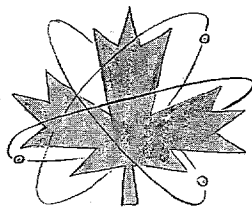


Government assured Canada that its explosion had been for peaceful purposes only and disclaimed any intention to develop nuclear weapons. However, the Canadian Government had made known some time in advance, at the highest political level, that it would regard the development of any explosive capability as contrary to the spirit of its nuclear co-operation with India. Because there is no practical distinction between nuclear explosives for peaceful and non-peaceful purposes, the development of any nuclear-explosive capability is considered contrary to the objective of nuclear non-proliferation.

The Canadian Government was among the first to react to the Indian explosion, by suspending nuclear co-operation with India and by reviewing and strengthening safeguards conditions for Canadian nuclear exports to all countries and calling on other suppliers to do likewise.



The policy announced by the Minister of Energy, Mines and Resources on December 20, 1974, reaffirmed Canada's intention to continue nuclear co-operation with other countries but placed safeguards conditions on that co-operation that were more comprehensive and more stringent than those required by any other supplier. Canada required a binding treaty assurance from the recipient country that all Canadian nuclear material (uranium), facilities (CANDU reactors, heavy-water plants, fuel-fabrication plants) and the technology associated with them, as well as any items or material produced in them, would be used exclusively for peaceful, non-explosive purposes. Binding assurance was also required that IAEA safeguards or, in the event the Agency was no longer in a position to carry them out, Canadian bilateral safeguards would apply for the lifetime of the items and material furnished by Canada. Canada also required its prior consent before items, material or technology of Canadian origin were transferred beyond the jurisdiction of the receiving country. Irradiated fuel could be reprocessed for plutonium extraction, uranium could be enriched above 20 per cent and plutonium and uranium enriched beyond 20 per cent could be stored only if Canada agreed that these operations were

being undertaken in such a way as not to create a proliferation risk. The policy also limited use of CIDA (Canadian International Development Agency) funds for future nuclear co-operation to countries that had ratified the NPT.

In deciding to renegotiate its nuclear co-operation agreements with Canada's nuclear customers, the Government gave effect to the new safeguards policy; nevertheless, it allowed shipments of uranium under supply contracts already approved to continue for one year pending completion of this renegotiation. The "grace period" was subsequently extended to two years.

The Government's re-examination of its safeguards policy did not stop with the 1974 announcement. There followed among suppliers a period of intensive discussion of the safeguards to be applied to nuclear exports. Although Canada was encountering difficulty in persuading other suppliers to upgrade their safeguards requirements and in securing the agreement of its nuclear customers (some of whom were major suppliers in their own right) to the terms of the 1974 policy, the Government announced at the end of 1976 a further evolution in Canadian safeguards policy. Its purpose was to ensure that Canada's nuclear co-operation with non-nuclear-weapon states would be limited to those that had clearly committed themselves not to develop or acquire nuclear-explosive devices from any source. In December 1976, Don Jamieson, Secretary of State for External Affairs, announced that new contracts for shipments of Canadian material, equipment and technology would be authorized only to countries that, in addition to meeting the 1974 requirements, had either ratified the NPT or otherwise accepted "full-scope safeguards" - i.e., made a binding commitment to non-proliferation and acceptance of IAEA safeguards on their entire nuclear programs. The policy also stipulated that Canada would terminate nuclear shipments to any non-nuclear-weapon state that exploded a nuclear device. The new policy thus required a commitment not simply concerning the recipient's use of Canadian nuclear supplies but, more important, concerning the recipient's non-proliferation policy generally.

#### Uranium embargo

By the end of 1976, the Canadian Government had achieved only limited success in securing the acceptance by its nuclear customers of the 1974 policy in the form of revised bilateral safeguards agreements. New agreements were negotiated with certain countries, such as Argentina, South Korea, Spain and Finland and, early in