Thank you, Mr. President.

Ten years after the NPT's indefinite extension, the outcome of this Review Conference will set the future direction of the Treaty. This Conference is a vital opportunity to underline the NPT's continuing relevance, to uphold the 1995 bargain of "permanence with accountability", to build on the success of the 2000 Review Conference, to respond effectively to the serious challenges that have arisen since then and to chart the Treaty's future course.

Our task here is to ensure the NPT's continuing authority and effectiveness, while maintaining the balance reflected in the "grand bargain" of its three core components, which are inseparable and mutually reinforcing. My intention today is to highlight some key issues and convey a sense of our priorities.

First, Canada wants a substantive and balanced outcome from this Review Conference, one that advances the Treaty's objectives in each of the three main pillars.

On nuclear disarmament, we want to see the practical implementation of commitments already accepted. The 13 Steps remain an objective benchmark against which to assess progress towards the elimination of nuclear weapons. We will put forward a number of proposals in this regard. We also recognize that action is required pursuant to other engagements undertaken in 2000, such as agreement to begin discussions to codify Negative Security Assurances, to reinforce or create new Nuclear Weapon Free Zones, and to broaden support for cooperative threat reduction activities, such as the Global Partnership, in which Canada and 21 other countries are actively engaged.

Progress on nuclear disarmament has been compromised by the protracted impasse in the Conference on Disarmament. The specific assignments given it by the NPT's 2000 Review Conference, namely to negotiate a Fissile Material Cut-Off Treaty and to establish a subsidiary body on nuclear disarmament remain unfulfilled. All capitals should realize that agreement on a CD Program of Work will benefit everyone's security interests. Canada calls on all CD members to demonstrate the necessary flexibility and political will to get the Conference back to work.

I want to highlight an issue that has long been of great interest to Canada, the entry-into-force of the Comprehensive Nuclear-Test-Ban Treaty. Canada has expended considerable effort to encourage all states not yet party, particularly those whose ratification is required for its entry-into-force, to take this step. I reiterate this call here. Why not close the door definitively to entry level proliferation and put a cap on vertical proliferation at the same time?

Since the last Review Conference, nuclear proliferation, both horizontal and vertical, has been another significant focus of concern. We should not simply continue to lament this state of affairs, however, but agree to take corrective action. There is much that NPT States Parties can do to reinforce existing commitments and to address new concerns. Canada has a longstanding commitment to strengthened international efforts to ensure that weapons of mass destruction, including nuclear weapons, do not spread to states or terrorists prepared to use them under any circumstances. Recent revelations about nuclear trafficking networks underscore the growing

commercial dimension of proliferation, a serious challenge to the international non-proliferation regime.

It is long overdue for all States Party to come into compliance with the requirements of Treaty membership by bringing into force a safeguards agreement with the International Atomic Energy Agency (IAEA). Thirty-nine States Party still have not met this basic requirement - a compliance failure and verification vulnerability that must be remedied. To more effectively promote compliance, Canada calls on this Review Conference to recognize that a comprehensive safeguards agreement together with an Additional Protocol constitute the NPT safeguards standard pursuant to Article III of the Treaty. Given the type of proliferation activity we have witnessed in the past five years, we can do no less.

Sustaining the confidence in the Treaty also requires that we ensure that the peaceful uses of nuclear energy and nuclear technology in no way contribute to proliferation of nuclear weapons. As a result of recent experience, it is incumbent on this Review Conference to clarify the relationship between various obligations under the Treaty. It should be clearly established that States Parties' rights to use nuclear energy for peaceful purposes under Article IV are not absolute, but rather conditioned by the obligations in Articles I, II and III. That is, rights are balanced by obligations, for both supplier and recipient states, as well as for those who develop nuclear capacities indigenously. Canada can speak with some authority on this as a country which itself benefits greatly from the peaceful uses of nuclear energy and is active in nuclear cooperation internationally.

Mr. President, this Review Conference is taking place after several recent major shocks to its authority and integrity. The DPRK demonstrated its complete disregard for nuclear non-proliferation and disarmament objectives by its withdrawal from the NPT. The DPRK's recent assertion that it now possesses nuclear weapons, together with its reluctance to re-engage in the Six Party Talks, underlines the grave risk to regional and international peace and security posed by the DPRK's nuclear programme. We call upon the DPRK to return to the NPT, to dismantle its nuclear weapons programme in a complete, verifiable and irreversible manner and to accept comprehensive IAEA safeguards on its nuclear programs. Iran's extensive past undeclared nuclear activities, together with its efforts to acquire the full nuclear fuel cycle, have resulted in deep concerns that it is seeking to develop a nuclear weapons capability contrary to its nuclear non-proliferation and disarmament commitments. Permanent cessation of Iran's uranium enrichment and other proliferation sensitive activities is the only objective guarantee of the peaceful nature of Iran's nuclear programme.

The NPT is a near-universal legal instrument, which embodies a universal norm. Canada calls upon the three States which have yet to adhere to the Treaty – India, Israel and Pakistan – to accede to it as non-nuclear-weapon States. The abandonment of nuclear weapon programmes, especially by those States that operate unsafeguarded nuclear facilities and have not yet acceded to the Treaty, would be a major contribution to strengthening peace and security at international and regional levels.

Mr. President, in addition to making real progress in each of the three pillars and to strive for full universality, a key Canadian objective for the Review Conference is to enhance the NPT's

overall credibility and effectiveness. "Permanence with accountability" was at the heart of the Treaty's indefinite extension in 1995 and is complementary to the grand bargain of its inception. In Canada's view, it is time for States Parties to the NPT to adapt to circumstances and to modify how we do business. We have come to the realization that the Strengthened Review Process, however valuable in the past decade, is no longer sufficient to nurture our Treaty and promote the full implementation we all seek. More sustained attention is required, as well as greater opportunity for States Parties to discuss and promote implementation, to express their views on critical issues affecting the Treaty's health and authority and to take decisions on pressing matters. It is no longer adequate to do this only once every five years. The existing preparatory process, with its inherent limitations, fails to provide for an annual forum worthy of this Treaty and our collective interests in it.

Hence, our proposal to have the NPT membership adopt a new arrangement for its meetings within the existing time envelope we currently devote to the Treaty's gatherings. We propose an annual one week Meeting of States Parties, to provide us with a regular policy forum, a feature now standard in the operation of most other treaties in the disarmament field. Our proposal would retain the necessary time for preparing the Review Conferences.

Recent experiences have demonstrated that States Parties also require a rapid reaction capacity, the ability to come together and take necessary action in cases of extraordinary circumstances involving threats to the Treaty, its norms and its authority, such as an announcement of withdrawal. The outside world expects no less of us. The ability to call such meetings would be vested in a standing bureau. This rapid reaction capability would not detract from the mandate of the IAEA nor the role of the UN Security Council, but rather be complementary to any action by these bodies, conveying the strongest possible messages on behalf of the Treaty's members.

Mr. President, an NPT that is strong and credible overall is a <u>sine qua non</u> for its effectiveness and to maintain its benefits. Now is the time for preventive maintenance.

Mr. President, every State Party represented in this room can take one simple step to realize the "permanence with accountability" concept. In this review process, Canada has been advocating a system of regular reports by all States Parties to each meeting, which we believe should become a permanent feature of our operations. Reporting is something we can all do, nuclear-weapon state and non nuclear-weapon state alike. Our proposal on reporting is firmly rooted in Step 12 of the 13 Steps, but it also goes further. Based on the intertwined nature of the three pillars and our conviction that all States Parties are responsible for promoting the implementation of the entire Treaty, we propose that reports cover all articles of the NPT and related obligations. This would provide States Parties with regular information on the implementation of the Treaty and the commitments accepted pursuant to it. A "culture of reporting" is already emerging, and is showing its value. Transparency makes an essential contribution to confidence-building, and we need to restore confidence in the NPT community.

Finally, Canada welcomes enhanced participation by all levels of civil society in the work of the NPT, and recognises the contribution that they can and do make to international efforts on nuclear non-proliferation and disarmament. Together with others, we will be developing

language to give proper expression to this factor in the Conference's eventual decisions.

Mr. President, the NPT Review Conference faces myriad challenges and often widely differing views on these issues. But this is not a recipe for pessimism or for lack of ambition. On the contrary, it is a call for each of us, each State Party, to make a dedicated and determined effort, and to display the political will and flexibility necessary to arrive at a strong and balanced outcome that will reinforce this core Treaty at a time of need. The citizens of the world expect no less of us.

Thank you.