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*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

SECRET

[Ottawa], December 9, 1958

Present

The Minister of Public Works and

Acting Prime Minister (Mr. Green), in the Chair,

The Minister of Finance (Mr. Fleming),

The Minister of Veterans Affairs (Mr. Brooks),

The Solicitor General (Mr. Balcer),

The Minister of National Defence (Mr. Pearkes),

The Minister of Trade and Commerce (Mr. Churchill),

The Minister of Justice (Mr. Fulton),

The Minister of National Revenue (Mr. Nowlan),

The Minister of Fisheries (Mr. MacLean),

The Minister of Labour (Mr. Starr) (for afternoon meeting only),

The Postmaster General (Mr. William Hamilton),

The Minister without Portfolio (Mr. Macdonnell),

The Minister of Mines and Technical Surveys (Mr. Comtois),

The Minister of National Health and Welfare (Mr. Monteith),

The Minister of Northern Affairs and National Resources (Mr. Alvin Hamilton),

The Secretary of State for External Affairs (Mr. Smith),

The Minister of Defence Production (Mr. O'Hurley),

The Secretary of State (Mr. Courtemanche) (for afternoon meeting only).

The Secretary to the Cabinet (Mr. Bryce),

The Assistant Secretaries to the Cabinet (Mr. Fournier), (Mr. Martin).

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DONATION OF URANIUM METAL TO THE INTERNATIONAL ATOMIC ENERGY AGENCY
(PREVIOUS REFERENCE DECEMBER 3)

63. *The Minister of Trade and Commerce* recalled that the Japanese government had placed an order with the International Atomic Energy Agency for approximately three tons of uranium metal and the agency, in turn, had asked its members to submit sealed tenders covering the supply of this material. At a previous meeting, he had recommended that the Canadian tender should offer this uranium at no charge to the agency. The Cabinet had asked for clarification of the conditions for resale by the agency to Japan and on the application of safeguards to the uranium by the agency. He suggested that it would be in the Canadian interest to encourage the agency to resell the uranium to Japan at a price as close to the world market price as possible which was about \$18.34 a pound. Furthermore, a successful Canadian tender to the agency involving the condition that the agency apply safeguards to the uranium would significantly increase the chances of securing the adoption of an international safeguards system. There would be a substantial publicity and advertising advantage to Canada in supplying this material to Japan through the agency. It would establish a toe-hold for Canadian uranium in the Japanese market, it would also avoid the premature establishment of an artificially low price for uranium which would be embarrassing for later commercial sales. It might also accelerate the initiation of negotiations with Japan for the conclusion of a bilateral agreement for co-operation in the peaceful uses of atomic energy. It would provide the agency with additional revenues for its operational programme.