

Some Hon. Senators: Read it.

Senator Olson: The answer is as follows:

Canadian non-proliferation policy has two main objectives: First, to ensure as far as possible that Canadian nuclear exports do not contribute to further proliferation; and, secondly, to advance the evolution of an effective, internationally agreed non-proliferation régime.

Canadian policy has been designed to achieve those objectives by making nuclear co-operation contingent on, first, the conclusion of a bilateral agreement incorporating provisions specific to Canadian-supplied nuclear items—for example, non-explosive use, prior consent on retransfers and reprocessing, fallback safeguards, and physical protection—and, secondly, for non-nuclear weapon states, NPT ratification or an equivalent non-proliferation commitment and acceptance of fullscope safeguards.

Canada, in May 1976, formally terminated nuclear co-operation with India when that country refused to meet those two fundamental requirements of Canadian policy.

This and previous governments have clearly advised the Government of India on numerous occasions that further nuclear co-operation, including the supply of heavy water, is not possible unless and until that country fully satisfies our policy requirements.

As for the difference between India and Argentina, Argentina has signed a bilateral safeguards agreement with Canada to cover the operation of the Embalse nuclear plant.

However, no further new co-operation with Argentina is possible unless it agrees to Canada's present full nuclear safeguards policy, which includes signing the Non-proliferation Treaty.

Hon. Henry D. Hicks: May I ask the minister a supplementary question in relation to the answer he has just given?

Senator Olson: Yes.

Senator Hicks: I should like to ask the Leader of the Government if, in conjunction with his answer respecting the sale of heavy water to India, he is aware that the Russians are already selling heavy water to India? Granted, they are selling it only in quantities that would take several years to make up a reactor-load to activate the Candu reactor in India. India itself has the capacity to manufacture 300 metric tonnes of heavy water per year, although at the present time their plant is not working very well and they are making only about 50 tonnes per year. There are also heavy water plants being constructed in Romania and Argentina.

● (1420)

Does the minister not think that in view of all these activities Canada's attitude in refusing to sell heavy water to India is unrealistic in the present circumstances?

Senator Olson: Honourable senators, I suppose the honourable senator is asking whether or not I support government policy. The answer to that ought to be obvious. In any event, I do not think it would be particularly useful to add to what I have said, except to repeat the information contained in one of

[Senator Olson.]

the paragraphs in the letter I received, and that is that Canada's view is that any co-operation—if that is the right expression—or trading relations with countries which have not signed the non-proliferation agreement is contrary to Canadian government policy.

Hon. G. I. Smith: May I ask a supplementary on the same point, honourable senators? As I understand it, the policy of Canada is not to sell heavy water to India unless India conforms to certain requirements. I cannot help but recall that Canada is today manufacturing heavy water but is rumoured to be about to cease that so far as two plants in Nova Scotia are concerned.

I should like to know what advantage there is to that policy of Canada when it allows potential Canadian jobs to be replaced by jobs in Russia.

Senator Olson: I do not think that is really the question before us. The question is whether or not Canada, when it comes to nuclear technology, will carry on trade in co-operation with trading partners who do not adhere to the non-proliferation agreement which Canada supports.

Senator Smith: But surely, honourable senators, if, as I believe is the case, Senator Hicks is correct that heavy water is being manufactured in Russia and exported to India, and we do not sell heavy water to India and are about to close at least some of our heavy water plants in Canada, then we are exchanging jobs with Russia, and putting Canadians out of work while seeing Russian employment enhanced.

Hon. W. M. Benidickson: In principle, two wrongs don't make a right.

Senator Smith: That observation is not out of order.

Senator Olson: Honourable senators, no doubt when Senator Hicks and Senator Smith read the answer I have given, which should be available to them in a short while, they will see that I did give a complete answer to the question.

Senator Smith: With respect, honourable senators, I must disagree with the honourable gentleman. I do not think he gave any answer at all.

Senator Olson: I stated the government policy.

Senator Smith: Yes, and I asked a question with relation to that government policy which you have not answered.

FOREIGN INVESTMENT REVIEW AGENCY

SALE OF APARTMENT UNITS TO FOREIGN INTERESTS

Hon. Stanley Haidasz: Honourable senators, I should like to direct a question to the Leader of the Government in the Senate. Could he tell this chamber whether FIRA has been formally asked to investigate the sale by Cadillac-Fairview and others of 11,000 apartment units to foreign interests.

Hon. H. A. Olson (Leader of the Government): Honourable senators, I will take that question as notice because I do not know if they have or not. I shall try to find out for the next sitting.