

Brief notes on the history of some of Canada's nuclear co-operation agreements follow:

*(a) The European Community and Japan*

By early 1977, agreements incorporating the requirements of Canada's 1974 policy were negotiated with Argentina, the Republic of Korea, Spain, Finland, and Sweden. However, much difficulty was experienced in securing acceptance of these conditions by some other European countries and Japan, Canada's major uranium markets. The Canadian government decided, therefore, to suspend as of January 1, 1977, all nuclear exports to those countries until they accepted Canada's requirements. This step was a demonstration of Canada's commitment to non-proliferation and of its willingness to accept the commercial consequences of its non-proliferation policy. The year 1977 was taken up with intensive negotiations with the European Community (EC) and Japan. By January 1978 agreement had been reached with Japan on a renegotiated bilateral agreement, and uranium shipments were allowed to proceed. This agreement was ratified in September 1980.

The discussions with Euratom took a different course. All the elements of Canada's 1974 policy had been negotiated by late 1977 except for that of a prior consent right over reprocessing and high enrichment. An exchange of letters between Canada and the EC in January 1978 embodied the agreement that had been reached including an interim arrangement on the reprocessing issue. The International Nuclear Fuel Cycle Evaluation (INFCE), discussed below, was under way by then and it was recognized that a multilateral consensus on fuel cycles generally including the reprocessing question and its proliferation risks could be forthcoming. The EC and Canada agreed in the 1978 Interim Arrangement to return to the reprocessing issue once INFCE had been completed. Accordingly, new discussions on reprocessing were initiated in 1980. In December 1981, another exchange of letters took place that settled the reprocessing question. The formula that the two sides adopted comprised a description of the EC's current and planned nuclear energy program including in particular a detailed description of policy, legal and regulatory elements relevant to reprocessing and plutonium storage. On this basis, Canada agreed that nuclear material subject to the Canada-Euratom Agreement could be reprocessed and plutonium stored within the framework of the current and planned nuclear energy program as described and updated from time to time.

A similar long-term, predictable reprocessing arrangement has been arrived at with Sweden and similar arrangements are under discussion with other nuclear partners where the size and maturity of the nuclear program warrants it.