



Moscow, November 20, 1989

(Translation)

Excellency,

I have the honour to refer to the Agreement between the Government of Canada and the Government of the Union of Soviet Socialist Republics for Cooperation in the Peaceful Uses of Nuclear Energy signed at Moscow on this date (hereinafter referred to as the "Cooperation Agreement").

Within the scope of the Cooperation Agreement, Canada and the Union of Soviet Socialist Republics wish to continue their nuclear cooperation involving the enrichment of uranium obligated to Canada in enrichment facilities of the Union of Soviet Socialist Republics.

To this end, I have the honour to propose that, unless otherwise agreed by the parties:

- (a) where nuclear material that originates in or is subject to a nuclear cooperation agreement with one of the Parties to the Cooperation Agreement (hereinafter the "Originating Party") is received by the other party (hereinafter the "Processing Party"), either directly or indirectly, for processing, including conversion, enrichment and fabrication, on behalf of a third party, that nuclear material shall be transferred from the Processing Party to a third party that is acceptable to the Originating Party and has been so designated in writing. Such transfers of nuclear material shall take place within twelve (12) months of the entry of such nuclear material into the territory of the Processing Party.
- (b) if nuclear material is transferred from the Processing Party as required in paragraph (a) above, the requirements of Article VII(2) of the Cooperation Agreement shall be deemed to be satisfied with reference to that nuclear material.

His Excellency Joe Clark,
Secretary of State for External
Affairs of Canada