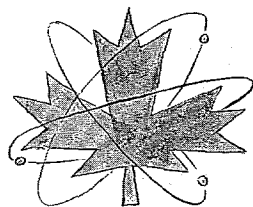


peaceful non-explosive use of Canadian-supplied material, equipment or technology and of material of any origin produced in Canadian-designed or -supplied equipment, reaffirmed Canada's right to demand prior consent to the transfer of supplies of Canadian origin outside the Community, and recognized that all Canadian material, whether supplied directly or through a third country, was subject to the agreement. The settlement allowed France to enrich Canadian uranium for other countries but excluded Canadian uranium from use in French reactors until France accepted IAEA safeguards on its civil cycle. (France has since worked out such an agreement with the IAEA and, as soon as it is in force, France will be able to use Canadian uranium in its civilian reactors.)



An interim arrangement on reprocessing along the lines of the Trudeau-Schmidt formula was agreed to cover the period to the end of INFCE. The EEC will engage in consultations in depth with Canada before reprocessing material of Canadian origin. The reprocessing aspect of the agreement and the corresponding continuation of supply of Canadian uranium are linked to INFCE, and further negotiations must be held before the end of 1980 to agree on the conditions for reprocessing after that date. The Canada-EEC consultations on reprocessing will further Canadian understanding of the European requirement for reprocessing and provide Canada with firsthand evidence of the safeguarding of reprocessing plants.

The INFCE study is expected to result in a better understanding of the criteria that should be applied to the reprocessing of spent fuel. In so doing, it should facilitate the efforts of Canadian and EEC negotiators to agree upon more-permanent arrangements with respect to reprocessing.

Because responsibility for the transfer of nuclear technology rests with the member states rather than the Community, it was agreed that this element of Canadian safeguards policy would be the subject of bilateral agreements between Canada and those member states seeking to acquire Canadian nuclear technology.

Shipments of Canadian uranium to the

EEC were resumed upon conclusion of the agreement in December 1977.

### Japanese interest

Following conclusion of the agreements with the U.S. and the EEC, Japan showed a renewed interest in reaching an early settlement with Canada. With the establishment in the interim Canada-U.S. agreement of a mechanism minimizing the practical inconvenience of a double set of safeguards, Japan accepted the principle of double controls near the end of 1977 and a settlement was reached in Tokyo on January 26 during Mr Jamieson's visit to Japan. Uranium shipments were resumed on that date.

Canada had undertaken to offer Japan an agreement similar to any agreement with the EEC, bearing in mind that the 1959 agreement with Japan gave Canada prior consent regarding reprocessing, whereas the 1959 agreement with the EEC did not. Japan decided to continue to accept a requirement for prior Canadian consent on reprocessing and storage of plutonium and uranium enriched above 20 per cent in order to avoid the limitation on the quantities of uranium that could be shipped to "current needs" that is a consequence of the interim nature of the EEC agreement. The settlement with Japan is thus a long-term one, unlike the EEC agreement, which will require renegotiation by 1980 in the light of the results of INFCE. The Canada-Japan agreement may, therefore, serve as a model for future agreements between Canada and other supplier countries. The fact that it was possible for Canada to reach agreement with its major uranium customer — a country almost entirely dependent on external sources of energy supply — casts doubt upon the allegation by some countries, developed as well as developing, that Canadian safeguards requirements are an infringement on their sovereignty and their energy policies. The Canada-Japan agreement is a concrete demonstration that, where there is an unequivocal commitment to non-proliferation, Canadian safeguards policy does not represent any real impediment to a national energy program.

At the time of writing, Switzerland is the only Canadian nuclear customer with which no agreement has been reached to implement the 1974 policy. In the Swiss case, the problem is one particularly of assurances on the coverage of Canadian technology. The Swiss Government has indicated that it lacks the legislative authority to enforce the degree of control over retransfers of nuclear technology required by Canadian safeguards policy. A further