

to Canada therefore would be for two or three technical liaison personnel to co-ordinate the joint programme, and collect and disseminate information.

7. The foregoing has been discussed informally with officials of Euratom and of the United Kingdom and United States. We understand that Euratom would welcome a Canadian approach to this matter and that the United States would subsequently be glad to collaborate in a joint programme. In view of our present programme with the United States, particularly on fuel development work, the expression of United States interest is most welcome. The United Kingdom would not, we understand, be interested in collaborating in a joint programme.

8. A joint programme of the kind outlined above would involve the negotiation of a bilateral agreement with Euratom. This agreement would provide the framework for co-operation and would cover such questions as "Safeguards" for any nuclear materials supplied to Euratom. In this connection, Canada could probably not expect Euratom to accept a safeguards system more rigorous than that upon which the U.S. has insisted, details of which are given in Annex B. It would subsequently be necessary to make arrangements to maintain contact with Euratom headquarters and this could be done, without formal accreditation, by a conveniently located Canadian Mission in Europe. As relations with Euratom developed and seemed to require more formal arrangements for liaison, the accreditation of one of our Heads of Mission to Euratom might be envisaged, or possibly the creation of a special Canadian mission to Euratom. This kind of formal arrangement would, of course, have implications for Canada's relations with the European Economic Community.

*Recommendations:*

9. In the light of the foregoing considerations I recommend,<sup>51</sup> with the concurrence of the Minister of Trade and Commerce, that:

(a) we approach the Euratom Commission with a view to negotiating a bilateral agreement for atomic energy co-operation, with the object of instituting a joint research and development programme on natural uranium/heavy water reactors;

(b) an approach be made subsequently to the United States with a view to their participation in this joint programme;

(c) the Canadian costs of this programme be met initially by a reorientation of AECL's present research programme, except insofar as two or three additional staff may be required for liaison duties.

E.D. FULTON

[PIÈCE JOINTE 2/ENCLOSURE 2]

*Annexe A*

*Annex A*

OUTLINE OF THE TERMS OF PROPOSED AGREEMENTS BETWEEN EURATOM  
AND THE UNITED STATES AND THE UNITED KINGDOM

(a) The United States is offering financial and technological assistance to Euratom for a joint programme for a total electrical output of 1,000 mw. The estimated capital cost is \$350 million, of which the United States will provide \$135 million on a long-term loan

<sup>51</sup> Approuvé par le Cabinet le 3 décembre 1958./Approved by Cabinet on December 3, 1958.