

competing with the cartel members. By late 1974 the cartel's importance lapsed as uranium prices were overtaken by market forces and increased seven-fold over a two year period. Although the cartel became unnecessary, it continued to meet intermittently until October, 1975.

Secret discussions

The secret cartel discussions which were initiated in the spring of 1972, held a number of advantages for Canadian officials. Because the negotiations over the structure and creation of the cartel were confidential, the government was allowed to be flexible in its position. This secrecy eliminated any fear of losing face before the electorate if the agreement did not succeed. As well, the secrecy avoided a debate which could have killed the sense of urgency among all the participants and eliminated any chance of the government being criticized in an election year.

Even after a formal price-fixing, quota-setting agreement was reached by the uranium producers in Johannesburg, secrecy was still considered essential. Internal memoranda circulated within the cartel were labelled "secret", "highly confidential" and "specially confidential". Furthermore, it was agreed that the minutes of each meeting would consist of as brief a summary as possible of the principal points discussed and one participant added that "as few copies as possible be made in order to avoid eventual difficulties". Members of the 'Club of Five' were instructed to stonewall the press and avoid using the word 'cartel' in any correspondence.

For the Trudeau government, participation in the cartel represented such a break with traditional foreign policy that it was perhaps felt unwise to immediately inform MPs and the public. With a minority position in Parliament between 1972 and 1974, the Liberals were extremely vulnerable to criticism. Additionally, there no doubt were fears of political and/or economic retaliation from the United States as well as possible problems with both American Anti-trust and Canadian Combines laws. Perhaps there also existed the fear that the United States Atomic Energy Commission (USAEC), which then controlled the majority of the world's enrichment capability, would withhold its services.

Moreover, Canada's policy of participating in a developed-country cartel sharply contradicted its refusal to join Third World producer associations. Throughout the first half of the 1970's, Canada rejected membership in Third World producer associations in iron ore, copper, mercury, silver and tungsten. Noting that the uranium cartel, solely a developed state organization, had been formed prior to OPEC's late 1973 success in quadrupling the world price of oil and before the proliferation of Third World commodity organizations, it would have been difficult for Canadian officials to attack Third World attempts to establish cartels. The

case of the uranium cartel could have been used by developing countries as a precedent for creating either producer associations or cartels in other commodities.

Many of the reasons for the secretiveness may have been rooted not in an overwhelming Canadian desire for secrecy, but rather in the multi-national nature of the arrangement. And finally, at that time the cartel members may have appeared to be strange bed-fellows, especially to the domestic population of Canada. For example, relations between Canada and France were at a very low level and the government was being publicly critical of South Africa's apartheid policies.

Leaked documents

During the summer of 1976, the cartel's elaborate security system was toppled when confidential cartel documents were leaked by the *Friends of the Earth*, an Australian environmental group opposed to uranium mining, to a U.S. House Subcommittee set up to investigate the cartel. The Subcommittee then subpoenaed Gulf Oil Corporation documents detailing the role of its Canadian subsidiary, Gulf Minerals Canada Ltd., in the cartel. The documents came from an ongoing cartel-related trial in a Chicago District Court involving the Westinghouse Electric Corporation. Westinghouse, a prominent uranium middle-man which argued that the cartel's price-raising had made it impossible to sell uranium at the prices it had previously guaranteed, filed an anti-trust action against 29 uranium corporations, many of which were involved in the cartel.

Working through the U.S. State Department, the Canadian government and Gulf requested that the documents which the Sub-committee threatened to release be held in strict confidence, arguing that the documents were diplomatically sensitive and raised a question of international comity between nations. The request was denied.

In this instance, the government had sought secrecy for good reason. The documents revealed that Canadian uranium producers had violated the Combines Investigation Act with the knowledge and support of high government officials. The government was further embarrassed because some of the material which had been passed by GMCL to its American headquarters, and from there subpoenaed, had been provided to Canada on a confidential basis by other members of the cartel.

Canada's reputation

Similarly, Canada's international reputation would have been damaged if the government had been forced to acknowledge its participation and leadership in an OPEC style price-fixing cartel. This was especially true as it was a period when OPEC members were testing their new-found economic strength. One must also remember that the stigma attached to cartels from pre-World War II times continued to exist. Secondly, the