

suggestion of Mr. Churchill and other Ministers, have been considering whether it might be desirable for Canada to embark on a co-operative programme with Euratom.

I now attach for your signature, if you agree, a self-explanatory Memorandum to the Cabinet recommending that Canada negotiate a bilateral agreement for co-operation with the Euratom Commission, with the object of instituting a joint research development programme on natural uranium/heavy water reactors. The details of this joint programme (in which United States officials have stated that their country would probably participate at a later stage) will have to be worked out with Euratom but we are satisfied that it can be implemented on the Canadian side for several years, at very little cost to the government, by a simple reorientation of the present programmes of AECL.

Officials of all the Departments concerned have been associated in the drafting of the attached memorandum. The memorandum has since been approved by the Minister of Trade and Commerce and carries the assent of the Minister of Finance.⁴⁹

N.A. R[OBERTSON]

[PIÈCE JOINTE 1/ENCLOSURE 1]

*Note du secrétaire d'État par intérim aux Affaires extérieures
pour le Cabinet*

*Memorandum from Acting Secretary of State for External Affairs
to Cabinet*

CONFIDENTIAL

[Ottawa], November 19, 1958

CANADIAN CO-OPERATION WITH EURATOM

The Euratom treaty, establishing a European Atomic Energy Community embracing France, Germany, Italy and the Benelux countries, came into effect on January 1st, 1958.⁵⁰ The United States and the United Kingdom have since undertaken negotiations with Euratom for the conclusion of agreements for atomic energy co-operation. The purpose of this memorandum is to outline the benefits which might be expected to accrue to Canada as a result of the establishment of similar co-operative relations between Canada and Euratom, and to recommend the form which this co-operation might take.

2. As a major producer of uranium, for which demand after 1962 is uncertain, Canada has an acute interest in the development of new markets for this product. Among the most likely new potential purchasers are the Euratom countries, which have embarked on an ambitious atomic power programme. However, Canada may not have access to this market simply by virtue of our bilateral agreements with individual Euratom countries. Section VI of the Euratom Treaty grants the Euratom Supply Agency exclusive rights in respect of the option and supply of nuclear materials and the exclusive right to conclude agreements or conventions relating to the supply of such materials (Article 64). It is therefore likely that we will have, in due course, to conclude an agreement with the Supply Agency, covering the conditions for the sale of nuclear materials to Euratom countries.

3. Such an agreement would be primarily commercial in character and would not necessarily entail any substantial degree of co-operation with Euratom. However, there would

⁴⁹ Note marginale :/Marginal note:
O.K. E.D. F[ulton]

⁵⁰ Voir Nations Unies *Recueil des Traités*, volume 294, n° 4301, pp. 263 à 410.
See United Nations, *Treaty Series*, Volume 298, No. 4301, pp. 169-274.