

Inquiries of the Ministry

diversion from supplies under option as a result of the original United States contracts. Consequently there was no need to take action to implement it years before it was to commence; and this was the reason, I take it, the St. Laurent government of the day made no specific announcement of it at the time, other than a general reference to the subject in the communique issued at the Bermuda conference and which I have already placed before the house.

It has been said by Hon. Robert Winters, president and director of Rio Tinto Mines Limited, as reported in the *Globe and Mail* of March 25, 1961, that he was not aware that the hidden uranium contract had been signed with the United Kingdom on March 27, 1957, at which time he was a member of the Liberal cabinet. Then he goes on to explain that, in the first place, he could not remember the contract and, in the second place, even if he could he would not be able to talk about it.

Well, Mr. Speaker, I simply point out that after he ceased to be a minister of the crown he became, within a matter of a few days or a week, the head of this particular uranium firm. Within a few months thereafter the late Right Hon. C. D. Howe became a director of this company. Naturally these facts arouse a question amongst minds as to whether or not there might have been some communication on a question such as this, where letters of intent had actually passed.

However, within less than three months of this existing undertaking, in March, April and May of 1957, and before the undertakings made in an exchange of letters were embodied in detailed contracts, the United Kingdom government decided to stretch out and modify this nuclear power program for which it had been ordering Canadian uranium. The United Kingdom found, as I understand, that it had ordered much more than it was going to be able to use. As a result a representative of the United Kingdom authority informed Mr. W. J. Bennett of Eldorado early in 1958 that they would like to renegotiate the commitments made for the period 1963 to 1966. Sir Edwin confirmed this by letter. Discussions followed between a representative of the United Kingdom authority and Eldorado as well as between government officials, but as yet no agreement has been entered into.

Now, there has been some loose talk about concealment. I point out in this connection that on February 1, 1958 the then minister of trade and commerce and now Minister of Veterans Affairs (Mr. Churchill) said, as reported on page 4147 of *Hansard* for that date:

As announced on March 26 last at the conclusion of the Bermuda conference, a contract with an

[Mr. Diefenbaker.]

approximate value of \$115 million has been entered into with the United Kingdom atomic energy authority. Deliveries will be made over a period ending March 31, 1962, by diversion from existing contracts.

This contract is not the one in question, but it is the beginning.

It was also stated in the joint communique issued following the Bermuda conference that consideration was being given to the supply from Canada of a substantial part of the uranium requirements of the United Kingdom atomic energy authority in the period after March 31, 1962. Arrangements have now been made whereby the United Kingdom atomic energy authority will obtain an additional quantity of uranium with an approximate value of \$105 million. The delivery of this quantity will be made over the period April 1, 1962 to March 31, 1963, by a diversion from quantities now under contract which are scheduled for delivery in that period.

Then I underline these words:

Negotiations are now under way with regard to the supply from Canada of a substantial part of the uranium requirements of the United Kingdom atomic energy authority over the period April 1, 1963 to December 31, 1966. These negotiations are proceeding satisfactorily, and Canada has undertaken to supply the quantity which the United Kingdom atomic energy authority has requested in this period. This will be supplied from quantities under option in the present purchase contracts.

In other words, he referred particularly to negotiations in that connection which, I again point out, have not yet been completed. The Leader of the Opposition had this to say as reported on page 4149 of *Hansard* of the same date:

Mr. Speaker, I think the house will have listened with great interest to this important statement of the minister which deals with the development and marketing of one of our most important products and will, I think, have learned with satisfaction that the policy of the previous government in working out bilateral contracts with other governments for the sale of this commodity is making progress.

There is another point in connection with this subject of concealment of these negotiations that I should like to mention. I would point out that there is a survey of the uranium industry in Canada issued regularly. I have before me the survey by J. W. Griffith dated November, 1959. It has been drawn to my attention that this is a government publication, published by the Department of Mines and Technical Surveys and widely distributed. Indeed, the distribution list includes mining societies, mining, metallurgy and research organizations, the publishers of technical magazines, the mines department and other government departments. The distribution totals several hundred copies. Then, of course, the publication is on sale to the public as well. On page 87 of this document I find this:

Arrangements are being made to supply the United Kingdom with uranium over the period