

- v) an assurance that adequate physical protection measures will be applied.

The above requirements are applied to directly-supplied nuclear items such as nuclear material, equipment, heavy water and technology. The requirements are also applied to nuclear items that are "derived" from those that are supplied and thus affect nuclear material that is produced as a result of the use of Canadian-origin nuclear material, equipment, technology or heavy water. Where applicable, the requirements are also applied to heavy water that is produced as a result of the use of Canadian-origin nuclear equipment or technology and to nuclear equipment that is derived from Canadian-origin nuclear equipment or technology.

Chronologically, Part A of the policy is the more recent component. The requirement for NPT adherence and fullscope safeguards was made by the government in December 1976. This requirement was made applicable only to "new" nuclear co-operation, that is, it did not affect commercial contracts already in place when this requirement was announced. Post-December 1976 or "new" nuclear co-operation, however, cannot occur with countries that do not meet this fundamental requirement. Part B of the policy was established by the government in December 1974 and affected all nuclear co-operation whether "old" or "new". Agreements under which nuclear co-operation was ongoing in 1974 thus had to be renegotiated.

It is worth noting that the NSG guidelines, mentioned in the preceding section, fall short of Canada's national non-proliferation policy in several ways. First, Canada advocated forcefully, but unsuccessfully, in the NSG forum the inclusion of a requirement that recipient countries adhere to the NPT and accept the application of NPT-type fullscope safeguards. This requirement would have strengthened the NPT and would have provided positive incentive for countries engaged in, or envisaging a nuclear power program to become party to this important international treaty. Another major difference is that Canada requires a control over reprocessing, whereas the NSG guidelines only recommend that "whenever appropriate and practicable" the supplier and recipient come to mutually agreed upon provisions. Other shadings of difference relate to controls placed over the retransfer of nuclear items to third parties.

The rationale for each of the requirements in Part B is as follows:

*i) Non-explosive use commitment*

For non-nuclear weapon states that already meet the requirements of Part A, this provision requires no additional commitment. It is essentially a contingency provision to be activated only if and when a state believes that it must exercise its sovereign right under Article X of the