

round of negotiations with the Swiss is expected.

The recent settlements with the United States, the EEC and Japan have removed major constraints to uranium shipments but have not entirely resolved all outstanding safeguards issues. Agreements with the member states of the EEC wishing to purchase Canadian technology still have to be negotiated. More important, there are certain countries with which Canada is currently co-operating (Argentina, Spain) that meet the terms of the 1974 policy but not of the 1976 policy and are, therefore, not eligible for co-operation under new contracts. Argentina purchased a CANDU reactor before 1976 and is clearly interested in further purchases; however, these cannot take place unless Argentina either becomes a party to the NPT or otherwise accepts full-scope safeguards. The same applies to other potential nuclear customers.

Canada's nuclear co-operation with India was terminated and its co-operation with Pakistan suspended because neither country accepted the 1974 or 1976 policies; there is no indication that either country is likely to accept these policies in the near future.

On the multilateral front, Canada's initial efforts to respond to the uncertainties resulting from the Indian explosion centred on the Nuclear Suppliers Group. The group (which now includes Britain, Canada, West Germany, France, Japan, the U.S.A., the U.S.S.R., Belgium, Czechoslovakia, East Germany, Italy, the Netherlands, Poland, Sweden and Switzerland) has been meeting periodically in London during the past three years. It sought to agree upon the safeguards undertakings to be required respecting nuclear exports (including exports to other Group members) and, in doing so, to raise the level of international safeguards and remove the issue of safeguards as a subject of bargaining in the promotion of nuclear exports. Extensive and complex negotiations led to agreement on the nuclear-safeguards guidelines that were formally published by the IAEA in February of this year. The guidelines are similar to those of the 1974 Canadian policy, but do not cover reactor or fuel-fabrication technology and do not attach as much importance as does Canadian policy to prior-consent rights by the supplier with respect to reprocessing and storage of plutonium. Canada, therefore, regards the guidelines as a floor rather than a ceiling and continues to urge a number of modifications to improve their effectiveness. The most important of these are two basic elements of the 1976 Canadian policy: full-scope safeguards as a condition of supply and agreement on sanctions to be

applied in the event of non-compliance by a recipient.

The failure of the guidelines to require full-scope safeguards as a condition for supply and the application of sanctions for violation of safeguards undertakings represents a major shortcoming in the guidelines. Failure to agree upon these two elements limits the effectiveness of efforts by Canada and other equally-concerned suppliers to upgrade safeguards because it offers recipients the alternative of shopping among suppliers with less-stringent trade-off between non-proliferation and commercial interests. It is ultimately in the interest of the security of the world community that all suppliers insist on full-scope safeguards and effective sanctions against the violation of safeguards undertakings as essential elements of an effective international non-proliferation regime.

Most comprehensive

In the middle of 1978, Canadian safeguards policy is still the most comprehensive adopted by any nuclear-supplier. Recent U.S. legislation has incorporated similar requirements, but the necessary agreements to give effect to the legislation are not yet in existence. Australia has adopted a similar policy, which is to be reflected in agreements to be negotiated before it resumes uranium supplies in the early 1980s.

In its continuing efforts to promote an effective international non-proliferation regime, Canada has probably achieved as much as it is possible to achieve through the unilateral vehicle of its national safeguards policy. The only more stringent measures would be a ban on reprocessing of Canadian material or a total ban on the export of Canadian material, equipment and technology. While there is a body of opinion in Canada that would support such measures, it is doubtful that they would have a positive effect. Either ban would effectively cut Canada off from any real influence on the world of international nuclear co-operation and would consequently silence its voice in

