

g) retransfers of reprocessing, enrichment or heavy water production facilities, major critical components thereof or related technology should require consent of the original supplier. The same prior consent would be applied to derived facilities or major critical components thereof and to any heavy water or weapons-usable material.

Canada has followed the NSG guidelines in good faith and they are incorporated in all bilateral agreements that have been concluded to date. The guidelines are in fact a subset of Canadian policy.

V Canada's Non-Proliferation policy

Canada was one of those countries in which the public's perception of the proliferation risk associated with nuclear exports sharpened after India's "peaceful nuclear explosion" in May 1974. Accordingly, Canada's non-proliferation policy was reviewed and in December 1974 the government announced stricter controls on the export of Canadian nuclear material, equipment, technology and heavy water to all states whether NWS or NNWS. The policy continued to be under examination and in December 1976 another announcement was made concerning new nuclear co-operation. These two announcements together established Canada's non-proliferation policy as it exists today. That policy, in a consolidated form, is as follows:

A. Nuclear co-operation will be authorized only for those non-nuclear weapon states that have made a general commitment to non-proliferation by either having ratified the NPT or having taken an equivalent binding step and that have thereby accepted IAEA safeguards on the full scope of their nuclear activities (such IAEA safeguards are hence known as NPT-type fullscope safeguards).

B. Nuclear exports can go forward only to those states (both non-nuclear and nuclear weapon states) which have undertaken to accept in a formal agreement a number of additional requirements designed to minimize the proliferation risk associated with Canadian nuclear exports. These requirements are:

- i) an assurance that Canadian-supplied nuclear items (nuclear material, heavy water, nuclear equipment and technology) will not be used in connection with the production of nuclear explosive devices;
- ii) a provision for fallback safeguards in the event that a situation arises where the IAEA is unable to continue to perform its safeguards functions;
- iii) a control over the retransfer of Canadian-supplied nuclear items;