

## II

Canadian Embassy  
Tokyo, August 22, 1978

Excellency,

I have the honour to refer to the Protocol Amending the Agreement between the Government of Canada and the Government of Japan for Cooperation in the Peaceful Uses of Atomic Energy (hereinafter referred to as "the Protocol") which was signed today, and to the fact that among the matters to be discussed in the International Nuclear Fuel Cycle Evaluation are reprocessing and enrichment.

I have further the honour to refer to the fact that there is legitimate concern regarding avoidance of the accumulation of controls of various supplying countries over the same nuclear material and of the resulting administrative problems and to the fact that these difficulties are being discussed at international fora with a view to reaching solutions satisfactory to the parties concerned, both bilaterally and multilaterally.

I have further the honour to confirm the following understanding on behalf of the Government of Canada:

1. In respect of the implementation of the provisions of paragraphs 1 and 2 of Article III of the Agreement as amended, the following interim measures will be taken until such time as the two Governments agree upon other measures in the light of the aforesaid discussions:

(a) Noting the provisions of paragraph 4(2) of the Notes exchanged between the Government of Canada and the Government of the United States of America on November 15, 1977, as attached to this Note, the Government of Japan will notify the Government of the United States of America that it has concluded the Protocol and will provide the Government of the United States of America with a copy of the text of the Agreement as amended; and

(b) In cases where the provisions of the said Notes exchanged are not applicable, the provisions of paragraphs 1 and 2 of Article III of the Agreement as amended shall be implemented through direct communications between the Government of Canada and the Government of Japan.

2. It is understood that when the rights of the Government of Canada under the provisions of paragraphs 1 and 2 of Article III of the Agreement as amended are exercised in respect of the source material, special nuclear material and fuel which were transferred from Canada to Japan prior to the entry into force of the Protocol as well as other identified material referred to in the 1959 Agreement derived therefrom, they will be exercised only on the said items which were identified as provided for in paragraph 3 below, as well as on identified material derived from the said items identified above.

3. The two Governments shall establish an ad hoc technical committee to produce on a de facto basis a list of identified material as defined in the 1959 Agreement as of the date of the entry into force of the Protocol. The two Governments will