

4. It is therefore urgent to get all these countries to agree quickly or safeguards will be gravely prejudiced.

5. The following are the main conclusions reached in the five-power discussions:

(1) unless all significant Western suppliers maintain a common front in securing application of safeguards to their exports, each of the five would have to reserve the right to reconsider the safeguards to be applied to its own exports. It would also be necessary to take into account whether the Soviet Bloc becomes a significant exporter of nuclear goods to Western markets and whether there are any safeguards on Soviet exports;

(2) wherever possible, if agreed to by the recipient country, the administration of safeguards should be undertaken by an international authority. The International Atomic Energy Agency, Euratom and the OEEC Nuclear Energy Agency (ENEA) are all recognized as appropriate international organizations capable of administering adequate safeguards. (This takes much of the "sting" out of safeguards on exports to all of Western Europe since European organizations do their own safeguarding.)

(3) there can be no attempt to have a completely foolproof system, and the severity of application of controls against the possibility of diversion to military purposes must be realistically adapted to the size and nature of the assistance supplied or of the facility to be controlled;

(4) the items to be controlled are primarily natural uranium, fissionable material in all its forms, reactors, and isotopic enrichment plants. These are regarded as "trigger" items, export of which should require safeguards provisions. Minimum quantities for experimental purposes must for practical purposes be exempted from such controls.

6. These proposals would not involve a change in Canada's present policy.

7. We must recognize that willingness to relax safeguards on the part of our competitors in the world uranium market would force Canada also to reconsider this policy. I need not emphasize that the question of selling Canadian uranium is particularly urgent, because of the real doubt as to the amount of further sales to the United States after the expiry of the contracts with the United States Atomic Energy Commission. We are, of course, pushing ahead with the negotiation of bilateral agreements covering further major likely markets for our uranium; the Japanese agreement,<sup>518</sup> recently under negotiation here, is perhaps the most important. The two delegations have agreed on the text which has now been referred to Japan for approval. These agreements permit exports under appropriate controls and are flexible enough to be adjusted to the competitive situation. Agreements have been concluded already with Switzerland and Germany, and negotiations are well advanced with Pakistan<sup>519</sup> and with the Euratom Commission<sup>520</sup> covering all members of Euratom (Belgium, Netherlands, Luxembourg, France, Federal Germany, Italy).

8. My recommendation (made with the concurrence of other Government Departments and Agencies concerned) is that for the time being we should inform the other participants of the meeting of five countries that Canada concurs in the summary conclusions reached in London, and that we should push very hard to have these safeguards generally accepted. If it becomes clear that important suppliers of nuclear material will not abide by these safeguards, we shall be free under the terms of the conclusions reached in London to consider whether it would be

<sup>518</sup> Voir *Recueil des traités du Canada*, 1960, n° 15./See *Canada Treaty Series*, 1960, No. 15.

<sup>519</sup> Voir *Recueil des traités du Canada*, 1960, n° 14./See *Canada Treaty Series*, 1960, No. 14.

<sup>520</sup> Voir *Recueil des traités du Canada*, 1959, n° 22./See *Canada Treaty Series*, 1959, No. 22.