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Doc #	DocType	Doc Info	Classification	Pages	Date	Restriction
01	memo	C. Johnson to Cooper [Possible duplicate of #372, NSF, CEJ, "Chron File-1965", Box 7]	S	1	4/12/65	A
03	memo	Faulkner to Hollingsworth	PCI	2	1/29/65	A
05	cable	Ottawa 983 open 1/4/18 per RAC 12/17	G	2	2/2/65	A
07	cable	Ottawa 986 open 1/4/18 per RAC 12/17	C	2	2/3/65	A

Collection Title National Security File, Files of Charles E. Johnson
Folder Title "NUCLEAR - French Purchase of Canadian Uranium"
Box Number 32

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3/25/2009


Initials

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UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

OFFICE OF THE CHAIRMAN

February 1, 1965

Still pending

Dear Chuck:

This item broke over the weekend. I am not sure whether it has come to the attention of Bundy and you.

A query has been sent to Canada on the safeguards matter, by State.

Cordially,

Arnold

Arnold R. Fritsch

Encl.:
Memo, Faulkner to
Hollingsworth, 1-29-65

Mr. Charles Johnson
Office of the Special Assistant
to the President for
National Security Affairs
The White House

2295

cy Kenny 2-54-65

NATIONAL SECURITY COUNCIL

4

Mr. Charles Johnson -

Please let me know
if cables, etc., I forward
to you should be called
to Mr. Cooper's attention
upon his return.

Thank -

Marge Pickard

5

INCOMING TELEGRAM *Department of State*

86

Action

AEC

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~~CONFIDENTIAL~~

CONTROL: 1915

RECD: FEBRUARY 02, 1965 6:49 PM

FROM: OTTAWA

ACTION: SECSTATE 983

DATE: FEBRUARY 02, 7, PM

~~CONFIDENTIAL~~

REF: DEPTTEL 831, JANUARY 30.

DCM SAW RITCHIE OF EXTAFF THIS MORNING AND CONVEYED
SUBSTANCE REFTTEL TO HIM. IN RESPONSE RITCHIE HAD FOLLOWING
TO SAY:

1. ONE DAY LAST WEEK STEVEN ROMAN, PRESIDENT DENISON
MINES LTD., GOT IN TOUCH WITH OFFICE OF PRIME MINISTER
IN EFFORT OBTAIN SOME SORT OF PRELIMINARY GO-AHEAD
PRIOR PRIME MINISTER'S DEPARTURE FOR CHURCHILL FUNERAL.
PRIME MINISTER'S OFFICE TOOK NO DIRECT ACTION IN RESPONSE
ROMAN'S APPROACH.

2. RITCHIE TALKED WITH ROMAN ON FRIDAY OF LAST WEEK AND
WARNED HIM THAT GOC COULD NOT APPROVE EXPORT OF
URANIUM OXIDE WITHOUT APPROPRIATE SAFEGUARDS. IN REPLY
ROMAN ASSURED HIM THAT "MATTER OF SAFEGUARDS" WOULD BE
DEALT WITH SATISFACTORILY AND THAT IN ABOUT TWO OR THREE
WEEKS HE WOULD HAVE A DEFINITE PROPOSAL TO PUT BEFORE
GOC.

3. ALTHOUGH ROMAN WAS VAGUE REGARDING ANY DETAILS OF
AGREEMENT, RITCHIE WAS CONVINCED THAT THE PROPOSED
ULTIMATE DESTINATION OF THE URANIUM OXIDE WAS FRANCE EITHER
VIA EURATOM OR DIRECTLY.

—BUNDY-SMITH
—BATOR
—BELK
—BOWMAN
—CHASE
—COOPER
—JESSUP
—JOHNSON
—KEENEY
—KLEIN
—KOMER
—MOODY
—REEDY
—SAUNDERS
—SAYRE
—THOMSON

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Authority NLJ-0302-32-7-3
by CTS, NARA, Date 12/20/11

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-2- 983, February 2, 7 p.m., from Ottawa.

4. RITCHIE MENTIONED THAT THE CANADIAN SCIENTIFIC ATTACHE IN WASHINGTON HAD ALREADY BEEN INFORMED OF ROMAN'S EFFORT. HE WENT ON TO SAY THAT WE COULD BE ASSURED THAT GOC WOULD CONSULT WITH US BEFORE IT REACHED A DECISION ON ANY SPECIFIC PROPOSAL PUT TO IT BY ROMAN. HE EMPHASIZED, HOWEVER, THAT HE COULD NOT GUARANTEE THAT THIS WOULD BE DONE BEFORE ROMAN HAD SIGNED SOME FORM OF AN AGREEMENT SINCE, OF COURSE, GOC HAD NO MEANS OF TELLING HIM HE COULD NOT NEGOTIATE AN AGREEMENT, EVEN THOUGH IT WOULD NECESSARILY BE SUBJECT TO APPROVAL BY GOC.

5. RITCHIE SPECULATED THAT ROMAN MIGHT BE TRYING TO BUILD UP THE MAXIMUM PRESSURE FOR GOC APPROVAL. IN THIS CONNECTION HE MENTIONED THREE ELEMENTS THAT COULD MAKE IT DIFFICULT FOR GOC TO REJECT AN AGREEMENT ALONG THE LINES ROMAN APPARENTLY HAS IN MIND. IN THE FIRST PLACE, IT WOULD BE A MAJOR SALES CONTRACT FOR A CANADIAN COMPANY. IN THE SECOND PLACE, IT WOULD BE DIRECTLY BENEFICIAL TO THE PM'S OWN CONSTITUENCY. IN THE THIRD PLACE IF, AS RITCHIE ASSUMES TO BE THE CASE, FRANCE IS TO BE THE ULTIMATE RECIPIENT OF THE URANIUM OXIDE, IT WOULD RAISE A NUMBER OF OBVIOUS DOMESTIC POLITICAL DIFFICULTIES IF THE GOVERNMENT WERE TO REJECT IT.

EMBASSY WILL KEEP IN TOUCH WITH EXTAFF ON THIS MATTER AND WILL OF COURSE REPORT ANY ADDITIONAL DEVELOPMENTS.
CFN 831 30 1 2 3 4 5 E

BUTTERWORTH

~~CONFIDENTIAL~~

175

FRANCE-URANIUM

Johnson

OTTAWA (AP)-FRANCE IS SHOPPING IN CANADA FOR URANIUM FOR ITS NUCLEAR PROGRAM AND IS STAKING CLAIMS IN THIS COUNTRY IN THE HOPE OF DEVELOPING ITS OWN CANADIAN-BASED URANIUM MINES.

INFORMED GOVERNMENT SOURCES SAID THE FRENCH ATOMIC ENERGY COMMISSION WOULD BE THE RECIPIENT OF THE GULK OF 100 MILLION POUNDS OF URANIUM OXIDE WHICH DENISON MINES LTD. EXPECTS TO SELL TO EUROPEAN CUSTOMERS IN THE NEXT 25 YEARS.

SUCH A SALE WOULD BE BETWEEN DENISON AND THE EUROPEAN ATOMIC ENERGY COMMUNITY (EURATOM) MADE UP OF FRANCE, BELGIUM, WEST GERMANY, ITALY, LUXEMBOURG AND THE NETHERLANDS. EURATOM WOULD HANDLE THE MECHANICS OF THE SALE, BUT MOST OF THE URANIUM WOULD BE EARMARKED FOR FRANCE WHICH PLANS TO UNDERTAKE AN EXTENSIVE NUCLEAR POWER PROGRAM OVER THE NEXT FIVE YEARS.

CR426P 2/2

PRESERVATION COPY

INCOMING TELEGRAM *Department of State*

file 2

86

~~CONFIDENTIAL~~

Action

CONTROL: 2814

EUR

Info

RECD: FEBRUARY 3 4:55 PM

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USIA

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TRSY

FROM: AMEMBASSY OTTAWA

ACTION: SECSTATE 986

DATE: FEBRUARY 3 5 PM

~~CONFIDENTIAL~~

REF: EMBTEL 983.

FOLLOWING IS A STORY BY JOHN BIRD DATED LINE OTTAWA APPEARING IN BUSINESS AND FINANCE SECTION OF TODAY'S MONTREAL GAZETTE:

"FRENCH SEEK URANIUM HERE, STAKE SASKATCHEWAN CLAIMS.

FRANCE IS SHOPPING IN CANADA FOR HUGE QUANTITIES OF URANIUM FOR ITS NUCLEAR POWER PROGRAM AND IS STAKING CLAIMS IN THIS COUNTRY IN HOPE OF DEVELOPING ITS OWN CANADIAN-BASED URANIUM MINES. INFORMED GOVERNMENT SOURCES SAID FRENCH ATOMIC ENERGY COMMISSION WOULD BE THE RECIPIENT OF BULK OF 100,000,000 POUNDS OF URANIUM OSIDE WHICH DENISON MINES LTD. EXPECTS SELL TO EUROPEAN CUSTOMERS IN NEXT 25 YEARS.

SUCH SALE WOULD BE BETWEEN DENISON AND EUROPEAN ATOMIC ENERGY COMMUNITY (EURATOM) MADE UP OF FRANCE, BELGIUM, WEST GERMANY, ITALY, LUXEMBOURG AND THE NETHERLANDS.

EURATOM WOULD HANDLE THE MECHANICS OF SALE, BUT MOST OF URANIUM WOULD BE EARMARKED FOR FRANCE WHICH PLANS UNDERTAKE AN EXTENSIVE NUCLEAR POWER PROGRAM OVER NEXT FIVE YEARS.

STEPHEN B. ROMAN, PRESIDENT OF DENISON, SAID IN TORONTO FRIDAY THE COMPANY IS 'WELL ADVANCED' IN NEGOTIATIONS FOR SUCH SALE TO EURATOM. HE SAID PRICE WOULD EXCEED \$4.38 A POUND, WHICH WOULD BE MORE THAN \$438,000,000 OVER THE 25 YEARS.

BUNDY-SMITH

~~BATOR~~

~~BELK~~

~~BOWMAN~~

~~CHASE~~

~~COOPER~~

~~JESSUP~~

~~JOHNSON~~

~~KELLY~~

~~KERN~~

~~KOMER~~

~~MOODY~~

~~REEDY~~

~~SAUNDERS~~

~~SAYRE~~

~~THOMSON~~

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By CS, NARA, Date 92/10/17

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-2- 986, February 3, 5 p.m., from Ottawa.

"OTTAWA SOURCES SAID, HOWEVER THE TALKS HAVE BEEN MAINLY BETWEEN DENISON AND REPRESENTATIVES OF FRENCH ATOMIC ENERGY COMMISSION, INCLUDING JACQUES MABILE, HEAD OF COMMISSION'S PROCUREMENT AND PRODUCTION AGENCY.

THESE SOURCES SAID 'THE MAJOR POINTS IN CONTRACT HAVE BEEN AGREED ON'. MR. ROMAN SAID IN TORONTO THAT ALL DETAILS OF CONTRACT WITH EURATOM SHOULD BE WORKED OUT WITHIN SIX TO EIGHT WEEKS.

AFTER CONTRACT HAS BEEN SIGNED, DENISON MUST APPLY TO ATOMIC ENERGY CONTROL BOARD FOR PERMIT TO SHIP THE URANIUM. ONE DUTY OF THIS BOARD IS TO ENSURE THE METAL IS USED ONLY FOR PEACEFUL PURPOSES. DENISON HAS NOT YET APPLIED FOR A PERMIT.

IT WAS ALSO LEARNED HERE THAT FRANCE HAS HAD TALKS WITH RIO ALGOM MINES LTD., ANOTHER CANADIAN URANIUM PRODUCER. HOWEVER, SOURCES SAID THESE 'HAVE NOT BEEN AS FRUITFUL AS THOSE BETWEEN DENISON AND THE FRENCH'.

MEANWHILE, WILLIAM M. GILCHRIST, PRESIDENT OF CROWN-OWNED ELDORADO MINING AND REFINING LTD., DISCLOSED THAT THE FRENCH MOKTA MINING CO. HAS STAKED 100 URANIUM CLAIMS IN NORTHERN SASKATCHEWAN.

THE CLAIMS ARE ADJACENT TO URANIUM PROPERTIES OF ELDORADO, THE FEDERAL GOVERNMENT AGENCY WHICH MINES, BUYS AND SELLS URANIUM.

"WHILE CLAIMS WERE STAKED BY MOKTA, IT IS UNDERSTOOD HERE THAT FINANCING OF EXPLORATION IS THROUGH THE FRENCH ATOMIC ENERGY COMMISSION".

CFN 983 100,000,000 25 \$4.38 \$438,000,000 25 100

BUTTERWORTH

CONFIDENTIAL

EUR-6

50

DEPARTMENT OF STATE

AIRGRAM

INCO-URANIUM⁸
CAN

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OSD	USIA	NSA
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	PEC	USC
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A-1164

UNCLASSIFIED

HANDLING INDICATOR

TO : DEPARTMENT OF STATE

1965 JUL 1 10 12 39

INFO : PARIS
VIENNA
BRUSSELS
LONDON

ANALYSIS & DISTRIBUTION
BRANCH

FROM : U.S. Embassy OTTAWA

DATE: 30 June 1965

SUBJECT : Proposed Sale of Canadian Uranium to France

REF :

In an exchange in the House of Commons on June 28 on the above subject, Trade Minister Sharp stated that the French Government was not prepared to accept inspection by the International Atomic Energy Agency. He added that he was not certain whether control by Euratom would be acceptable to the French, but that such controls "are certainly open for discussion."

The text of the exchange is enclosed.

For the Ambassador:

Francis A. Linville
Francis A. Linville
Counselor for Economic Affairs

att.
Enclosure:

Excerpt from Hansard
dated June 28, 1965.

UNCLASSIFIED

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☒ In ☐ Out

FORM 4-62 DS-323

Drafted by: ECON:JHWayne:vmd

6/29/65

Contents and Classification Approved by: ECON:FALinville 71

Clearances:

105 JUL 1 10 5 52

BUNDY-SMITH
BATOR
BOWDLER
BOWMAN
CHASE
COOPER
HAYNES
JESSUP
JOHNSON
KEENE
KEEFE
KOMER
MOODY
REEDY
SAUNDERS
THOMSON

Enclosure to A-1154
from Ottawa

2932

COMMONS DEBATES

June 28, 1965

URANIUM

PROGRESS OF DISCUSSIONS RESPECTING
SALE TO FRANCE

On the orders of the day:

[Translation]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to put a question to the Acting Prime Minister, (Mr. Martin).

It seems to me that it is in the interest of the house to know what is the present standing of the negotiations with France respecting this famous Canadian uranium sale contract. Are those negotiations definitely broken off or are they still going on?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I shall ask my colleague, the Minister of Trade and Commerce, to answer that question.

[English]

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, discussions are proceeding between some of the Canadian uranium mines and the French Government. I am informed, on the basis of the declaration of policy made by the Canadian Government which I have reported to this House.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): A supplementary question. Mr. Speaker. Has not the French government notified Canada that it will not accept the principle of inspection; and is it not a fact that at this very time EURATOM is giving consideration to this matter so that an arrangement might possibly be made through the instrumentality of that body?

Mr. Sharp: I am sorry, Mr. Speaker, but I did not quite understand the purport of the right hon. gentleman's question. Would he mind repeating it?

Mr. Diefenbaker: What I am saying is this. Is it not a fact that every indication has been given by the Government of France that it will not accept the principle of inspection by Canada to assure that uranium sold to that country shall be used for civil purposes? Second, with a view to resolving that difficulty, is it not the case that EURATOM has entered the equation, and that through that organization it may be possible to work out a plan which will be satisfactory to the Republic of France?

Mr. Sharp: Mr. Speaker, I cannot confirm what the right hon. gentleman has said. During the discussions with the French Government which I had in Paris we discussed

[Mr. Thompson.]

various forms of control, but did not at that time reach any agreement as to what would be a suitable method of control. The French Government did express its objection to one particular form, but no agreement has yet been reached as to which of the remaining forms might be suitable.

Mr. Diefenbaker: One further question on that. What was the specific plan of inspection to which the French Government objected?

Mr. Sharp: The French Government indicated to us that it was not prepared to accept the international Atomic energy agency.

[Translation]

Mr. Caouette: Mr. Speaker, a supplementary question. Could the Minister of Trade and Commerce tell us whether this control and inspection policy regarding uranium to be sold to France has been requested, suggested or dictated to the Canadian government by the American government?

Are the United States demanding this control on the sale of Canadian uranium to France?

[English]

Mr. Sharp: No, Mr. Speaker.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to put a supplementary question to the Minister of Trade and Commerce. There were C.T.V. news reports over the week end which indicated that France had rejected Canadian control but that she would accept EURATOM inspection for the purposes mentioned. I should like to know whether this has been conveyed to the Canadian Government, also whether the Canadian Government accepted the principle of EURATOM carrying out the inspection.

Mr. Sharp: Mr. Speaker, so far as I am aware we have had no such message from the French Government. However, perhaps I ought to say that the Canadian Government has not insisted upon a bilateral arrangement whereby Canadians would do the inspection. We would be prepared to consider alternative forms of control. I am not certain, of course, whether the controls under EURATOM would be satisfactory, but they are certainly open for discussion.

EUR-6

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DEPARTMENT OF STATE

AIRGRAM

INCO-URANIUM
CAN

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	AEC	USE
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A-1164

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HANDLING INDICATOR

TO : DEPARTMENT OF STATE

1965 JUL 1 PM 12 39

INFO : PARIS
VIENNA
BRUSSELS
LONDONRM/AN
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FROM : U.S. Embassy OTTAWA

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4-62 DS-323

Drafted by: ECON: JHWayne: vmd

6/29/65

Contents and Classification Approved by:
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Clearances:

1965 JUL 1 PM 5 52

CO. Y. LO-107

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Enclosure to A-1154
from Ottawa

2932

COMMONS DEBATES

June 28, 1965

URANIUM

PROGRESS OF DISCUSSIONS RESPECTING
SALE TO FRANCE

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