URANIUM CITY

First Published by
NeWest Review
Volume 20, Number 3
February/March 1995

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WHY IT WAS OUR LAST BOOMTOWN

FORMER RESIDENTS ARE STILL HAUNTED BY UNANSWERED QUESTIONS.

"I thought by now I would forget Uranium City. But some nights as I sit on my front porch and look to the north, I see the bright sky and I feel a little pain inside."

These closing words from *Uranium City—The Last Boom Town* (by Ben McIntyre. Mill Bay, B.C.: Driftwood Publishing, 1993, 323 pp. $25.95) hold true for many former residents of that northern town. For some the pain is greater than for others. For my husband, who was resident geologist there for four years in the early sixties, and for me, the pain is more nostalgic yearning than the sharp hurt felt by those living there on December 3, 1981 who were told abruptly that Eldorado, the one remaining mine in the area, was to shut the following June. That closure has never been explained satisfactorily. Why, when the company was spending money like the proverbial drunken sailor, did the mine fold so dramatically?

MARION BECK AND SON DAVID IN URANIUM CITY, 1961.
PHOTO: COURTESY THE AUTHOR

The answers are not to be found in Ben McIntyre's text. Often personal and anecdotal, *Uranium City* describes the development of the town from a bush tent encampment to a modern community. In addition, it details the history of mining operations in the area and the boom-bust cycle which went along with them. The earliest years are described vividly and give a wonderful picture of what life was like in this isolated, raw community. There are details of everything; from what living in a tentshack at 40 below was like, to the ingenuity of those women who set up laundries in the same flimsy structures; from volunteer firefighting and associated tragedies to the importance of spring breakup and the arrival of the first barge with grub stakes and fresh beer. Dotted throughout the book are stories of fishing and of trappers, of bush planes and their pilots, of heroism and of tragedy. McIntyre's own introduction to

the community was as a young teacher of twenty who had to dismantle the school in the ghost town of Goldfields and have it shipped over the ice to Uranium City.

Like people in every isolated mining community, the characters in these tales are eternal optimists. In the 1970s, despite the litter of ghost towns through the mountains and across the Shield, Uranium City residents had reason to beieve Eldorado would see them through the long haul. They had some foundation for that faith.

The famous Gus Hawkers store, 1961. Photo: courtesy the author

Between 1975 and 1980, the federal crown corporation had pumped $115 million into an expansion program. The late seventies saw the federal government build new offices for the RCMP, the provincial government new government buildings, the town a new school. The Latter Day Saints and the Full Gospellers built churches in early 1981, completely oblivious to what the year's end would bring. Just days before the December announcement, local merchants were sinking money into new developments. It was money that would stay sunk.

What happened? Why were a seemingly profitable mine and mill shut down? Perhaps a brief look at the history of the uranium mining operation and the associated world market will help us understand.

If we read newspaper reports covering the course of events, it is easy to see that the corporation's officials were never held responsible for the town's distress. Perhaps they were insulated by the fact that Eldorado was a crown corporation.

During the early 1950s, in response to a federal government program providing a guaranteed price for uranium oxide or "yellow cake," Eldorado, and a number of smaller mines, began producing uranium in the Uranium City area. By the late fifties, the demand for uranium for military purposes weakened because of a saturated market. The United States Atomic Energy Commission announced it would not renew existing contracts for Canadian uranium, the last of which was due to expire in March 1963. Eldorado responded to this by buying up the contracts of smaller producers and by taking advantage of a federal government stockpiling program designed to keep the industry alive until the advent of nuclear power generation in the western world.

So the first crisis, which could easily have spelt death to the town, was overcome. But it was not until 1968 that there was renewed hope of prosperity. Eldorado had used the intervening years to embark on a cost-saving strategy. They upgraded their plant, reduced their payroll through attrition, and reduced power costs by constructing a hydro-electric dam at Waterloo Lake. In 1968, William Gilchrist, then president of Eldorado, predicted a world shortage of, and increased demand for uranium by 1973. The demand came, but initially it benefited only Ontario producers and did not affect Eldorado until 1975.

This period between 1970 and 1975 was critical for Eldorado. What was done at that time set the stage for the closure decision a few years later. In 1969, just one year after Gilchrist's

prediction, Eldorado recorded its first loss. On the basis of projected losses over the next few years, it was decided there would be downsizing and selective mining. Once again, the work force was allowed to shrink, this time almost by half, and selective mining ensured only the richer ores were mined.

By 1975, the picture changed again with rising prices and favourable long-term energy projections. An expansion program seemed justified. As most of the higher grade ore had been mined during the previous five years, it was obvious that much larger tonnages of lower grade ore must be mined in order to extend the life of the mine. Costs had to be kept under control by increased efficiency, the mill had to be upgraded again, and, in order to attract an experienced and stable work force—the most essential ingredient of an efficient mining operation—perks such as modern housing and shopping trips to Edmonton for the wives were offered.

RCMP barracks and Seargent's house, Uranium City, 1961. Photo: courtesy the author

For four years these measures worked. Costs and sale prices matched. But 1979 saw market prices fall again. By 1981, the corporation was losing $75 for every ton of uranium it produced. There were no longer any ways left where production could be balanced with the value of the ore. The situation facing Eldorado by 1981 was that, to achieve even break-even status, either the price of uranium would have to almost double or production costs be almost halved. It was an impossible situation.

Anger and anguish followed the notice of closure. Why did Eldorado not come clean? Why hadn't it said the expansion plan was an attempt to keep the mining operation afloat, not a sign of good times? They were not a publicly traded company with stockholders' interests to preserve, so why the secrecy? Who was being protected?

If we read newspaper reports covering the course of events, it is easy to see that the corporation's officials were never held responsible for the town's distress. Perhaps they were insulated by the fact that Eldorado was a crown corporation; its officials were not answerable to shareholders. But the feeling which comes through is that the fault lay in an attitude of paternalism and arrogance. As then president Nick Ediger said following a House Natural Resource Committee meeting on December 7, 1981, "People can read reports and they couldn't have been very reassured by our quarterly reports." But who reads the reports of a company which had just bought a large cargo jet, built a $2.5 million hangar for the same in Saskatoon, built new houses in the area, and had spent money in a host of other ways? Were they reading their own reports?

It was this dramatic demise which made Uranium City unique among mining communities. Usually there is a gradual decline in both the life of the mine and of the town. Sometimes the end comes because the resource is worked out, or because the quality of the ore no longer makes it a viable operation, other times because new mines with richer ore and cheaper production have opened up. The whole present-day picture of hard rock mining has been further complicated by the end of the Cold War, by competition from what were Eastern Bloc countries, from the opening up of Third World mines.

Today the mining town of Sudbury is facing problems similar to those faced by Uranium City: high world inventories of nickel have forced down the price, and Inco is planning to reduce its work force from 7,000 to 5,500 by 1997, largely through attrition. But there the problems are well documented and there is no false economy and accompanying investment. There will be no Gisela Vielhauers investing their life savings in businesses which will be made redundant the day after purchase by a bombshell announcement of closure.

In 1993, in Vernon, B.C., there was a reunion of former residents of Uranium City. Plans were made for a further reunion in 1994, in Uranium City itself, but never fulfilled. It is always difficult to return, particularly in this case. The returnees would go back to a town which has turned in on itself, shrunk to a small pocket of activity surrounded by what once were pleasant urban streets and which now are largely vandalized. They would drive from the airport, past the small managerial townsite of Eldorado and see nothing—for the houses are long gone, shipped elsewhere or bulldozed into their basements and covered with soil. They would skirt Beaverlodge Lake, pass the overgrown cabin of prospector Ed Otto, cross the portage to Martin Lake, see again the spot the car went through in November 1959, drowning three young women. On they would go, past the float plane base, past SGA hill, over Fredette Creek where the triumphal arch was built for the Queen who never came, and into the town itself. There would be talk and laughter as well as tears. For a short time the camaraderie born when they lived in the town would be revived. Later, going home again, flying over present day uranium mines, at Key and Cluff Lakes, looking down at the bunkhouses, billets for the men who work there on a rota basis, their families comfortable in Prince Albert or Saskatoon, they would perhaps find some kind of solace knowing that, indeed, Uranium City was the last boom town, that present day mining policies have spelt the end to the mining town, to its vulnerability and to its pain. NWR

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