

3. The development of such a system, as defined in Article XII of the Statute, has been one of the Agency's principal objectives and all countries (including Canada) that accepted the Statute have equally accepted the objective.

4. Certain members of the Board of Governors — India and the countries of the Soviet bloc — have however opposed the safeguards proposals in their present form. It was these countries which were responsible for having the proposals referred to the General Conference, where they will attempt to reopen the entire debate with consequent delay and uncertainty as to the outcome. Canada and the other principal western suppliers have strongly supported the efforts to develop a system of safeguards and Canada has recently cooperated with the United States and the United Kingdom in making a series of diplomatic approaches intended to build up support for the present safeguards proposals at the General Conference, where they will be strongly attacked by their opponents.

5. We believe these proposals, which are the result of extended study and negotiation, to be a reasonable and workable compromise. For the reasons given below we consider that we should work at this General Conference to have them accepted and put into effect as soon and as widely as possible:

(a) Safeguards against diversion of peaceful nuclear materials to military use will be a small but essential part in the machinery of any general disarmament settlement we may succeed in reaching;

(b) An early and generally accepted formulation of rights and obligations on this subject will contribute to the development of international dealings in peaceful nuclear materials;

(c) Unless an internationally accepted and administered system of safeguards can be promptly established, those countries which, like Canada, have voluntarily maintained safeguards in their bilateral dealings may find themselves placed at a disadvantage in world markets;

(d) For Canada itself there would be practical and financial advantages in transferring to the IAEA the obligation to administer the safeguards called for in our bilateral agreements, since there is no Canadian machinery for this task and no steps have yet been taken to develop any. (In the majority of our bilateral agreements this transfer is foreseen and is already provided for with the consent of our partners).

6. It is therefore considered that the countries which have supported safeguards during negotiations in the Board of Governors should now make a concerted effort to secure favourable reception of the present proposals by the Fourth General Conference and their return to the Board of Governors for prompt implementation.

#### *Recommendation*

To this end it is recommended that the Canadian Delegation to the Fourth General Conference of the International Atomic Energy Agency be authorized:

(a) To support the safeguards proposals provisionally approved by the Board of Governors;

(b) To reaffirm Canada's intention of transferring to the International Atomic Energy Agency (with the consent of our bilateral partners) the administration of the safeguards provided for in our bilateral agreements as soon as the Agency is in a position to assume this responsibility.

[H.C. GREEN]

[G.M. CHURCHILL]