

As I mentioned in my statement on May 18, the Government was very disturbed by the announcement that India had exploded a nuclear device and today Cabinet has been giving serious study to the implications of this unfortunate development.

Our concern is related to two important aspects. First, we are concerned as to the effect that India's action, whatever its motivation, will have on international efforts, to which Canada has been an active party, to limit and control the proliferation of nuclear explosion technology for which there can be no distinction between peaceful and potential military application. For all intents and purposes, therefore, India now has developed the capability of producing a nuclear weapon. Many years ago Canada could have developed a similar capability but we chose not to do so because of our view that the dubious advantages of having our own explosive device were far outweighed by the dangers to world peace and security. The development of this technology by India is bound to have serious and widespread repercussions throughout Asia and the world.

Secondly, we are very distressed and concerned that this latest member of the nuclear club should be a country with which successive Canadian Governments have carried on over the past two decades extensive co-operation in the nuclear energy field. This long-standing co-operation with India in the nuclear energy field has involved the gift, under the Colombo Plan, of a nuclear research reactor; the provision of credit, expertise, materials and fuel for two electric generating reactors, and a variety of technical exchanges and training of personnel, etc. All of this assistance was intended to help India in meeting the critical energy needs of the Indian people and was provided to, and accepted by, India on the basis that it would be used for peaceful purposes only. We have made it clear in international discussions and in bilateral exchanges with India that the creation of a nuclear explosion for so-called peaceful purposes could not be considered as a peaceful purpose within the meaning of our co-operative arrangements.

Canada continues to attach great importance to its general relations with India and remains anxious to contribute to the economic and social progress of the Indian people. It fully respects India's sovereignty and independence in all matters. It cannot, however, be expected to assist and subsidize, directly or indirectly, a nuclear programme which, in a key respect, undermines the position which Canada has for a long time been firmly convinced is best for world peace and security.

In view of the serious implications internationally and for our bilateral relations resulting from India's explosion of a nuclear device, Canada intends to reassess its nuclear co-operation with India as the Prime Minister had warned the Prime Minister of India, Mrs. Indira Gandhi, would be done if India developed such a device. We are seeking information from India on the source of the plutonium used in the explosion and on the specific ways in which they expect this nuclear explosion technique will benefit Indian economic development commensurate with the costs involved. Atomic Energy of Canada Ltd. has recalled for discussions Mr. Morrow, its resident representative in Bombay. The Canadian Government has suspended shipments to India of nuclear equipment and material and has instructed AECL, pending clarification of the situation, to suspend its co-operation with India regarding nuclear reactor projects and the more general technological exchange arrangements which it has with the Indian Atomic Energy Commission.