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NUCLEAR VISIONS

Deals involving uranium sales and nuclear-technology transfers have experts divided about security fears and the possible damage to global treaties, writes Peter Kammerer

Two of the world's nuclear taboos have been broken in the past month: China has struck a deal with Australia to buy uranium to fuel its mushrooming reactor programme and the US has signed a pact with India to share technology. While the agreements with the nuclear weapons nations are aimed at quenching a thirst for energy, some fear they have also made the world less safe.

Searching questions are being asked: Can China be trusted to use the uranium for its reactors and not divert some to make weapons? Could a proportion of the material make its way to the mainland's allies, Pakistan and North Korea? Does Washington's deal with New Delhi, which has not signed the nuclear Non-Proliferation Treaty (NPT), send the wrong signal to Iran, seemingly doing its utmost to evade international safeguards in starting its own nuclear programme? With more uranium on the world market, will the risk of some falling into the hands of terrorists increase? Are rivalries between China and India being fuelled by the decisions?

Australia even seems to be blurring diplomatic boundaries. On the heels of Monday's signing of a safeguards agreement with China sealing its uranium pact, two Australian companies announced they had signed contracts to supply the ore to Taiwan. The Australian government does not have diplomatic relations with the island, but the deal will be made possible through an export arrangement with the US and went ahead with the knowledge of Chinese officials.

High oil and gas prices and concern that fossil fuels are causing climate change have in recent years prompted a rethink on nuclear energy. Renewable sources such as wind and solar power are not yet reliable means of producing around-the-clock electricity, whereas nuclear reactors have a proven track record. Asia's need to fuel its economic boom amid the new concerns has meant the region is leading the world with construction of reactors and China and India are in the forefront. China has just nine reactors at present, but plans to build up to 50 more within the next 20 years.

Australia is in a perfect position to capitalise: it is estimated to have between 30 and 40 per cent of the world's reserves of uranium, the fuel for nuclear reactors. With the price of the commodity increasing and expected to rise five-fold in the next decade, it was only a matter of time before traditional barriers fell.

With Premier Wen Jiabao at his side, Australian Prime Minister John Howard on Monday welcomed the mainland's economic expansion and outward development as good for the world. He said there was no merit in a "policy of containment" towards China. "We see it as in the interests of this country, the interests of our region and, indeed, the interests of the world to be an active partner in the long journey China has begun to undertake towards realising her full potential," Mr Howard said.

To overcome Australian legal requirements on the sale of uranium, the deal included safeguards on the use of the material to ensure it was used for peaceful purposes. Australia has 19 similar agreements covering 36 countries, including the US, Japan, South Korea, Britain and France. It requires that all such deals can be made only with nations that have signed the NPT.

"China is a responsible country in the international community," Mr Wen said. "We believe that this safeguards mechanism will ensure that the nuclear co-operation will not be used for non-peaceful purposes."

The promises by the Chinese and Australian leaders were questioned by critics, as were the contracts with Taiwan: the island is not a signatory to the NPT. Australian Labor Party leader Kim Beazley called for tougher control, saying that the government had missed the opportunity to "mobilise an international suppliers and users group devoted to non-proliferation, and to use it to strengthen the non-proliferation treaty". Minority Australian Greens party politician Christine Milne contended Australia was putting money before global security.

"Make no mistake - selling Australian uranium to China will make the world less safe," Ms Milne said.

One of Australia's best-known environmentalists, Labor member of parliament, former rock star and ex-president of the Australian Conservation Foundation, Peter Garrett, told the South China Morning Post such deals were inappropriate while China had not ratified the Comprehensive Test Ban Treaty. The NPT watchdog, the United Nations-funded International Atomic Energy Agency, needed to be strengthened and its work harmonised across the five declared nuclear weapons states - China, the US, Britain, France and Russia.

"The signals to this point from the Chinese government about that have been mixed and in some instances seem to be discounting the idea that there needs to be strengthened, universalised safeguards," Mr Garrett explained. "That, at the very least, should be the requirement that we need to have in place for the export of uranium to China."

He said the more uranium that was mined and enriched for energy production, the greater the risk some could end up in weapons programmes. Better safeguards were needed to protect weapons-grade uranium.

Greenpeace Australia's campaigns manager Danny Kennedy agreed, pointing out that the

power and weapons sectors could not be divorced when it came to enriching uranium. Nor was there any resolution to disposal of the highly radioactive waste from nuclear power generation, he said.

Such arguments are dismissed by advocates of nuclear power, about 250 of whom are holding their annual conference in Hong Kong this week. The London-based World Nuclear Association and the US trade body, the Nuclear Energy Institute, begin their joint two-day meeting today and members will tour the Daya Bay nuclear plant, 50km from Hong Kong, on Friday. Association spokesman Ian Hore-Lacey, an Australian with extensive experience in the country's mining industry, described the deal between Canberra and Beijing as "a good decision". China needed more energy and nuclear reactors were a clean and safe alternative to coal, which presently produces 70 per cent of the mainland's electricity.

"The deal's in everyone's interest," Mr Hore-Lacey observed. "It helps expand China's energy source, nuclear is clean energy and although it's more capital-intensive than coal-fired power plants, once reactors are built, they're cheap to run."

China also had a close economic relationship with Australia, he said.

But the deal is seen as good beyond Australia, even among nuclear non-proliferation experts who do not view China's nuclear energy or weapons programmes as threatening.

The manager of the US-based Centre for Non-Proliferation Studies' East Asia programme, Andrew Diamond, said there was "every reason to believe that this uranium to China will go towards their civil nuclear programme".

"China already has enough highly enriched, weapons-grade uranium to increase its nuclear arsenal several times over and it doesn't need the extra Australian uranium for that," Mr Diamond said from his office at the Monterey Institute of International Studies. "What it really needs is uranium to meet the demand for nuclear energy."

India also needed uranium for nuclear energy, but because it was not a party to the NPT, Australia was unlikely to be brokering a deal like that with China, he said. Nor were the China/Australia deal or India/US deal - which requires Congress' approval - of a similar nature. The latter was widely perceived as damaging to the NPT.

The Carnegie Endowment for International Peace's nuclear non-proliferation project director, Joseph Cirincione, said it "blows a huge hole through the non-proliferation treaty".

"On the face, it violates the very first article of the treaty, which prohibits the US from encouraging or assisting another country's nuclear industry," he said. "It's going to help India build more nuclear weapons faster."

With concerns over Iran's apparent determination to kick-start its own nuclear

programme, the wrong signal was being given.

"If it's now being left to individual countries to determine for themselves another nation's non-proliferation credentials, then what's to prevent Russia from saying that Iran should benefit from more nuclear co-operation?" Mr Cirincione asked.

"How about China saying that Pakistan deserved more nuclear co-operation? Once the international norm is torn down, it's impossible to reconstruct it."

GRAPHIC: Credit: Reuters; Premier Wen Jiabao is seen through the glasses of Australian Prime Minister John Howard (left) after signing a deal on Monday allowing Beijing to import Australian uranium for power generation.