

**EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF CANADA AND
THE GOVERNMENT OF SWEDEN AMENDING THE 1977 AGREEMENT
CONCERNING THE USES OF NUCLEAR MATERIAL, EQUIP-
MENT, FACILITIES AND INFORMATION TRANSFERRED BETWEEN
CANADA AND SWEDEN**

Ottawa, December 18, 1981

FLE-1625

Excellency,

I have the honour to refer to the Agreement between the Government of Canada and the Government of Sweden Concerning the Uses of Nuclear Material, Equipment, Facilities and Information Transferred Between Canada and Sweden signed at New York, September 27, 1977, (hereinafter referred to as the Agreement) and to the related Exchange of Notes of September 29, 1978, and in particular to Article III.1 of the Agreement which states, inter alia, that nuclear material subject to the Agreement shall be reprocessed only as agreed in writing between the Parties.

I have the further honour to propose, on the basis of discussions between officials of our two countries, that the guidelines set forth in this Note should govern the exercise of the provision respecting mutual agreement over reprocessing contained in Article III.1 of the Agreement.

I note that in those discussions officials of Canada and Sweden took into account the findings of the International Nuclear Fuel Cycle Evaluation including, inter alia: 1) the recognition that countries in reaching decisions as to their nuclear fuel cycle activities will bear in mind a broad range of political, economic and energy considerations; 2) the recognition that countries with significant nuclear energy programmes in which economies of scale are relevant will wish to look particularly closely at reprocessing and plutonium recycle in thermal or advanced reactors in order to make the maximum use of available resources or to implement required spent fuel management and waste disposal programmes; 3) the recognition that the best technical, safeguards and institutional measures should be developed so as to minimize the risk of nuclear proliferation in the context of reprocessing; 4) with regard to the exercise of prior consent rights, recognition that these rights should be exercised in a predictable manner that takes account of the national policies and particular circumstances of the countries concerned with the objective of avoiding, wherever possible, problems in the planning and implementation of nuclear energy programmes; and 5) the general principle, asserted by the International Nuclear Fuel Cycle Evaluation, that assurance of supply and assurance of non-proliferation are complementary.