

*Government Policy on Uranium Sales*

relation to available supply and a demand for long term contracts. The increasing dependence on uranium fuel for future electrical power generation is providing an incentive for many countries to become concerned with uranium activities in other countries. At the same time the recent signing by many countries of the non-proliferation treaty will, we hope and believe, curtail the spread of nuclear armaments.

These developments will have an impact on the Canadian uranium industry. Accordingly the government is now setting out its uranium policy in greater detail to ensure that full account is taken of the Canadian public interest in these new circumstances.

The basis of Canada's uranium policy is stated in the preamble to the Atomic Energy Control Act, namely that—

—it is essential in the national interest to make provision for the control and supervision of the development, application, and use of atomic energy, and to enable Canada to participate effectively in measures of international control of atomic energy which may hereafter be agreed upon.

To protect the national interest in the different circumstances which now face us we will henceforth require that all contracts covering the export of uranium or thorium be examined and approved by the appropriate federal agency before any application for an export permit is considered. The examination will cover all aspects and implications of the contract such as nuclear safeguards, the relationship between contracting parties, reserves, rate of exploitation, domestic requirements, domestic processing facilities, and selling and pricing policy. Approval will not normally be given to contracts of more than ten years duration unless provision is made for renegotiation of price.

Once an export contract is approved, export permits covering the actual shipment of uranium or thorium may be issued annually, provided the conditions of the contract have been maintained. Approval will be granted only for the supply of uranium and thorium for peaceful purposes to customers in countries with which Canada has completed a safeguards agreement or following the coming into effect of the non-proliferation treaty with customers in countries which have concluded the necessary safeguards agreement with the International Atomic Energy Agency.

Canada will permit stockpiling of Canadian uranium in foreign countries to meet the succeeding five-year requirements of each country to fuel existing or committed nuclear reactors. Additional stockpiling in Canada

will not be precluded but actual export shipment will be limited to a moving five-year requirement of the foreign country. The shipment of small quantities of materials for atomic energy research projects will continue to be permitted without safeguards arrangements.

We will continue to require that all persons engaged in uranium or thorium mining in Canada be incorporated under federal or provincial legislation, that they operate under licence from the Atomic Energy Control Board and that they provide information as required under the regulations of the board.

The government believes that the administration of Canada's uranium policy in this manner, with regulations such as the foregoing, will enable the Canadian primary and secondary uranium industry to grow and take advantage of its opportunities in the world uranium market.

In the implementation and administration of these national policies, the federal government will maintain close contact with provincial governments on matters of common concern with respect to the uranium industry.

**Mr. R. Gordon L. Fairweather (Fundy-Royal):** Mr. Speaker, we are grateful for the advance copy of the statement the minister gave us, in order that we could make a considered reply. Unfortunately the hon. member for Parry Sound-Muskoka (Mr. Aiken), who would normally speak on behalf of the official opposition party, is not here to reply to the minister.

Arrangements to control the spread of nuclear weapons have been strengthened since many countries have signed the non-proliferation treaty, France and the People's Republic of China being notable exceptions. Perhaps one benefit to flow from bringing continental China into the community of nations—that could be done through means of diplomatic recognition or by bringing that country into the United Nations—would be the acceptance by that country of the implications of the non-proliferation treaty which would lead to a more effective control of nuclear power in the world.

It is noteworthy that since former Prime Minister Pearson made the announcement in the house on June 5, 1965, about the sale of uranium and thorium to the International Atomic Energy Agency in Vienna under the aegis of the United Nations has grown in importance and usefulness. The key policy considerations are "control" and "peaceful purposes". The spread of dangerous, toxic sub-