

parts of the world by the United States and by the United Kingdom, and as a result of the stimulation this gave to other countries to prospect for and develop uranium deposits, the 1959 production of uranium was as follows:

United States .....	16,379	short tons	U <sub>3</sub> O <sub>8</sub>
Canada .....	15,909	"	"
South Africa .....	6,200	"	"
Belgian Congo .....	2,326	"	"
France .....	951	"	"
Australia .....	900	"	"
Portugal .....	120	"	"
Northern Rhodesia .....	35	"	"
India .....	10	"	"
Sweden .....	10	"	"
Spain .....	50	"	"
Argentina .....	12	"	"
Total .....	42,902	"	"

14. The free world consumption in 1959 was approximately 30,000 tons and a number of detailed studies made in the past two years of what the military and current free-world programs for the development of atomic power will use in total during the years immediately ahead, have produced an estimated requirement of between 33,000 and 36,000 tons for 1965.

It is this discrepancy between requirements and production capacity that has given us our problem. Please note the figures.

This assumes that there is no revision of the military need, which has always been the uncertain factor in forecasting total requirements. This recent estimate for 1965 has been subjected to much expert scrutiny and should prove to be fairly close but it is a great deal less than the figures frequently forecast for 1965 during the first half of the last decade. Two developments have brought about this reduction. The technical problems that must be overcome before atomic power reactors can compete with conventional power plants have taken longer to solve than expected and the reserves of oil, gas and coal available to European countries have increased tremendously during the last decade. Moreover, technological improvements have prevented the expected rise in the cost of power produced by conventional methods and will continue to stabilize this cost for some years to come.

15. What has become known as the "stretch-out" was initiated by the offer which Eldorado made to the Canadian uranium industry on November 6th, 1959, and was the outcome of the wish of the United Kingdom atomic energy authority and the United States atomic energy commission to bring current purchasing of uranium more in line with their current needs, and the desire on the part of the Canadian government to prevent a complete collapse of the Canadian uranium mining industry between March 31st, 1962, and March 31st, 1963, the period in which deliveries under all the then firm Canadian contracts would have been completed. It will not be possible for these agencies, particularly the United Kingdom atomic energy authority, to avoid stockpiling U<sub>3</sub>O<sub>8</sub> entirely but considerable relief has been effected and the Canadian government's objective has been attained. A separate section of this presentation describes the development of the November 6, 1959, announcement and the transactions which have taken place as a result of this offer to the industry. Now, that is the background; next is the organization.