

3^e PARTIE/PART 3
EURATOM

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*Note de la Direction économique
pour le sous-secrétaire d'État adjoint aux Affaires extérieures*
*Memorandum from Economic Division
to Assistant Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], April 24, 1958

CANADIAN COOPERATION WITH EURATOM

You will recall that at the last meeting on atomic energy matters in Mr. Bryce's office there was some discussion of the possibility of arranging for cooperation with Euratom in the development of atomic power in Western Europe. It was the general view that such cooperation would be useful, both for political reasons of various sorts and as a means of developing commercial outlets for Canadian uranium and reactors or reactor components. Mention was made of two possibilities, one that Canada might undertake some direct arrangement with Euratom and the other that Canada might join with the United Kingdom in a programme of cooperation with Euratom which would presumably focus upon the installation in Western Europe of reactors of the type developed in the U.K. It was left that a paper on this general question would be prepared for consideration at an early meeting.

2. As Mr. Kirkwood told you the other day, Mr. Watson undertook a first draft for such a paper. I attach a copy of the text which he has now sent over on a personal basis to Mr. Kirkwood. In sending it over Mr. Watson explained that he was not entirely satisfied with it, but that he had been inhibited from coming to grips with the important financial considerations involved by his understanding that Mr. Plumtre was reluctant to consider any significant financial contribution in support of a Canadian - Euratom cooperative programme. You asked Mr. Kirkwood to prepare some comments on this aspect of the question, for transmission to you together with Mr. Watson's paper, in order that you might explore the question further with Mr. Plumtre.

3. As Mr. Watson's paper makes clear, there is a powerful incentive in Western Europe for the early establishment of substantial atomic power production facilities. The fulfilment of this objective, however, raises two important questions. It must be decided what type of reactor should be built and suitable arrangements must be made for the substantial capital investment which that construction will involve.

4. Both the United States and the United Kingdom anticipate an important market for power reactors in Western Europe within a few years, and are eagerly competing for as much of this market as they can get. The United Kingdom is able to offer reactors which are fairly close to a normal commercial product, while the United States is as yet only in the development stage on power reactors. This comes about, however, because the United Kingdom with its domestic problem in mind concentrated early in the game on a relatively simple design which has the disadvantage that its ultimate economic potentialities are rather limited. The United Kingdom reactors are based on the natural uranium graphite concept. The United States on the other hand has been influenced by the fact that conventional power in North America is less expensive than in Western Europe and, at the expense of some delay in producing commercial versions, has continued to explore a num-