative agreements reached during the Second NPT Review Conference confirmed within the framework of CAS. It hoped that the other countries which had participated in the formulation of those agreements would be willing to confirm them.

101. The Philippines believed that CAS should help establish stability in the conduct of international nuclear co-operation and trade by reconfirming the sanctity of contracts and agreements. CAS should deal with future arrangements between suppliers and consumers, and in that connection it would have to consider and formulate guidelines on: (a) conditions for access to supply; (b) procedures for introducing agreed conditions; (c) procedures for modifying conditions; (d) back-up measures in the event of market failure or supply interruptions; and (e) possible measures to improve the commercial aspects of the fuel market. CAS would also have to deal with non-commercial conditions for access to fuel and services, such as: (a) safeguards required; (b) duration of supply commitments and safeguards; (c) conditions for reprocessing, enrichment or other alterations of physical or chemical form of supplied material; (d) the role of the Agency in all those matters. That list of subjects was by no means exhaustive but, if CAS was able to deal with them successfully, nuclear power might be assured of more stable conditions in the future, at least with respect to assurances of supply and non-proliferation. It was extremely important for the medium term for the nuclear power industry to be able to make the necessary commercial arrangements within agreed political conditions.

102. The Philippine delegation hoped that all Member States would exert maximum efforts to bring about the early attainment of the objectives of CAS. In its view the prospects for the success of CAS would be significantly improved if, at the outset, participating countries could affirm that, when one party or the other to a bilateral agreement wished to seek the renegotiation of non-proliferation conditions, means should be devised to achieve such renegotiation equitably, without resort to the unilateral interruption of supply or import, or to the threat of such interruption, and with each party avoiding to the extent possible the unilateral imposition of additional costs on the other or of new conditions retroactively applied. It would be useful if the supplier countries could demonstrate the importance they attached to assurances

of supply by agreeing, pending the conclusion of arrangements for an international nuclear fuel bank, to make available, on a commercial basis, an interim uranium stockpile sufficient for one annual light-water reactor (LWR) reload of enriched uranium and one annual heavy-water reactor (HWR) reload of natural uranium (with specific arrangements and conditions according to which that uranium would be made available to States which were unable to secure fuel supplied under existing contracts for reasons of contract default that were not the result of a breach of the non-proliferation undertakings stipulated in the relevant agreement).

103. Since there was a direct correlation between safeguards and assurances of supply, a mechanism must be provided for reviewing the problems involved. That mechanism would complement the annual Safeguards Implementation Report. Using information from Member States, non-governmental organizations and commercial institutions, the Director General should prepare for submission to the Board and the General Conference an annual report covering the market in the nuclear fuel cycle and dealing, among other things, with (a) the general market framework and resources situation for the short, medium and long term; (b) non-proliferation and related conditions; (c) factors influencing the market and important events, difficulties and problems; and (d) the operation of formal and informal back-up arrangements. Such a report would strengthen the Agency's role in providing assurances of supply and re-establish the balance between safeguards and assurances of supply.

104. A concomitant of the Agency's expanding role in determining policies related to international nuclear co-operation and trade and of the growing number of countries using nuclear energy for economic development was the increasing desire of Member States, both developed and developing, to have better representation on the Board of Governors. For the last few years, the General Conference and the Board had been considering, without much success, a proposed amendment to Article VI of the Statute. The continuing stalemate on that issue could seriously hamper the effectiveness of the Agency, and it was to be hoped that it would be possible to resolve the issue at an early date.

105. The Philippine delegation welcomed the agreement reached in the Board concerning the establishment of multi-year indicative planning figures for the Agency's technical assistance programme. The new procedure would enable the Agency and recipient countries to plan their programmes more effectively. His

delegation was concerned, however, that the figures agreed on for 1981, 1982 and 1983 might not enable the Agency's technical assistance programme to attain real growth, especially in view of the present worldwide rate of inflation and the fluctuations of currencies. In that connection, he wished to draw the Conference's attention to the fact that, despite the recommendation of the First NPT Review Conference, in 1975, that all "technically sound" requests for technical assistance should be funded, only 23% and 34% of such requests had been funded in 1978 and 1979, respectively. That should serve as a further reminder of the need for predictable and assured financing for the Agency's technical assistance programme.

The meeting rose at 1 p.m.

