

A. *Approval of the Text of the Safeguards Proposals*

Though Ministers have on various occasions re-affirmed Canada's support for the principle of a system of multilateral safeguards administered by the IAEA — the most recent case being that of the Prime Minister's letter of June 28 to Mr. Nehru — the final text of the proposals as they have now emerged from the Board of Governors has not been formally approved. You may wish to indicate whether you consider that it would be advisable to seek such formal approval from the Cabinet.⁶ Agency document GC(IV) 108 Rev 1,† which gives this text, is attached for your information.

B. *“Collateral Action” at the General Conference proposed by the United States*

As part of the campaign to encourage support for the Agency's role, both in general and as concerns the administration of safeguards, the United States has proposed that we should be prepared to take certain “collateral action” in connection with the safeguards debate at the forthcoming General Conference. Our Embassy in Washington has received a Note (telegram 2041 August 9 attached)† suggesting that Canada, like the United States, approach its partners in bilateral agreements with the following proposals:

(a) That they be prepared in future to draw increasingly upon the Agency for the various types of assistance which they are now receiving bilaterally.

(b) That they join in a declaration at the General Conference expressing their intention of transferring to the Agency the administration of the safeguards called for in their bilateral agreements as soon as satisfactory arrangements for such transfer can be made.

The suggestion under (a) above would be neither desirable nor practicable for Canada at this stage for the following reasons:

(i) Canada has only six bilateral agreements, none of which is due to expire before 1967. The United States, on the other hand, has a great many, of which a number are due to expire shortly. The action proposed was undertaken because they were due to be renegotiated. Some thirteen countries were offered the choice between taking short two-year extensions of their bilaterals and agreeing to accept assistance through the Agency instead. Only one (Lebanon) took the second alternative.

(ii) Immeasurably the greatest part of Canada's bilateral cooperation is with the United States and the United Kingdom, neither of which is likely to agree to channel it through the Agency.

(iii) Such a move would be unpopular with the Canadian uranium industry, and considerable preparatory work, for which there is at present no time, would be required to explain it and make it more palatable.

The suggestion under (b) would however be possible and could have a good effect upon the prospective support for Agency safeguards. All our bilateral agreements, except those with Germany and Euratom, contain a clause that at or after the time the IAEA is in a position to carry out the safeguards functions provided for in its Statute, the contracting parties will consult together to determine to what extent they may wish to have the application of the bilateral safeguards carried out by the Agency. Of our bilateral partners, Japan has already declared publicly that it would be prepared to transfer the administration of bilateral safeguards to the Agency, and it seems altogether likely that Switzerland would be willing to do the same. We have moreover already shipped nuclear materials to these two countries, for which we are technically under an obligation to apply safeguards. Since our bilateral agreements all provide for reciprocal safeguards, the move suggested would mean in theory that Canada was prepared to receive Agency inspectors in atomic installations here. In

⁶ Note marginale :/Marginal note:
No. [H.C. Green]