

54. The United States Atomic Energy Commission also established a Published Price Schedule for United States production with guarantees similar to those in the Canadian Published Price Schedule.

55. Both the price and the period of the guarantee in the Published Price Schedule were revised from time to time, as follows:

December 20th, 1948, the Government announced that the period of the guarantee would be extended to March 31st, 1955.

April 17th, 1950, the government announced that the period of the guarantee would be extended to March 31st, 1958.

April 18th, 1950, Eldorado announced a revision of the published price which provided for a maximum payment of \$6.00 per pound of U_3O_8 contained in concentrates with a uranium content of not less than 10 per cent.

March 6th, 1951 Eldorado announced that a development allowance of \$1.25 per pound would be added to the basic price during the first three years of production.

May 6th, 1952 the government announced that the period of the guarantee would be extended to March 31st, 1962.

56. The published price schedule described above was based on the mining and milling experience then available in Canada, i.e. the Port Radium mine. This indicated that uranium would be produced in the form of low-grade concentrate. When information became available late in 1952 and early in 1953 as to the nature of the new deposits in Canada, it was apparent that these new deposits could only be brought into production through the installation of large chemical processing plants with high capital and operating costs. Because of this, production for sale under the published price schedule would not be economic. However, since the product of these processing plants would be a high-grade concentrate, i.e. a minimum of 50 per cent uranium content, the situation seemed to call for special treatment, a possibility which had been foreseen when the published price was first announced on March 16th, 1948.

57. Accordingly, an arrangement was entered into with the United States Atomic Energy Commission on December 10, 1953, whereby the commission agreed to purchase any uranium which Eldorado might purchase, at prices to be calculated in accordance with the following plan; which is a special price arrangement:

- (a) the poundage in the contract to be the estimated production of the proposed mill in a five-year period—in other words, what could be produced over five years;
- (b) the price to be calculated by a formula designed to show a generous profit after allowance for the amortization of the major estimated capital costs and the estimated operating costs;
- (c) since a property with inherent high costs would receive a corresponding high price, a ceiling or maximum price to be established in order to limit production to those operations with reasonable costs. Throughout most of the negotiations the ceiling was \$10.50 per pound U_3O_8 contained in mill concentrates (yellow cake) of a specified minimum specification;
- (d) deliveries to begin by a date specified in each contract and no deliveries would be accepted after March 31, 1962.

58. In the early days of the program, all the uranium which the United States Atomic Energy Commission could purchase from any source including Canada, was less than their military requirements. That is an important point in view of subsequent events. However, as more and more South African, United States and Canadian mines came under development and were prepared