

In order to construct nuclear power plants at an early date Euratom feels it will be necessary to purchase a considerable proportion of the reactor components abroad. This will pose a balance of payments problem in addition.

In summary it would appear that the Euratom countries want:

- (a) technical and manufacturing knowledge and assistance from countries more advanced in nuclear power technology than they are,
- (b) availability of capital with which to construct nuclear power plants,
- (c) a supply of fuel for the reactors built.

Euratom is looking forward to co-operation with Canada and the following quotation from the report "A Target for Euratom" is of interest. It follows paragraphs concerning co-operation with the United Kingdom and the United States.

"Canada is equally prepared to co-operate. It can do so in two important ways. To begin with, it is one of the world's major sources of natural uranium. It would be ready to provide natural uranium to supplement European resources, provided it receives notices several years in advance, and that any agreement with Euratom guarantees the use of the uranium exclusively for peaceful purposes."

"Further, Canada had done important original work on a type of reactor which promises to be particularly well adapted to European requirements, combining as it does many of the advantages of the natural and slightly enriched uranium approaches followed so far by Britain and the United States respectively. This reactor is well into the development stage. We have every reason to believe that Euratom would find the Canadian authorities willing to co-operate on the construction of prototypes."

The Canadian Interest

Canada has two main trading interests in encouraging the rapid installation of nuclear power plants in the Euratom countries. The first is the potential market for the sale of uranium; the second is the supply of nuclear reactors or reactor components.

There is a firm market for Canadian uranium until 1962-63. Beyond that date there is a real possibility that uranium will be in surplus supply and that there will be insufficient markets for the productive capacity of the Canadian uranium mines. Any real or potential increase in the present foreseeable market is, therefore, of considerable interest to Canada.

It is anticipated that nuclear power will begin to replace conventional thermal power stations in Canada within a decade. The Canadian Government has therefore an interest in the establishment of a nuclear manufacturing industry in Canada so that when nuclear power stations are required in Canada, Canadian manufacturers will be in a position to compete competitively for this business.

Canada's greatest concern is to build up a market for Canadian uranium. The United States and Euratom are presently having discussions regarding the ways in which the United States can assist Euratom in building nuclear power plants at an early date. The U.S. have proposed that they should assist both technically and by the provision of a low interest loan in the construction of up to six nuclear power stations with a total capacity of one million kilowatts. It can be assumed that any such reactors constructed will be based on enriched fuel technology and that as a result these reactors will not open up a market for Canadian natural uranium. Furthermore, the introduction into the Euratom countries of this type of technology will undoubtedly influence the choice of other power plants which the Euratom countries will themselves build in later years. This could have a serious long term influence on the demands for Canadian uranium.