Joint Standing Committee on Treaties

PO Box 6021

Parliament House, Canberra, ACT, 2600.

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<u>Re: Inquiry into Proposed Uranium Sales to China</u></u>

Dear Sir/Madam,

I oppose uranium sales to China for the reasons outlined below.

(1) Nuclear power has been the consistently linked form of energy production to weapons grade material and this has the ability to wipe out all life on earth. It also has a repeatedly-demonstrated connection to the production of Weapons of Mass Destruction (WMD), a 21st century risk, just as it did during the cold war days of the 20th century.

No wonder that despite the massive media push assuring Australians that nuclear power is 'safe' and 'green', news-polls still show that the majority of Australians are not in favor of both uranium mining nor exporting yellowcake to China.

(2) Inadequate IAEA Safeguards. As the shrill gets louder about how clean and green the nuclear powered industry is, this could not be in more contrast to the ever slackening safeguards. IAEA Director-General Mohamed El Baradei has described the IAEA's basic inspection rights as "fairly limited", complained about "half-hearted" efforts to improve the system, and expressed concern that the safeguards system operates on a "shoestring budget ... comparable to a local police department".

(3) China is not subject to full-scope IAEA safeguards. Nuclear facilities would only be subject to voluntary inspections. This is no simple matter as Australian uranium is indistinguishable from, and mixed with, uranium from elsewhere.

(4) There are numerous scenarios which would make it difficult or impossible to safeguard the uranium that is exported to China.

* The Chinese regime promises military action in the event that Taiwan declares independence, and Washington promises a military reaction in which Australia could become embroiled. In those circumstances, it would be all but impossible to prevent Australian uranium being used in Chinese nuclear weapons.

* There is serious concern that the NPT/IAEA system could collapse. For example, the 2004 report of the UN Secretary-General's High Level Panel on Threats, Challenges and Change noted: "We are approaching a point at which the erosion of the non-proliferation regime could become irreversible and result in a cascade of proliferation." In such circumstances, it is unlikely that IAEA safeguards would continue to apply. Moreover, in

such circumstances, there is no certainty whatsoever that fallback provisions, such as Australian inspections, would be feasible.

(5) Enrichment and NPT. It is most worrying and would be reckless if true, that the treaty text envisages reprocessing, and i.e. separation of weapons-useable Australian-obligated plutonium from spent nuclear fuel irradiated in China.

The Australian government plans to grant 'programmatic' consent to the Chinese regime to separate Australian-obligated plutonium from spent fuel rather than requiring Australian consent on a case-by-case basis. It is therefore madness to even think of exporting such a dangerous product, uranium, to a country that refuses to ratify the Comprehensive Test Ban Treaty. Last year an incident occurred that should have set the alarms bells ringing in the Australian Parliament when Zhu Chenghu, a general in the Chinese People's Liberation Army, said: "If the Americans draw their missiles and position-guided ammunition onto the target zone on China's territory, I think we will have to respond with nuclear weapons".

(6) Technology impossible to police. In 2001, the CIA reported that China had provided missile technology to North Korea and Libya as well as "extensive support" to Pakistan's nuclear program. In 2003, the US government imposed trade bans on five Chinese firms for selling weapons technology to Iran. According to Amnesty: "Its record in supplying arms to countries such as Iran, Myanmar (Burma), Pakistan and Sudan suggests ... a dangerously permissive approach to licensing arms exports." Also in June 2006, the US government accused four Chinese firms of illicit military exports, thus beginning a process potentially leading to a freeze of any assets the firms have under US jurisdiction.

These facts alone should be a strong deterrent to the Federal government.

(7) Uranium displacement and renewable energy. It is possible that uranium Australia plans to export to China will supplant the uranium that from the small amount of deposits that exist in China. This would then free up that small amount for a possible program of WMD's.

The Chinese regime plans to increase the contribution of renewable energy to 15% by 2020 and nuclear's contribution is expected to grow from 2% to 4% over the same period. Australia ought to encourage the Chinese regime to abandon the nuclear expansion and to increase the renewable target to 17%. There are various mechanisms to facilitate this course of action such as the Clean Development Mechanism of the Kyoto Protocol and the AP6 Climate Change Framework.

(8) Small profits. It is frequently claimed that the sale of uranium to China will be a major source of export revenue. The claim is false even the industry-funded Uranium Information Centre (UIC) envisages that Australia might obtain an export market to China of only about 3,000 tonnes annually compared to total current uranium exports to all countries of 10-12,000 tonnes. Uranium accounts for less than one third of one percent of Australia's total export revenue \$573m/\$176,700m in 2005. Even with exports to

China, and an expansion of Roxby Downs, and new mines, the likelihood of uranium accounting for more than 1% of export revenue is vanishingly small.

In conclusion, therefore, there is no other deduction to be made from the above points than the government would be encouraging nuclear proliferation in China, and would be supplying this regime with nuclear WMD feedstock. This is neither a logical nor a defensible course of action.

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