

Accordingly, the Government decided to encourage the construction of further plant facilities by inviting further proposals.

The Government has decided to accept a proposal submitted by Western Deuterium Company Limited, which offers a sale price for heavy water at \$14.65 a pound. This is significantly lower than the prices submitted by other bidders. Western Deuterium Company Limited, a wholly Canadian-owned British Columbia company, will locate the new plant at Estevan, Saskatchewan. This location offers an ample supply of water and energy.

ALL-CANADIAN OPERATION

The plant is to have a capacity to produce 300 tons of heavy water per annum and the Government of Canada will underwrite the sale of the first five years of production at this rate. The company will utilize the maximum possible quantities of Canadian materials and equipment, employ a Canadian owned and directed engineering firm in the construction of the plant and will employ Canadian citizens in its operation.

The significantly lower sale price of heavy water to which I have referred is made possible by reason of the intention of Western Deuterium Company Limited to employ a new production process rather than the heretofore conventional hydrogen-sulphide process. The Government has instructed Atomic Energy of Canada Limited to satisfy itself that the employment of this process will guarantee an output of heavy water sufficient to meet the requirements of the invitation, and the acceptance of the proposal by Western Deuterium Company Limited is necessarily subject to AECL's endorsement.

CANADA AND A DEVELOPING ATLANTIC COMMUNITY (Continued from P. 2)

CANADA IN A DEVELOPING ALLIANCE

"Perhaps I can best summarize the Canadian position in this matter as follows:

First, we acknowledge the claims of the European members of NATO to a greater and more equitable degree of participation in the nuclear arrangements of the Alliance.

Second, we regard it as axiomatic that any new arrangements arrived at should add to the strength of the Alliance and not contribute to division within it. In particular, of course, we should be deeply disturbed by any situation in which there was an irretrievable cleavage between France and its NATO partners, given the very important character of France's contribution to the Alliance.

Third, we think that, if such arrangements are not to prove divisive, they must be open to all members of the Alliance.

Fourth, no final decisions should be taken on these important issues until there has been full consultation in the NATO forum where all points of view can be heard....

THE WORLD IN 1965

"The world of 1965 is not the world of 1949. There has been the resurgence of political and economic strength in the countries of Western Europe. There have been the beginnings of a broader unity of purpose and endeavour among some of these countries. In the Soviet world, too, there have been changes. It is no longer anything like the monolithic entity it was at one time. There has been an element of reassertion of national identity and national interest in the countries of Eastern Europe. There has also been the growing rift between the Soviet Union and China. The Soviet Union itself is facing many of the problems and responsibilities that go with great-power status and great-power commitments in a changing world. And, beyond Europe, there is a whole new constellation of nations which have emerged to independence, nations with staggering problems of poverty and under-development, nations with very different priorities and preoccupations from our own but nations, in the final analysis, to whose stability and success in solving their problems the continued maintenance of world peace and security will not be unrelated.

"I am encouraged by the fact that the Alliance is facing up to the need to take a fresh look at itself. That process was formally launched last December, when NATO ministers directed the Permanent Council to study the state of the Alliance and the purposes and objectives commonly accepted by all members. I do not wish to prejudge the results of this important exercise. I should like, however, to put two specifically Canadian glosses on it, one regarding the means and the other regarding the ends of the exercise.

"Canadians are pragmatists. We are by nature inclined to build upon what has been found useful in the past. This does not mean that we are not ready to consider new departures. But we should want to be reasonably sure, before we strike out in new directions, that this is the best way to proceed towards the objectives we share in common.

"As to the future shape of the Atlantic Community, I have tried to suggest that the challenge that is facing us today is a good deal more subtle and sophisticated than the challenge which faced us when our Alliance was formed 16 years ago. This has an obvious bearing on our response. We must not forget that we have at our command immense resources and immense strength. We also must not forget that, if we are to make the impact we have it within our power to make, those resources and that strength must be directed to furthering the cause of peace and freedom and well-being in the world. Within those broader objectives, there is surely adequate room for each and every one of us to make our individual and distinctive contribution. But it is important that our purposes and our policies should be in harmony and that we should each be prepared to subordinate some part of our national interest to the general interest of the Alliance as a whole. That, in the Canadian view at least, is the essence of the conception of an Atlantic community."
