

nature, a note along the following lines incorporating Staderini's suggestion will be sent to the Commission this afternoon.

"The Canadian Embassy has been instructed by its government to inform the Euratom Commission that Canada would welcome the development of cooperation with the European Atomic Energy Community (Euratom) in the peaceful uses of atomic energy and to inquire whether Euratom would be prepared to negotiate an agreement with Canada for such co-operation. The Commission will be aware that Canada has concentrated its nuclear scientific effort on the development of natural uranium heavy-water reactors and the Embassy is authorized to say that the Canadian government would particularly be interested in considering with Euratom the possibility of undertaking a joint programme of research and development on power reactors of this type, in which Euratom is also believed to have an interest. If Euratom should wish to develop co-operative relations with Canada in this field and to negotiate an agreement for this purpose, the Canadian authorities would be glad to enter into contact as soon as possible with the competent services of Euratom with a view to establish a draft agreement as a basis for negotiation. The Canadian government hopes that sufficient progress might be made to permit negotiations to take place in Brussels towards the end of January 1959."

2. In Staderini's view the outline for negotiations suggested in paragraph 4 of your telegram seemed reasonable. The only point on which he had some doubt was whether it would be more expedient to sketch the broad outlines of the joint research and development programme in an annex or in a separate agreement. He wished to consult other interested services in the Commission before giving a final answer on this point. He agreed, however, that the details of the joint programme could be set out in a technical agreement between AECL and the appropriate services of Euratom. He also did not repeat not foresee any difficulty with our suggestion that the USA government would not repeat not have to be a direct party to any of these agreements. He hoped that things would move rapidly enough to enable effective discussions to take place in Brussels towards the end of January. He suggested that before the technical agreement was completed it might be desirable for Euratom technicians to visit Chalk River to have a first-hand look at the work we were doing in Canada and to have detailed discussions on the spot with our technicians. Incidentally, Staderini volunteered that it would be quite acceptable to the Commission if all negotiations were carried out on the basis of English texts.

3. Staderini suggested that obviously one of the most delicate points in the negotiation would be the selection of a formula for control. A general framework agreement for co-operation along the lines we envisage might involve a different formula from that employed in the USA/Euratom agreement which was a "Programme Agreement."

4. At the conclusion of our talks, Staderini emphasized that he was unable of course, to enter into any commitment until he had consulted the Commission. In turn the powers of the Commission to negotiate agreements were outlined in Article 101 of the Euratom Treaty. That article provides that the Commission has the power to negotiate some types of agreement provided it merely informs the Council but that for other types of agreement it must have the approval of the Council with a qualified majority vote. Since the Commission was in its infancy, it had not repeat not yet established completely with the Council of Ministers the limit of its own responsibilities or an agreed interpretation of Article 101. He mentioned this only so that we might appreciate that any delays would probably be due to procedural aspects rather than to any disagreement in principle. From his own knowledge of the situation however, he could say with confidence that our initiative will be welcomed by the community and that officials in the Commission would make every effort to ensure that negotiations move as quickly as possible. He also suggested as a rough time-