

being able to manufacture components for the reactor and that no orders would be placed for Canadian made equipment.

D.W[ATSON]

588.

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*Note du sous-secrétaire d'État adjoint aux Affaires extérieures
pour la Direction économique*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Economic Division*

CONFIDENTIAL

[Ottawa], May 30, 1958

CANADIAN COOPERATION WITH EURATOM

I am sorry that I have been slow in responding to your memorandum of the 24th of April, which provided a valuable exploration of this subject. I have since discussed it informally with Mr. Bryce and with Mr. Lorne Gray, the newly appointed President of Atomic Energy of Canada, Limited. As a result of that discussion, I should like a new paper to be prepared for consideration at a further meeting to be convened by Mr. Bryce.⁴⁰ You may be interested to know that Mr. Gray told me, among other things, that he had heard a report in Washington that the United States authorities might be willing to cooperate with us in building an atomic reactor in Europe using natural uranium as the fuel and heavy water as the moderator.

2. The new paper that is now required should begin, it seems to me, by listing some of the reasons why it might be in Canada's interest to enter into some form of special association with Euratom. The following considerations, I think, are relevant:

(a) In this way, a new and important export market might be opened up for Canadian uranium, which is already becoming surplus to North American requirements and of which there may be a substantial over-supply after 1962.⁴¹

(b) New opportunities would also be provided for Canada to continue to make advances in reactor technology, for which there may be comparatively little domestic scope over the next ten or fifteen years, although in the long run it is important that we remain in the van[guard] in this realm of research and engineering.⁴²

(c) A special association with Euratom would provide us with a way of showing our support for some forms, at least, of European integration; and this would be particularly important in view of the very reserved attitude that we have been obliged to adopt towards the European Economic Community.

3. The memorandum should then proceed to discuss possible activities that we might undertake in support of Euratom and in cooperation with it. These possibilities, I imagine, would include the following:

⁴⁰ Note marginale :/Marginal note:
Done 2/7 [J. Langley]

⁴¹ Note marginale :/Marginal note:

(1) Uncertain demand pos[itio]n in E[uro]pe. (2) Tied to US & UK (3) Euratom agreements replacing bilaterals. [J. Langley]

⁴² Note marginale :/Marginal note:

Faster development & E[uro]pe as laboratory. [J. Langley]