



CANADA

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CANADA'S POLICY FOR URANIUM SALES

The following statement was made to the House of Commons recently by Prime Minister L.B. Pearson:

...World requirements for uranium for peaceful purposes will increase very greatly in the years to come. Canada holds a substantial portion of the known uranium reserves of the world and in the future may well be the largest single supplier for the rest of the world. It is vital that the Canadian industry be in the best possible position to take advantage of expanding markets for the peaceful uses of this commodity.

GUARANTEES OF PEACEFUL USES

As one part of its policy to promote the use of Canadian uranium for peaceful purposes, the Government has decided that export permits will be granted, or commitments to issue export permits will be given, with respect to sales of uranium covered by contracts entered into from now on, only if the uranium is to be used for peaceful purposes. Before such sales to any destination are authorized, the Government will require an agreement with the government of the importing country to ensure, with appropriate verification and control, that the uranium is to be used for peaceful purposes only.

Canada has been a member of the International Atomic Energy Agency since its inception and successive governments have vigorously supported the principle of safeguards on uranium sales. This policy is a fundamental part of Canada's general policy to work internationally to avoid the proliferation of nuclear weapons.

COMMERCIAL ASPECTS

As to the commercial aspects of the policy, two general principles will apply, designed to facilitate exports and to ensure that the requirements of both

export and domestic consumers are met in an orderly way.

First, the Government recognizes that countries constructing or planning to construct nuclear reactors will wish to make long-term arrangements for fuel supply. Accordingly, the Government will be prepared to authorize forward commitments by Canadian producers to supply reactors which are already in operation, under construction, or committed for construction in other countries for the average anticipated life of each reactor, generally calculated for amortization purposes to be 30 years.

Second, and in addition, the Government will be prepared to authorize the export for periods of up to five years of reasonable quantities of uranium for the accumulation of stocks in the importing country.

Within the terms of the policy I have outlined, the Canadian Government will actively encourage and assist the Canadian uranium industry in seeking export markets. The commercial aspects of the policy will, of course, be reviewed from time to time in the light of changing conditions.

PURCHASES FOR STOCKPILING

Finally, in order to avoid any reduction in the current level of employment and production in the industry in Canada, the Government will purchase uranium for stockpiling to the extent that current sales prove insufficient to achieve this objective during the next five years. These purchases will be made at a price of \$4.90 per pound of uranium oxide. Purchases will be made only from companies which have previously produced uranium and will be limited, in the case of each company willing to sell at \$4.90, to the amount necessary to maintain an appropriate minimum level of employment and production for that company....