

## Efficiency Measures

Safeguards reform has to be performed in a situation of scarce financial resources, as the IAEA remains under a directive of zero real growth. This has led to demands to streamline the system.

For instance, many states have proposed that, to save money, the future safeguards regime should rely heavily on verification activities performed by local State Systems of Accounting and Control (SSACs). Canada is willing to participate in the elaboration and implementation of this model if it does not undermine the trust that the Agency must foster and maintain to achieve its non-proliferation goal. Close attention will have to be paid to the possibility of a perception of discrimination between advanced states and less developed ones, since in such a system the former would enjoy more autonomy than the latter in their safeguarding activities.

Canada would welcome an alternative safeguards model that enhanced the Agency's role through greater reliance on resident IAEA inspectors, who would take charge of most of the inspection work. It would be based on guaranteed "any time, any place" access. Improved automatization and real-time transmission of data for material accountancy, surveillance and containment should also be important features of this model. Canada thinks that significant savings and security gains could be obtained from such a system. Moreover, this model would not discriminate between states with advanced SSACs and those without.

Any new safeguards system will require real-time or near-real-time transmission of production, transfer and inspection data. Containment and surveillance will also have to be improved. Canada is willing to devote non-IAEA budgetary resources to research, development and testing in safeguarding, as it has always done through its Safeguards Support Program, and is urging other developed states to do the same. However, this is only a partial solution to the financial demands that an enhanced safeguards system will impose.

It will be impossible to increase effectiveness without increasing the IAEA safeguards budget, particularly in the face of new safeguarding duties as a result of the inclusion of former Soviet republics and some developing states. This will inevitably come up against the zero-real-growth

constraint and raise questions for the balance between the IAEA's verification activities and its activities in promoting cooperation in peaceful nuclear uses. Canada has argued in favour of breaking with zero real growth, specifically as it pertains to safeguards.

To reduce costs, the number of routine inspections on declared materials in NNWS could be decreased. This, however, will be acceptable only if the Agency is able to uncover clandestine nuclear activity through transparency, "any time, any place" access, intelligence and special inspections. If this condition is met, the Agency might need only a few random inspections per year, complemented by "managed" special inspections or genuine special inspections, if needed.

Canada will continue to support endeavours to achieve cost savings in safeguards without compromising their efficacy. However, enhancing effectiveness should remain the primary objective of safeguards reform. ■

## Missile Technology: Looking Beyond Supply-Side Control

Members of the Missile Technology Control Regime (MTCR) held a productive meeting in Canberra, Australia from March 8 to 11. They welcomed Iceland as the newest member of the Regime, bringing the number of MTCR partners to 23. They also welcomed applications from Argentina and Hungary to participate in the Regime and agreed to invite the two to become partners. Participants noted with satisfaction that the decision to extend the Regime's guidelines to include missiles capable of delivering *all* weapons of mass destruction (chemical and biological, as well as nuclear) — taken at the MTCR meeting in Oslo in July 1992 — was fully implemented by January 7. Partners were also pleased to observe that a number of countries outside the Regime have declared their intention to continue to abide by the MTCR guidelines and they jointly appealed to all states to do likewise.

Discussion at the Canberra meeting was influenced by a Canadian proposal to consider future directions for the MTCR. During its six-year history, the MTCR has successfully slowed the overall rate of proliferation of ballistic missile technology. However, the Regime faces many challenges, including:

- the enhanced risk of proliferation brought about by the weakness of enforceable export controls in the states emerging from the former Soviet Union;
- the failure of key current suppliers to join the Regime; and
- the growing sophistication of production capability in many potential suppliers, who also remain outside the MTCR.

Beyond this, the MTCR is limited by the fundamental inability of any supply-side control effort to halt proliferation completely. In most cases, proliferation is fuelled by chronic regional instability and perceived military vulnerabilities. Efforts to reduce regional instability must be seen as a necessary complement, and indeed the *sine qua non*, of future progress in thwarting proliferation of all types of weaponry. Even then, there will continue to be pariah states who remain committed to the acquisition, diffusion and development of missile technology at almost any price.

If the MTCR is to continue to be an effective non-proliferation regime, it will have to adapt to the changing international environment. MTCR partners will have to consider how to attract key current and potential suppliers to fulfil the non-proliferation objectives underlying the Regime, including determining the best way to increasingly isolate those states that continue to seek a missile delivery capacity for weapons of mass destruction. They must also find more positive ways of addressing commercial concerns in the expanding international market, given that the use of missile technology for the peaceful exploitation of space is a legitimate scientific/commercial activity. Finally, they should consider how the Regime might evolve from being a pure export control regime to a broader, more formal multilateral non-proliferation arrangement that develops and promotes international norms in the transfer and control of missile technology.

In Canberra, partners agreed to meet next in Switzerland at the end of November to give further detailed consideration to future directions for the Regime. ■