

HOME ON THE RANGE NO MORE: THE BOOM AND BUST OF A WYOMING URANIUM MINING TOWN, 1957-1988

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SINCE THE END OF THE COLD WAR in 1989, Americans have begun to consider seriously the social costs exacted by the development of nuclear energy. Recent disclosures have revealed radiation tests on children. Several studies have probed cancer rates in the Intermountain West among underground uranium miners, while others have examined above-ground occurrences presumably caused by nuclear testing. Still others have examined the survival of cities such as Hanford, Washington, and Los Alamos, New Mexico, where scientists manufactured the first reactors.¹ But few scholars have directed their attention to the communities created for the mining and milling of “yellowcake”—the common name for the concentrate processed at uranium mills.²

Twice during the four decades of the Cold War, changing policies of the federal government caused “boom and bust” phases in the yellowcake communities of the American West. Boom periods created severe problems of housing, schooling, and the like; and the bust phases struck at the very existence of these towns. Some of the towns, such as Moab, Utah, and Grants, New Mexico, were able to survive high unemployment, sharp drops in property values, and losses in local revenue by shifting to tourism. But other mining camps had no foundation other than the production of yellowcake. Jeffrey City, Wyoming, was such a community. Its history illustrates how national policy played out at the local level.³

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¹ Philip L. Fradkin, *Fallout: An American Nuclear Tragedy* (Tucson, 1989); Stewart L. Udall, *The Myths of August: A Personal Exploration of our Tragic Cold War Affair with the Atom* (New York, 1994); Michele Stenehjem Gerber, *On the Home Front: The Cold War Legacy of the Hanford Nuclear Site* (Lincoln, 1992).

² Yellowcake is the common name for the chemical precipitate, usually ammonium diuranate or magnesium uranite, produced at uranium mills. Although yellowcake contains only 60 to 70 percent uranium oxide (U₃O₈), the terms uranium, yellowcake, uranium oxide, and the abbreviation U₃O₈ often are used interchangeably.

³ David P. Vogt, Colleen G. Rzy, and Regina A. Watson, Energy Division, Oak Ridge National Laboratory, *Regional Impacts of Uranium Mining and Milling Employment Decline: A Preliminary Appraisal*, ORNL/TM-9356 (Oak Ridge, TN, 1985). [“ORNL/TM-9356” is a government publication number that will aid those interested in locating this particular document. Several of the citations to public documents that follow contain government indexing numbers.]

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Today, Jeffrey City is little more than a ghost town. Tumbleweeds blow through its streets, antelope graze amid the foundations of former businesses, and the yards of hundreds of house and trailer lots are slowly returning to short grass prairie. The new high school gymnasium, completed a dozen years ago, is all but closed for want of activity. Symbolic of the times is the question mark strategically placed on the remains of a local store so that the sign now reads "Jeffrey City Market?"

While these impressions are vivid, the numbers gauging the city's decline are staggering. In 1980, the area's uranium industry employed around one thousand workers, the local school had nearly six hundred students, and the town's population was over four thousand. Within two years, 95 percent of the area's work force had left town, taking 66 percent of its school-age children. Only 25 percent of the town's population remained. Today, 15 years after the height of the boom, Jeffrey City is almost gone. Population is less than one hundred, enrollment at the school is 33, and the employment numbers are single digit.⁴ (See Figure 1.)

Jeffrey City lies in Fremont County near the geographic center of Wyoming, about 70 miles west of Casper, on a high broad basin along the winding Sweetwater River. Although thousands of migrants once passed by on the nearby Oregon Trail, the area remained rangeland until 1930, when three World War I veterans moved their families onto new homesteads. One of these families consisted of Sam and Beulah Peterson and their two sons. By 1939, the couple had given up farming in favor of opening a gas station on a newly constructed highway that passed through their land. During the 1940s, Beulah began to handle the mail for local ranchers. In the early 1950s, she applied for and received a post office. Thinking about her government homestead and its location, she named the place "Home on the Range." The label stuck and Wyoming maps began to show Home on the Range as a permanent stop on Highway 287.⁵

About this time, the United States government, concerned about its access to the world's small supply of known uranium—the main ingredient in the atomic bomb—initiated a search for new domestic sources. Congress, worried that the federal government alone might not be able to supply this need quickly, sought to link government and private companies under the supervision of the Atomic Energy Commission (AEC).⁶

⁴ Geoffrey O'Gara, "Jeffrey City: Precious Isolation, Community Fierce for its School, Despite High Costs," *Casper Star-Tribune*, 31 December 1994, A1. The population, employment, and enrollment data are derived from newspapers, state government, and school enrollment records. Because the boom and bust occurred in Jeffrey City so quickly, the town was listed only on the 1980 federal census. Given the rapidity of change at this time, it is doubtful that this count is accurate. Further, other sources for population counts such as gas and electrical hook-ups are misleading because the company maintained many of the homes' utilities. Therefore, population figures are based on reports provided in the *Jeffrey City News*, 1977-1982. A complete set of the *Jeffrey City News* is housed at Jeffrey City High School, Jeffrey City, WY. Employment figures are provided by the Wyoming State Mine Inspector, *Annual Report of the Wyoming State Mine Inspector* (Cheyenne, WY, 1960-1992). These are found in the Wyoming State Archives in Cheyenne, and will hereafter be cited as *Mine Inspector*. Finally, school figures are based on the enrollment records of the Jeffrey City School, 1967-1992, on file at the Jeffrey City School, and hereafter cited as *Enrollment*.

⁵ Sam Peterson, Jr., interview by author, 13 May 1992, Jeffrey City, Wyoming, tape recording in author's possession (hereafter Peterson interview).

⁶ Richard G. Hewlett and Oscar E. Anderson, Jr., *A History of the United States Atomic Energy Commission*, vol. 1, *The New World, 1939/1946* (University Park, PA, 1962); Richard G. Hewlett and Francis Duncan, *A History of the United States Atomic Energy Commission*, vol. 2, *Atomic Shield, 1947/52* (University Park, PA, 1969).

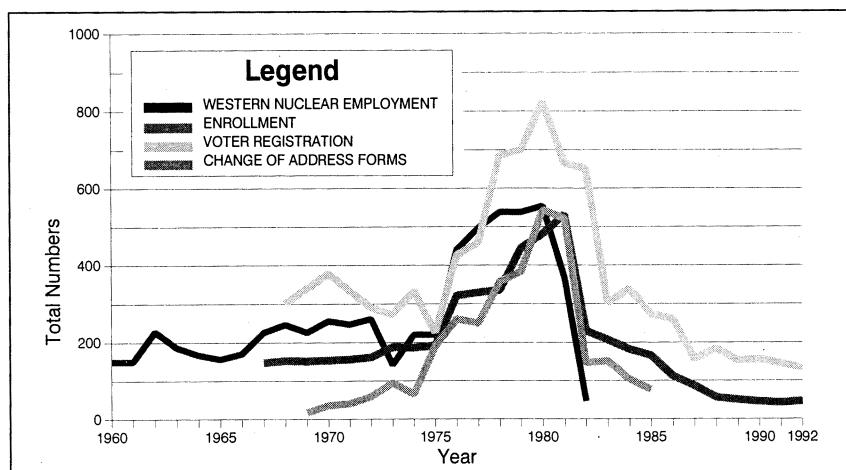


Figure 1. Compound Population Statistics, Jeffrey City, Wyoming 1960-1992. Enrollment data is derived from records on file at the Jeffrey City School. Employment figures are from Wyoming State Mine Inspector, *Annual Report of the Wyoming State Mine Inspector* (Cheyenne, 1960-1992), Wyoming State Archives, Cheyenne. Voter Registration records are on file at the Fremont County Office of Voter Registration, Lander, Wyoming. Change of Address forms are based on the Jeffrey City Post Office *Change of Address Form Book, 1969-1985*, on file at the Jeffrey City Post Office.

Created by the Atomic Energy Act of 1946, the AEC began a program to “control the production, ownership, and use of fissionable materials to assure the common defense and security.”⁷ The AEC then embarked on a series of wide-ranging financial incentives for the exploration and manufacture of uranium from new fields. Among these inducements were a guaranteed minimum price for uranium ore, government buying stations, and haulage allowances. Further, the AEC joined forces with the U. S. Geological Survey to bring experienced field geologists and other experts into the search. As prospectors made small discoveries, the AEC then began a road-building program to provide better access to new mines.⁸

Much of this exploration centered on the Colorado Plateau, where small mining camps had been producing minute amounts of uranium, vanadium, and radium since the early 1900s. As the AEC scoured the countryside, private individuals explored outcrops and made drill holes in canyons and backcountry areas. In July 1952, a down-and-out prospector named Charlie Steen struck it big outside of Moab, Utah. National magazines swarmed into town to interview this unlikely new “uraniumaire.”⁹ By the end of the year, the first boom was on.

⁷ Atomic Energy Act of 1946, *Statutes at Large* 60 (1946): 755-75.

⁸ Nielsen B. O’Rear, USAEC, TM-187, *Summary and Chronology of the Domestic Uranium Program (August 1966)*, rpt. prepared for United States Atomic Energy Commission, Grand Junction Office (Grand Junction, CO, 1966); Holger Albrethsen, Jr. and Frank McGinley, U. S. Department of Energy, GJBX-220 (82), *Summary History of Domestic Uranium Procurement under US Atomic Energy Commission Contracts: Final Report (October 1982)*, rpt. prepared for United States Department of Energy (Grand Junction, CO, 1982).

⁹ Elizabeth Pope, “The Richest Town in the U. S. A.,” *McCall’s*, December 1956, 38-39, 99-104; Burt Meyers, “Uranium Jackpot,” *Engineering and Mining Journal* 154 (September 1953): 72-75; Raye C. Ringholz, *Uranium Frenzy: Boom and Bust on the Colorado Plateau* (New York, 1989; reprint, Albuquerque, 1991); Maxine Newell, *Charlie Steen’s Mi Vida* (Moab, UT, 1992).

Throughout the following year, the search expanded beyond the Colorado Basin. In 1953, local prospectors discovered uranium in Wyoming's Gas Hills region north of Home on the Range and in the Crook's Gap and Red Desert areas to the south. Entrepreneurs staked claims and established small mining operations in hope of becoming the next Charlie Steen. On 1 March 1955, the AEC opened an ore-buying station at Riverton, Wyoming. As mining activity developed further from Riverton, the AEC established, in December 1956, another buying station at Split Rock, a historic landmark on the Oregon Trail a few miles north of Home on the Range. When the AEC began to stockpile ore at the new station, it became apparent that if someone could secure a contract with the government, a mill could produce a profit by processing the area's accumulating ore.¹⁰

One such dreamer was businessman Bob Adams of Rawlins. In 1952, Adams picked up a copy of the *Saturday Evening Post* and read an article about Charlie Steen's uranium discovery.¹¹ Adams, a restaurant owner, had also heard uranium talk from the various government survey crews who came into his place after trips into the nearby hills. When Adams learned about the Gas Hills discovery in 1953, he was ready to act. A pilot, he fitted his plane with radiation detectors and began to scan the hills north of Rawlins. Adams discovered uranium in 1954 and, in March of 1955, founded a small mining interest called the Lost Creek Oil and Uranium Company.¹²

During these days of frenzied prospecting and penny stocks, Bob Adams dreamed of becoming a big player in the uranium field. Instead of merely selling his claim to another company for an assured profit, Adams decided to try, like Charlie Steen, to build his company into a major uranium producer. After securing more than one hundred thousand dollars in equipment and leases, Adams incorporated Lost Creek Oil and Uranium and then sold almost \$300,000 in public stock to finance the operation.¹³

After establishing his corporation, Adams began the process of obtaining a milling license from the Atomic Energy Commission. Because securing such a license would ensure long-range success via government subsidies for mining, hauling, and even processing of the ore, Adams had to prove that he had both substantial ore prospects and sound financial backing.¹⁴

At first, the process of acquiring the three to four million dollars needed to construct a mill was discouraging. In a contemporary story, Adams said, "[W]e got a cold turndown from the first Denver Bank we talked to . . . the word uranium frightened the Bank and it

¹⁰ Albrethsen and McGinley, *Summary History*, pp. A-111, A-118.

¹¹ Bob Peck, "Bob Adams: Mining Man of Action," *Riverton (Wyoming) Ranger*, 19 June 1980, 1E.

¹² "The History of a Successful Uranium Venture," *Wyoming 1* (June-July 1957): 28-31.

¹³ Bill Hosokawa, *The Uranium Age* (Denver, 1955), 42-43. Despite this public sale, the venture remained a hometown affair as Rawlins people purchased more than one-third of the three million penny shares in amounts ranging from \$100 to \$5,000. Not surprisingly, Bob Adams became president and general manager of the new corporation. His father, William Adams, became vice-president. Edward A. Smyth, a Rawlins merchant and bank officer, became secretary-treasurer.

¹⁴ U. S. Atomic Energy Commission, Grand Junction Operations Office, "Press Release No. 292," Wednesday, 8 February 1961, in possession of William Chenowith, Grand Junction, CO. Prospectors who found uranium were first required to obtain a Source Material License in order to move the ore from their mine to an ore-buying station or mill. This license, called a "P number" for producer, then authorized the mine owner to obtain bonuses, haulage fees, and ore payments.

wasn't having any part of it." In hometown Rawlins, Adams had similar luck. Many small contributors were willing to invest five or ten thousand dollars, but no one would make a big plunge. Then Dr. C. W. Jeffrey, a 73-year-old Rawlins physician and philanthropist who had made a fortune in oil, offered Adams \$250,000. With this, Adams convinced the bigger bankers of his plan. By August, the Lost Creek Oil and Uranium Company had secured \$4.25 million to begin construction of a mill at Split Rock, a few miles northeast of Home on the Range. The mill was to employ a new reduction method to refine both the company's ore and other stockpiled material.¹⁵

The Lost Creek Oil and Uranium Company began the year of 1957 by securing loose ends in its AEC contract. To ensure that he would have enough ore for his new mill, Adams obtained more mining claims in the area.¹⁶ Because his contract required that the company supply housing for its workers, he also began to plan and build a trailer-town, which he christened Jeffrey City, near the Home on the Range post office.¹⁷

Even after securing the mill contract and needed capital, Adams worried that the name of his company, Lost Creek Oil and Uranium, suggested a paper corporation instead of the player he wanted it to be. After all, he had found uranium, secured a government contract to process it, and was building a town to house his workers; his company warranted a progressive-sounding name. So in May of 1957, Adams changed the name of his company to Western Nuclear Corporation.¹⁸ By the time the Split Rock mill opened that spring, *Uranium* magazine reported that:

as the area's first mill, Western Nuclear no doubt has an advantageous contract with the AEC. With its excellent battery of managers seasoned in mine and mill management, WN ranks as an outstanding small integrated uranium company.¹⁹

It seemed that Bob Adams was on his way to becoming a success in the nuclear industry.

Then came a scare from the AEC. Because the government uranium buying program had been so successful in developing the domestic industry, Congress refused to continue to appropriate funding for an unlimited purchasing program. Therefore, on 24 November 1958, the AEC announced a program to assist, after 1962, only those government contracts made *prior* to 11 November 1958. Exploration stopped almost overnight. Until peaceful uses of uranium developed, it was necessary to slow down the burgeoning domestic industry.²⁰

¹⁵ "History of a Successful Uranium Venture," 30.

¹⁶ "Lost Creek Expanding," *Uranium* 4 (April 1957): 30.

¹⁷ Although the February issue of *Uranium* magazine still called this location Home on the Range, the next month's copy referred to the area as "Jeffrey City, the name given the former wilderness location of the Lost Creek Uranium mill." See "Lost Creek Mill at Home on the Range," *Uranium* 4 (February 1957): 30; "Top of the News," *Uranium* 4 (March 1957): 7.

¹⁸ "Western Nuclear Corp., is the New Name for Lost Creek Oil & Uranium Co.," *Uranium* 4 (May 1957): 26; "History of a Successful Uranium Venture," 31.

¹⁹ "Western Nuclear Corp.," *Uranium* 4 (August 1957): 12.

²⁰ Albrethsen and McGinley, *Summary History*, 5; U. S. Atomic Energy Commission, Grand Junction Operations Office, "Press Release No. 220," 24 November 1958; Ringholz, *Uranium Frenzy*, 207-8.

Although Bob Adams had signed his government contract just in time, many other uranium producers now saw what they had believed to be a guaranteed market dissolve before their eyes. Henry W. Hough, editor of *Uranium*, argued that the federal government's new policy betrayed American uranium companies and was the worst case of governmental deception since going off the gold standard in 1933. Later that year, a still bitter Hough simplified the matter with a jingle that explained how quickly the market had changed: "'57-you're in heaven! '58-you're too late!" Even Charlie Steen lamented the AEC's new policy by saying that "anybody who goes out and prospects for uranium now is a damned fool."²¹

By 1958, the first uranium rush was over. Companies with AEC contracts were in and those not holding contracts were out. For "in" companies like Western Nuclear, the AEC's restructured buying program meant bigger production contracts. By the end of 1958, the AEC had awarded Western Nuclear a new contract, one that doubled its milling capacity. This new arrangement called for the sale of 12,970,012 pounds of yellowcake over the next seven years. At eight dollars per pound, this meant a total of \$103,760,096 for the company.²²

Despite this success, not everyone appreciated Western Nuclear's growth. Beulah Peterson, for example, refused to acknowledge the new name of Jeffrey City for her beloved Home on the Range. As postmaster, she would mark "Return to Sender, Address Unknown" on any mail not properly addressed to Home on the Range.²³

The first boom that inspired the building of Jeffrey City and the change to Western Nuclear lasted from 1957-1966. Although it certainly changed Home on the Range from a one-building post office to a small trailer community, the 150 person village that emerged was not a typical boomtown. Instead, the Jeffrey City of the 1950s was a small mining camp, owned and operated by a single company, but informally regulated by the federal government.

This special one-buyer market condition, known by economists as a *monopsony*, is probably the outstanding characteristic of Jeffrey City's first boom. Monopsony assured prosperity only for the length of the contract. It was similar to the government contracts awarded to the aerospace firms of Boeing or Martin during this period.²⁴ Like those contracts, Western Nuclear's deal brought federal money and jobs to Jeffrey City. Still, monopsony meant that planning and stable growth was assured only until 1966, the ter-

²¹ Henry W. Hough, "Starvation in the Midst of Plenty," *Uranium* 5 (February 1958): 4-5; "Top of the News," *Uranium* 5 (July-August 1958): 6; "A Timely Statement from Charles A. Steen," *Uranium* 5 (February 1958): 14.

²² In June 1962, the AEC settled an agreement with small producers who had been turned away by the 1958 program: the AEC allowed mills to purchase a small percentage of ore from the small producers. See Albrethsen and McGinley, *Summary History*, 10; June H. Taylor and Michael D. Yokell, *Yellowcake: The International Uranium Cartel* (New York, 1979), 33. The value of Western Nuclear's expanded contract was publicized in "Top of the News," *Uranium* 5 (November-December 1958): 6.

²³ Peterson interview; "Major Producing Area Developing in Gas Hills District of Wyoming," *Uranium* 4 (August 1957): 16.

²⁴ Gerald D. Nash, *The American West in the Twentieth Century: A Short History of an Urban Oasis* (Englewood Cliffs, NJ, 1973), 229-35.



Jeffery City in more prosperous times. This photo was taken during the winter of 1979-1980.



Photo of Jeffery City, residential area, 1992.

minal date of the government contract. Thereafter, the expected nuclear power industry would have to sustain production. Until that time, Bob Adams estimated that Jeffrey City would reach a modest population of no more than 500.²⁵

In the 1950s, Jeffrey City was a company town, not a boomtown. Western Nuclear constructed, owned, and managed the entire townsite. In fact the town's welcome sign, erected by Western Nuclear, simply stated "Jeffrey City—Home of Wyoming's First Uranium Mill." An early description noted that there were 26 permanent houses for selected company personnel, a 36-room bachelor dormitory, four trailer courts filled to capacity with 145 trailers, a modern restaurant and bar, bathhouses, and a combination firehouse and dispensary. Western Nuclear installed the town's water and sewage system and built a huge Quonset building that served as the community's first school, meeting place, laundromat, church, and movie house. Within three years, the company added a swimming pool, a community church, and a separate school building.²⁶

As a company town, Jeffrey City had no formal system of elected government. Western Nuclear provided a townsite manager and employed a four-man work crew to maintain roads and other civic needs. A 15-man volunteer fire department, crucial to a community of densely packed trailers, operated equipment provided by Western Nuclear. Fremont County provided a justice of the peace and deputy sheriff for the town, although the nearest jail was 25 miles away in Lander. The only semblance of popular government was the Jeffrey City Community Council, a 15-member organization that worked as a liaison between the company and community.²⁷

Like most western towns with "city" in their name, Jeffrey City was hardly the metropolis to which it aspired. The *Denver Post* described it as an "atomic age frontier town." Despite the town's "scrawny" appearance, its inhabitants seemed content. The *Post* cited one housewife as saying, "I've been in lots of towns like this, but Jeffrey City is more pleasant than any of them. Everybody seems to like it here and a lot will stay as long as they can."²⁸

Life in the early days revolved around work. In Shirley Basin, another uranium mining community 60 miles to the east, a 1973 study concluded that the major reasons people moved to such towns was either to find a job or to move up to a better paying one.²⁹ In Jeffrey City, most employees enjoyed movies or went to bars after work. In good

²⁵ Dorsey Woodson, "Frontier Town—Atomic Age Style," *Denver Post*, *Empire* magazine, 5 February 1961, 6-7.

²⁶ James B. Allen, *The Company Town in the American West* (Norman, 1966). This information is derived from Woodson, "Frontier Town," as well as James E. Quinn, *Western Nuclear, Inc. Uranium Mill* (Denver, [1960]), 2. This report was found in the private collection of Richard Fairservis, former Jeffrey City townsite manager, Riverton, WY.

²⁷ Woodson, "Frontier Town"; Richard Fairservis, former Jeffrey City townsite manager, interview by author, 22 September 1993, Riverton, WY, in author's possession; John R. Adams and Muril D. Vincelette, interview by author, 20 May 1992, Denver, CO, tape recording in author's possession. John R. Adams is the youngest son of Bob Adams and is currently chairman of the board, Energy Fuels Corporation. Muril D. Vincelette worked at Jeffrey City for Western Nuclear in the late 1950s.

²⁸ Woodson, "Frontier Town."

²⁹ John F. Eastman, "Blue-Collar Community: A Descriptive Analysis of the Family Life Style of Uranium Workers in an Atypical Social Environment" (M. A. thesis, University of Wyoming, 1972). This attitude is also supported in Phil Eugene Kiner, "A Case Study of Rural Employment in Wyoming's Uranium Sector" (M. A. thesis, University of Wyoming, 1973), 21.

weather, the surrounding country invited hunting, fishing, and rock hounding. For persons staying at home, television offered a single station boosted from Casper.³⁰

Western Nuclear experienced steady growth during the monopsony period. While the company's annual net income hovered between one and two million dollars from 1960-1966, employment at Western Nuclear's mines and at the Split Rock mill ranged between 150 and 228.³¹ Similarly, although the town's population grew roughly by five times in six years, by 1966 only 750 residents inhabited the community. Finally, school enrollment grew enough so that in 1959 Western Nuclear erected a new community grade school.

Like most mining towns, Jeffrey City's future was dependent on two factors: its resource base and market. While it was clear that Western Nuclear had plenty of ore, the long-awaited demand from private power plants did not develop as quickly as many believed. By 1962, the AEC realized that despite its 1958 cutback, domestic production still exceeded government demand. Further, the AEC predicted that when the procurement program ended in 1966, the demand from the private sector would still be far lower than domestic production. To protect the domestic industry, the AEC instigated a new "stretch-out" program that would reduce its current purchases by extending them beyond the length of their original contracts to the period 1967-70.³²

The stretch-out program was one step in a series designed by the AEC to keep the domestic uranium alive until private nuclear power plants assumed demand. Under this new policy, uranium mills could delay delivery of portions of their yellowcake quotas beyond the original deadline of 1966. In return, the AEC agreed to purchase amounts in 1969 and 1970 equal to that already deferred.³³

In addition to the stretch-out program, the government introduced measures to protect American producers against foreign yellowcake manufacturers. Beginning with the stretch-out program's ban on Canadian producers, the AEC completed its protectionism in 1966 with a total embargo of foreign uranium. This measure ensured the "maintenance of a viable domestic industry," and gave the AEC the power to determine how long the embargo would last.³⁴ Although the 1964 act officially ended the government's monopsony, the industry's outlook remained bleak—nuclear energy technology was still not feasible at costs competitive with conventional fossil fuels.

³⁰ Woodson, "Frontier Town."

³¹ Income is derived from *The Wall Street Journal Index* (New York, 1960-1966); employment is from *Mine Inspector*, 1960-1966.

³² Ringholz, *Uranium Frenzy*, 208-15; Taylor, *Yellowcake*, 32-33; Albrethsen and McGinley, *Summary History*, 5.

³³ Having already established the right for private companies to own licensed nuclear reactors via the Atomic Energy Act of 1954, in 1964 Congress again amended the 1946 act so licensed companies also could own nuclear fuel. See *Atomic Energy Act of 1954, Statutes at Large* 68 (1954): 919-61; *Private Ownership of Special Nuclear Materials Act, Statutes at Large*, 78 (1964): 602-7.

³⁴ Taylor and Yokell, *Yellowcake*, 33; "Atomic Energy Commission, Uranium Enrichment Services, Criteria," notice, *Federal Register*, 31, no. 248 (23 December 1966): 16479.

The stretch-out program affected the domestic uranium industry in several ways. First, existing producers now had a choice: they could simply finish their government contracts on time and then hope that a new market would arise, or they could stretch-out and process the same amount of ore over a longer period, thus reducing annual profits. Second, the end of the federal market and beginning of private ownership meant that companies now had to operate in a competitive marketplace. Third, in anticipation of competition, producers had to begin new exploration projects to ensure an adequate supply of U_3O_8 in the future. These new factors meant that existing mills would face higher production costs and lower profits.

Because it had never diversified beyond its uranium dependency, Western Nuclear and Jeffrey City declined during the transition from the monopsony to stretch-out periods. Although Western Nuclear had signed its stretch-out contract in March 1964—thereby agreeing to postpone the delivery of approximately 2.5 million pounds of yellowcake—the finite mill schedule, reduced prices, and growing exploration costs forced Bob Adams into hard decisions about how his company would endure this new policy. Indeed, the company's annual net income fell drastically during the stretch-out period—and lost money in 1969 and 1970. Even the signing of several multi-million dollar contracts with private utilities could not bring Western Nuclear out of its slump. Still, Western Nuclear was better off than many producers. Some simply closed their mills and quit the field.³⁵

On 1 September 1967, Bob Adams described the predicament in a letter to Western Nuclear employees. In 1965, he wrote, the company had decided to strengthen its competitive position by increasing its properties and expanding its exploration to Washington State and Australia. Because such activities produced no new income, the company's profits had fallen by 30 percent while exploration and development costs increased almost 50 percent. To augment the company's profit margin, Adams asked employees to become more efficient, cost-conscious, and disciplined. In 1968, Western Nuclear increased its profits by 46 percent, but the "starvation rations" of the stretch-out period returned the following year when the company lost money.³⁶

Bob Adams's solution to his problems is symbolic of the competitive marketplace boom of the 1970s. Lacking the capital resources to survive the stretch-out period, Adams decided against either expansion or efficiency. Instead, in 1970, Adams sold a minority interest in Western Nuclear to the international copper firm of Phelps-Dodge. Two years later, the companies merged and Western Nuclear became a wholly-

³⁵ O'Rear, *Summary and Chronology*, 16; Data on Western Nuclear's financial status is derived from the reference work *Wall Street Journal Index, 1959-1970*; "Western Nuclear Gets \$14 Million of Orders for Uranium Concentrate," *Wall Street Journal*, 22 December 1966, 16; "Western Nuclear Contracts: Correction," *Wall Street Journal*, 23 December 1966, 11. A chart showing the companies that closed their mills at the end of the government procurement period can be found in Albrethsen and McGinley, *Summary History*, B-3.

³⁶ Robert Adams to fellow employees, 1 September 1967, letter in possession of Richard Fairservis, Riverton, WY. The term "starvation rations" to describe the stretch-out period is from Glynn Mapes, "Off the Deathbed: Nuclear Power Plant Needs Begin to Revive Sick Uranium Industry," *Wall Street Journal*, 1 August 1966, 1. The \$1,671,000 profit still was lower than the \$2,300,000 margin anticipated by Adams in his 1 September 1967 letter.

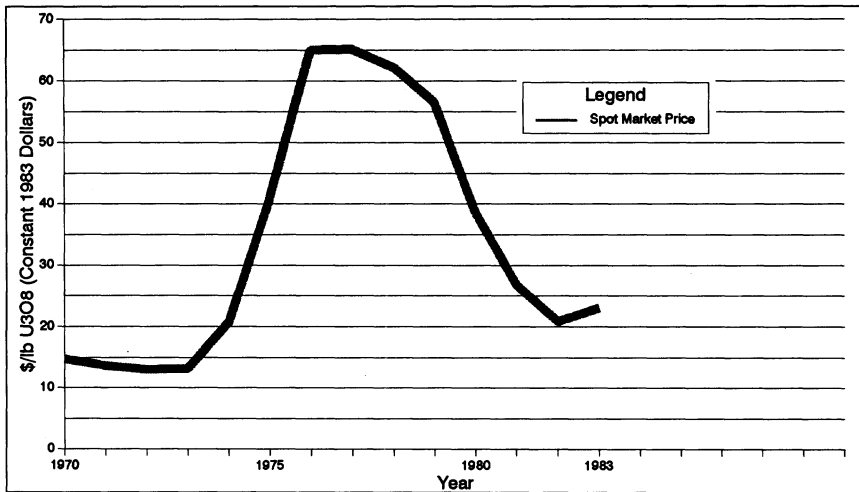


Figure 2. Spot-Market Prices for Uranium. United States Department of Energy, *Domestic Uranium Mining and Milling Industry: 1983 Viability Assessment* DOE/S-0033 (Washington, DC: 1984), 155.

owned subsidiary of Phelps-Dodge.³⁷ The new company's resources and experience readily became apparent. Phelps-Dodge created new trailer lots, constructed new houses, and built another dormitory. The company even took trees uprooted by mining activity and replanted them in town.³⁸

The boom in nuclear energy did not come as quickly as many had expected. The eight year start-up time for nuclear power plants kept yellowcake demand initially low, and this lag kept prices down. But in early 1974, the price of yellowcake finally began to rise and a new uranium boom was on. Over the next three years, U₃O₈ climbed from its traditional \$8 per pound to over \$40 per pound (Figure 2) by 1977!³⁹ The causes of this surge are complicated. Several non-related factors combined to escalate the anticipation of increased nuclear power thereby raising uranium demand and price: new enrichment policies, the oil crisis of the 1970s, and an international uranium cartel.⁴⁰

The enrichment story is a complex one. Before uranium enters a nuclear reactor, it must be refined so it has a higher content of the radioactive isotope, uranium 235. Until 1977, the United States government possessed a monopoly of enrichment services in the Western world. Any of these countries that needed uranium fuel had to contract with the government to have its uranium processed into enriched uranium. Since the earliest days

³⁷ Adams interview. Although it had merged with Phelps-Dodge in 1972, Western Nuclear maintained its name and stature in Jeffrey City. After three years as president of Western Nuclear under Phelps-Dodge, Bob Adams broke away from his original company and started a new energy firm in 1974. Staffed by many original Western Nuclear people, Adams soon built this new company, Energy Fuels Nuclear, Inc., into a major uranium firm.

³⁸ Fairservis interview.

³⁹ Yellowcake prices are from Taylor and Yokell, *Yellowcake*, 102.

⁴⁰ Vogt et al., *Regional Impacts*, 1-1; Energy Information Administration, *Domestic Uranium Mining and Milling Industry 1991 Viability Assessment* DOE/EIA-0477(91) (Washington, DC, 1992): 3; Marian Radetzki, *Uranium: A Strategic Source of Energy* (New York, 1981), 137.

of the AEC, these contracts had always been flexible, short-term agreements that were advantageous to suppliers. Beginning in 1973, however, the government insisted on "fixed commitment contracts" that were more advantageous to the government. Designed to ease planning and assure convenient use of the government's enrichment monopoly, the new contracts forced customers to schedule uranium commitments well into the future. As utilities planned more nuclear reactors, and as demand for yellowcake increased, power companies began to sign new contracts to avoid possible shortages. Thus, the government's new enrichment policy linked utilities to long-term yellowcake requirements, thereby increasing demand and raising its price.⁴¹

The oil crisis of the 1970s also stimulated the increase of yellowcake prices. When OPEC began its U. S. oil embargo in 1973, the prices of *all* American fuels rose on a BTU equivalency basis.⁴² As the price of oil quadrupled, new interest developed in nuclear energy, thereby increasing demand and raising its price. Confusion and insecurity about energy sources sparked the desire of utility companies to negotiate long-term contracts and to hoard their inventories.⁴³

Finally, an international uranium cartel also played a part in yellowcake's price surge. After the AEC imposed its embargo of foreign yellowcake into this country, foreign producers found themselves shut out of the free world's largest market. Beginning in 1972, they apparently organized an international uranium cartel to fix minimum prices, control production and distribution, and virtually end competition for yellowcake. Within two years, buyers were willing to pay \$40 per pound of uranium.⁴⁴

As forecast after forecast called for an expanded nuclear energy program, federal officials began to worry that the domestic uranium industry might not be large enough to support America's growing demand. In September 1974, the congressional Joint Committee on Atomic Energy (JCAE) considered the possibilities of gradually ending the ban on the importation of foreign uranium for American reactors. The committee planned to enlarge the foreign share of the market from not more than 10 percent in 1977 to 40 percent in 1981 and to create a free market by 1984.⁴⁵

Reaction to this announcement came as no surprise. For the most part, utility companies welcomed the change while domestic producers opposed it. The former agreed that opening the market was healthy and would ensure an adequate supply of uranium for years to come. The latter rejected the proposal, suggesting that a free market would discourage new investment in domestic production and threaten the viability of the American market. A few producers even argued that a free market might lead to a dependency on foreign uranium.⁴⁶

⁴¹ Radetzki, *Uranium*, 87-94.

⁴² "U₃O₈: Energy from Wyoming's Powerful Sand," *In Wyoming* 13 (February-March 1980): 49.

⁴³ Radetzki, *Uranium*, 97.

⁴⁴ Several works devoted entirely to the story of the uranium cartel include, Taylor and Yokell, *Yellowcake*; Earle Gray, *The Great Uranium Cartel* (Toronto, 1982). A briefer study can be found in Norman Moss, *The Politics of Uranium* (New York, 1982), 106-19; Radetzki, *Uranium*, 122.

⁴⁵ Congress, Joint Committee on Atomic Energy, *Proposed Modification of Restrictions on Enrichment of Foreign Uranium for Domestic Use: Hearings before the Joint Committee on Atomic Energy*, 93d Cong., 2d sess., 17-18 September 1974, 235-36.

⁴⁶ *Ibid.*, 223, 225.

Western Nuclear took a stance between most utilities and producers. Bob Adams said he would support JCAE's proposal—but only if it strengthened the domestic industry. Although it was necessary to guarantee the utilities a supply of uranium, Adams suggested the commission insure the viability of domestic production as well. Adams therefore proposed a compromise to open the American market to allow foreign companies no more than one-third of the American market.⁴⁷ The JCAE rejected this plan, however, and the gradual relaxation went into effect beginning in 1977.

In places like Jeffrey City, where the ore averaged just under four pounds of uranium oxide per ton of ore, the rising price of yellowcake finally made it profitable to mine and mill lower-grade reserves.⁴⁸ Western Nuclear began expanding its operation to produce what had been cost-prohibitive ore. By 1975, Jeffrey City began to boom.

The seventies marked the biggest development in Jeffrey City. From the 1970 population of 750, Jeffrey City grew to almost 2,500 by 1977 and over 4,000 three years later.⁴⁹ Employment at Western Nuclear more than doubled from 1975 to 1976, and increased an additional 20 percent over the following five years. Voter registration in Jeffrey City expanded from 291 in 1972 to 825 in 1980. Hand-in-hand with these rises in adult population came a jump in school enrollment. But the population was unstable. Post office records suggest that even as population increased throughout the decade, so did out-migration.⁵⁰ (See Figure 1.)

The construction of schools, a critical component of a town's infrastructure, attests to the growth of Jeffrey City.⁵¹ Before the boom, school enrollment was 150. By 1979, the student population had grown 300 percent. When it reached 500 in 1977, the state awarded Jeffrey City its own district. In 1957, Jeffrey City had a single grade school housed in Western Nuclear's Quonset building; by 1979, it had a new grade school,

⁴⁷ *Ibid.*, 231.

⁴⁸ One ton of ore averaging 0.20 percent U₃O₈ contains four pounds of U₃O₈. When the ore is processed (assuming a 93% recovery rate for the Split Rock Mill) only 3.7 pounds are in the yellowcake. See Albrethsen and McGinley, *Summary History*, A-121.

⁴⁹ Because Jeffrey City continued to be a fast-growing, quasi-company town, population figures are very difficult to obtain. In *Wyoming* magazine suggested that the town's population was 4,500 in 1980 while the figures used here are from various issues of the *Jeffrey City News*. "U₃O₈," In *Wyoming*; Lee Lockhart, "New Newspaper Debuts Today," *Jeffrey City News*, 26 May 1977, 1 and "Jeffrey City Gets a Shot in Arm with Store," *Jeffrey City News*, 27 July 1978, 2; "Telephone Growth in Town Largest of State Exchanges," *Jeffrey City News*, 15 March 1979, 3.

⁵⁰ Employment records are from *Mine Inspector*, 1975-81. Voting registration records (hereafter cited as *Voting Records*) are on file with the Fremont County Clerk, Election Office, Jeffrey City, WY, District 12, Precinct 1. Postal records are derived from the Jeffrey City Post Office *Change of Address Form Book*, 1969-1985, on file at the Jeffrey City Post Office (hereafter JCPO).

⁵¹ A multiple regression analysis attests to the strong correlation between Western Nuclear employment and Jeffrey City school enrollment in the years 1967-1982. In fact, 55 percent of all enrollment can be explained by employment at Western Nuclear alone. Further, for every 100 new Western Nuclear employees, school enrollment increased by 75. Voter registration was even more closely linked. A similar comparison of Western Nuclear employment to voter registration shows that for every 100 new jobs at Western Nuclear, there were 77 new voters during this same period. Employment records are from *Mine Inspector* 1967-82. Enrollment figures are based on *Enrollment*, and voter registration records are derived from *Voting Records*. The multiple regression analysis is from the Statistical Package for the Social Sciences Level M Ver. 8 (SPSS Lev. M 8.1) (Chicago: SPSS) [computer printout].

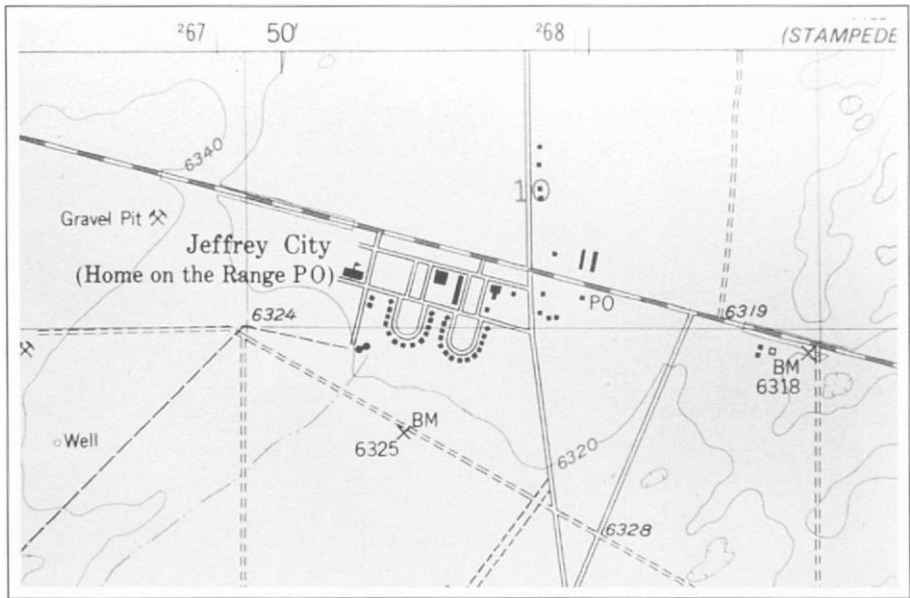


Figure 3. Topographical Map, 1961. *Crook's Peak Quadrangle, Wyoming*, map, United States Geological Survey, 7.5 min. scale (1961).

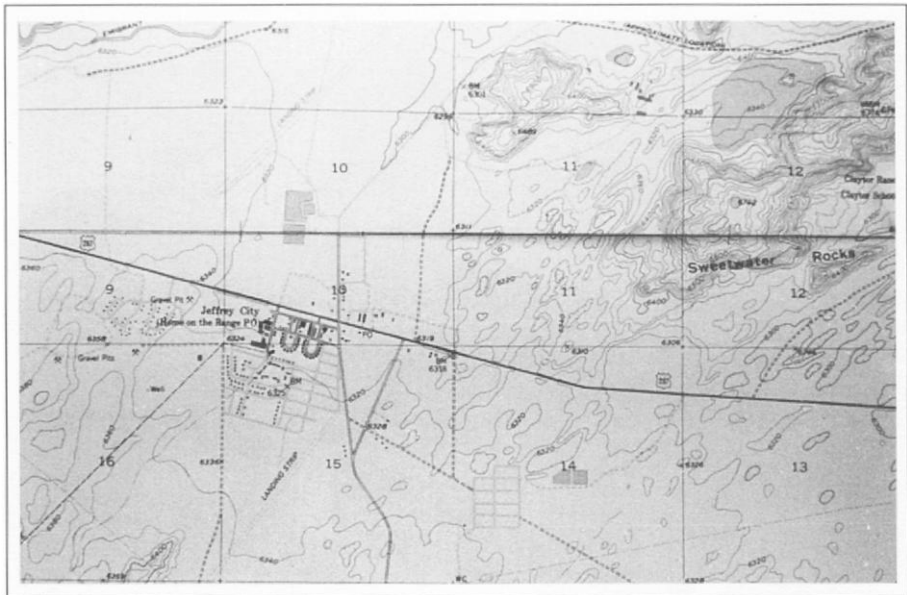


Figure 4. Topographical Map, 1984. *Crook's Peak Quadrangle, Wyoming*, map, United States Geological Survey, 7.5 min. scale (1984).

junior high, and high school. In 1982, the district constructed a new gymnasium on land donated by the nuclear companies.⁵²

Businesses in Jeffrey City also grew at unprecedented rates during the seventies. Although Western Nuclear still owned most of the land in town, private commercial interests bought or leased some lots. In 1977, the *Jeffrey City News* published its first edition and immediately became the most important chronicler of the second boom. In the first issue, Editor Lee Lockhart announced:

Today is a great day. We will long remember it as a time when the people of Greater Jeffrey City Area got their very own newspaper. It's another step along the way for this community to blossom into a full-fledged city.⁵³

As the *Jeffrey City News* projected, the character of Jeffrey City changed over the next four years. Instead of merely being a diversion from work, the town began to build toward a future. Between 1977 and 1980, many new businesses and organizations came to town. These included a bank, bowling alley, library, Little League baseball, a hardware store, three more churches, several fraternal groups (including the Lions and Masons), a clothing store, and two grocery stores. Developers even planned an enclosed mall.⁵⁴

As the population increased, Jeffrey City's physical size grew as well. Topographical maps of Jeffrey City in 1961 and 1984 clearly show an increase in the town's dimensions.⁵⁵ (See Figures 3 and 4.) Besides new company housing and trailer lots provided by Western Nuclear, another uranium company, Lucky Mc, opened its own company-owned subdivision a few miles southeast of Jeffrey City in 1977. This area, called Green Mountain Village, had one hundred mobile home lots connected to its own water and sewer system.⁵⁶

Although Jeffrey City had its share of drunkenness and rowdy behavior, the town did not seem to experience the boomtown problems associated with other energy communities of this period. Indeed, the so-called "Gillette Syndrome"—the social malaise of alcoholism, drug use, child abuse, depression, truancy, attempted suicide, and venereal disease often associated with boomtown living—did not threaten Jeffrey City.⁵⁷ Sociologists argued that the best way to prevent such occurrences was by detailed state and federal planning; on a private level, it may have been Western Nuclear's planned paternalism that

⁵² Enrollment; Peterson interview.

⁵³ Lee Lockhart, "Big News: Wyoming's NEWEST Newspaper," *Jeffrey City News*, 26 May 1977, 8.

⁵⁴ See *Jeffrey City News*, 1977-80.

⁵⁵ *Crook's Peak Quadrangle, Wyoming*, map, United States Geological Survey, 7.5 min. scale (1961); *Crook's Peak Quadrangle, Wyoming*, map, United States Geological Survey, 7.5 min. scale (1984).

⁵⁶ "Nuclear to Spend Over \$1 Million in Townsite Improvements," *Jeffrey City News*, 9 June 1977.

⁵⁷ The term "Gillette Syndrome" was first used to describe Gillette, Wyoming, a coal boomtown in the northeastern part of the state. See Robert W. Righter, *The Making of a Town, Wright, Wyoming* (Boulder, 1985), 3-5.

buffered the town from such problems.⁵⁸ Apparently, the threat of losing one's job and home because of illegal or rowdy behavior helped to maintain town vigilance.⁵⁹

As the boom progressed and Jeffrey City ballooned, estimates by the uranium industry continued to forecast expanded growth. A detailed report produced by the Wyoming State Department of Economic Planning and Development predicted that yellowcake prices could rise to over \$100 by the late 1980s.⁶⁰ This document also forecasted a tripling of U. S. uranium requirements thereby trebling Wyoming's production as well. As long as the price of yellowcake remained high and utility companies continued to build nuclear-power plants, production of lower-grade ores, like those around Jeffrey City, would continue to be profitable.⁶¹ This optimism was summarized in a 1978 story in *High Country News*. The headline said: "The West mines, mills, and worships radioactive fuel: URANIUM."⁶²

The dream had finally come true. In 1959, Jeffrey City had been little more than a small collection of trailers huddled against the Wyoming wind, merely a place to work. Less than two decades later, it had become a real community. Indeed, a major transition had occurred as the town changed from merely being a place to survive while working to being a hometown in which people could work *and* live. By 1979, Jeffrey City boasted its own emergency medical clinic, library, sheriff and two deputies, school board, Lions Club, Masons, Weight Watchers, seven churches, pinocle club, recreation board, Alcoholics Anonymous, Little League, Boy Scouts, shooting club, homemakers club, gift shop, beauty shop, credit union, bank, newspaper, Montgomery Ward, laundry, car wash, two restaurants and a hamburger place, motel, and three gas stations. Residents were planting flowers and trees and watering their lawns. Western Nuclear paved all the streets and donated land for a new gymnasium. At long last Jeffrey City had not only caught up with the present, but was building for the future.

Then the uranium bubble burst. Trouble had been brewing for a long time. Because of the OPEC oil embargo, and increasing nuclear power plant construction and operating costs, the nation stepped up energy conservation. The first symptom of trouble appeared in the national reassessment of nuclear energy in the months following the Three Mile Island accident of March 1979. As new Nuclear Regulatory Commission requirements forced utility companies to retrofit existing plants and put plans for new facilities on hold, the demand for yellowcake dropped. When these utilities abandoned their plans, some

⁵⁸ Gary W. Malamud, *Boomtown Communities*, Environmental Design Series, ed. Richard P. Dober (New York, 1984); V. Edward Bates, "The Impact of Energy Boom-Town Growth on Rural Areas," *Social Casework* 59 (February 1978): 73-82; John S. Gilmore, "Boom Towns May Hinder Energy Resource Development," *Science* 191 (13 February 1976): 535-40; Ronald L. Little, "Some Social Consequences of Boom Towns," *North Dakota Law Review* 53, no.3 (1977): 401-25.

⁵⁹ Fairservis interview.

⁶⁰ Quality Development Associates, Inc., *Wyoming's Uranium Industry—Status, Impacts and Trends*, rpt. prepared for State of Wyoming Department of Economic Planning and Development, Mineral Division (Cheyenne, WY, 1978). Even the conservative estimate suggested a leveling in the \$55-\$60/lb. range.

⁶¹ Wyoming Department of Labor and Statistics, *Wyoming: The Uranium Industry, a Manpower Survey 1977* (Cheyenne, WY, 1978), 3.

⁶² Justas Bavarskis, "The West Mines, Mills & Worships Radioactive Fuel: URANIUM," *High Country News* (Paonia, CO) 10 March 1978, 1.

companies dumped their stockpiled yellowcake back onto the market at bargain cost. With this influx added to the already depressed market, the price of yellowcake fell further. In 1977, the price had been almost \$50 per pound; by 1982 it was half that. Uranium companies now found themselves not only competing against former buyers but also overstretched onto expensive low-grade ore prospects. In addition to these problems, foreign producers had also begun to garner their share of the depressed American market.⁶³

Jeffrey City felt the reverberations of this collapse almost immediately. In August 1980, Western Nuclear laid off 118 employees. Then, in a bizarre series of events the following May, the company met with union leaders and warned them of an impending layoff of fifty or so workers. Five days later, Western Nuclear announced the termination of 237 employees only to waver and cancel the decision. Forty-eight hours later, the company announced the layoff of 244 employees, effective 19 June 1981. The president of Western Nuclear announced that the layoffs were due to reduced demand and depressed prices caused by delays in the construction of domestic nuclear power plants. In 1980, the work force peaked at 554; by the end of 1982 it was down to 47.⁶⁴

In a one-industry town like Jeffrey City, the impact of the layoffs was devastating. With no other major employer for miles, people who had lost their jobs simply packed-up and left. Post office records indicate that 243 heads of household left town between the August 1980 layoffs and the end of the year. Another 266 filed change of address forms

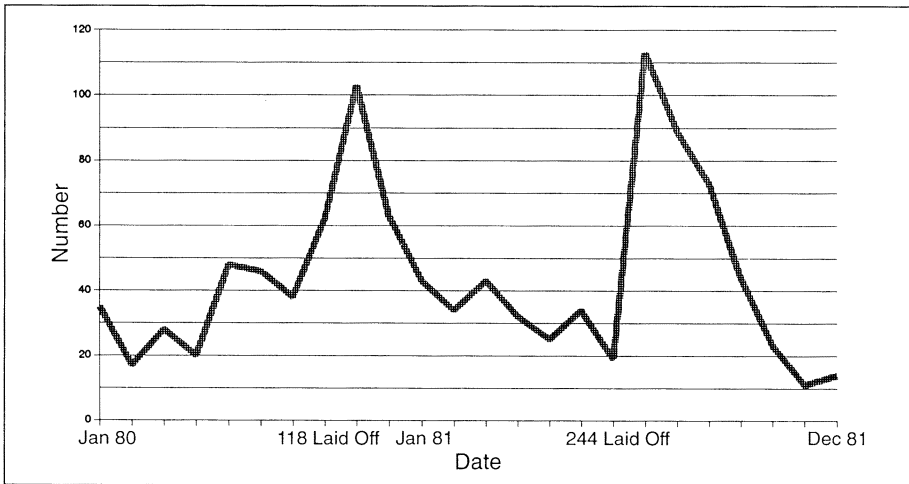


Figure 5. Monthly Changes of Address, 1/80 - 12/81. Jeffrey City Post Office, *Change of Address Form Book, 1969-1985* on file at the Jeffrey City Post Office.

⁶³ Department of Energy, Energy Information Administration, *Domestic Uranium Mining Industry 1991 Viability Assessment*, DOE/EIA-0477(91) (Washington, DC, 1992), 3.

⁶⁴ Paul Menser, editor of the *Jeffrey City News*, wrote the following articles tracing the layoffs: "Western Nuclear Warns of Layoff," *News*, 28 May 1981; "Workers Shocked, Confused by Cancelled Layoff Order," *Jeffrey City News*, 4 June 1981; "244 Workers Laid Off by Western Nuclear Today," *Jeffrey City News Extra*, 4 June 1981. A year later, Menser wrote "Jeffrey City: The Slow Death of a Boom Town," for the *Casper Star-Tribune*, 28 March 1982, 64th Annual Wyoming Chronicle Community and Recreation Edition, p. 8.

over the next six months.⁶⁵ (See Figure 5.) In June 1981, the Jeffrey City school board, expecting a loss of at least 250 students in the fall, terminated the contracts of 11 certified teachers. To speed paperwork, the local Job Service District scheduled a mass unemployment sign-up for all laid-off employees, but only 56 people came. By the end of the summer, the *Jeffrey City News* folded, and some local businesses reported losses in commerce of up to 60 percent. Perhaps the most telling symbol of the bust occurred when departing residents assembled in mid-June on the company-owned town green for a community-wide garage sale.⁶⁶ By the end of 1981, another 333 people had filed forms in the post office and left town. Many stayed in Wyoming, although almost half of those departing after 1980 left the state.⁶⁷ (See Figure 6.) By the summer of 1982, one writer suggested that Jeffrey City's streets were "as quiet as the streets in the movie *On the Beach*, after the human race has just fallen asleep for good."⁶⁸

Of course, the immediate cause of Jeffrey City's swift demise was its dependency on uranium. The real causes run deeper. Throughout its history, outside forces controlled the community. In the early fifties and sixties, the federal government offered guaranteed markets, haulage allowances, the stretch-out program, and protectionism. In the seventies and eighties, the international free market took control. In a seller's market, the low-grade ore at Jeffrey City could compete with others from around the world. But when the market reversed to the buyer's favor, Jeffrey City needed government protection to stay alive.

As the industry deteriorated, Wyoming's congressmen joined representatives from other uranium-producing states to foster congressional guidelines for evaluating the status of the domestic industry.⁶⁹ They argued that federal law assured the maintenance of a viable domestic industry. Hearings before the Senate and House committees on Energy and Natural Resources as well as before the Joint Committee on Atomic Energy addressed both the demise of the domestic industry and the threat of growing dependent on ever-increasing foreign sources. For the most part, all of these hearings produced the same

⁶⁵ JCPO.

⁶⁶ The 18 June 1981 edition of the *Jeffrey City News* contained a variety of articles covering the bust including "Laid Off Teachers to Recieve Money From School District," and "Unemployment Sign Up Wednesday." "Jeffrey City 'Booms' with Activity over Weekend," and Paul Menser's editorial, "Where's my Winnebago" discuss the community garage sale. The events are also summarized in Menser, "Jeffrey City: The Slow Death." On the loss of commerce, see Richard D. Lamm and Michael McCarthy, *The Angry West: A Vulnerable Land and Its Future* (Boston, 1982), 101.

⁶⁷ JCPO. School enrollment and voter registration numbers confirm how the drop in jobs resonated throughout the community. After employment and voter registration had reached their peak counts in 1980 and school enrollment had reached its peak the following fall, all three measures dropped dramatically over the next three years. Indeed, a multiple regression analysis shows that for every 100 Western Nuclear employees to lose their jobs between 1980-1983, 92 school-age children departed with them. Likewise, for every 100 employees to leave Western Nuclear during these years, 80 voters were lost.

⁶⁸ Geoffrey O'Gara, "Jeffrey City's Ghosts," *Western Energy Magazine*, July 1982, 25-29.

⁶⁹ Senate Committee on Environment and Public Works, *Domestic Uranium Mining and Milling: Hearing before the Subcommittee on Nuclear Regulation*, 97th Cong., 1st sess., 29 August 1983.

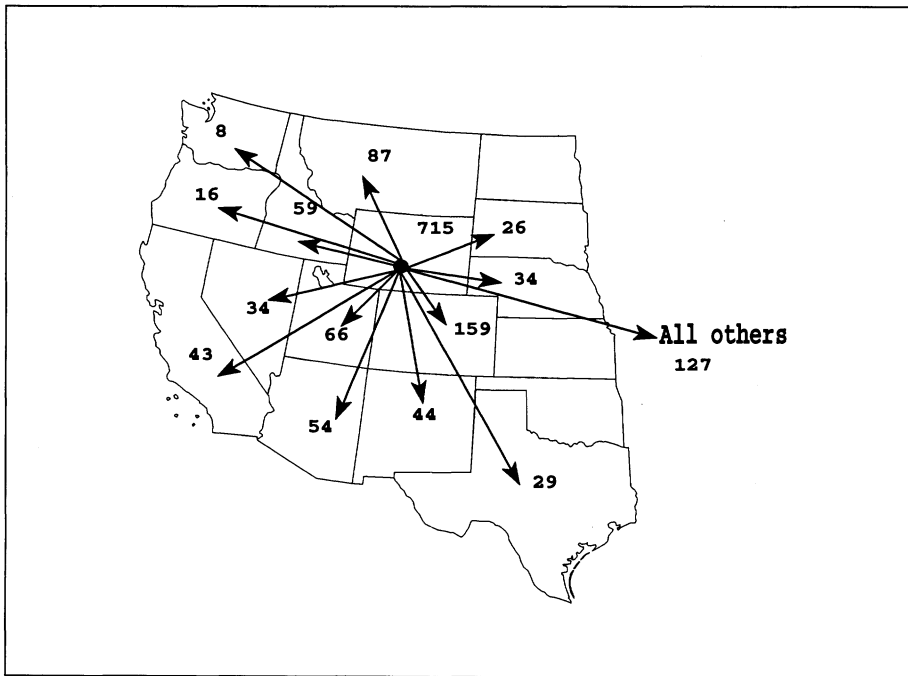


Figure 6. Total Number of Forwarding Addresses, by State, of Departing Jeffrey City Heads of Household, 1980-1985. Jeffrey City Post Office, *Change of Address Form Book, 1970-1985*, Jeffrey City Post Office.

reaction: it was the government's legal responsibility to protect the domestic uranium industry.⁷⁰

The first attempt at fulfilling this duty on the national level occurred in January 1983, when Congress instructed Secretary of Energy Don Hodel to produce a comprehensive review of the domestic uranium mining and milling industry.⁷¹ Part of this evaluation called for the secretary to submit to Congress an annual viability assessment of the domestic industry. In 1983, Secretary Hodel concluded that the industry remained viable—but the following year Hodel reversed his decision and determined that for 1984, the

⁷⁰ Senate Committee on Energy and Natural Resources, *Status of the Domestic Uranium Mining and Milling Industry: The Effects of Imports*, 97th Cong., 1st sess., 25 September 1981; Senate Committee on Energy and Natural Resources, *Review of the Status of the Domestic Uranium Mining and Milling Industry: Hearing before the Subcommittee on Energy Research and Development*, 98th Cong., 2d sess., 12 September 1984.

⁷¹ U. S. Department of Energy, *United States Uranium Mining and Milling Industry: A Comprehensive Review*, DOE/S-0028 (Washington, DC, 1984).

domestic industry was no longer viable. To temper some of the problems, Hodel varied the government's enrichment contracts but decided not to limit imports.⁷²

As the collapse spread throughout the uranium industry, domestic producers began to petition Congress and the Department of Energy (DOE) for action. By 1985, only four mills were operating; in 1975 there had been 26. As demand sank further, domestic producers argued that the share awarded foreign producers was too large for the reduced market. U. S. companies requested the DOE to re-implement restrictions on foreign uranium as established by law. When the government did not agree, irritated American producers decided to take the matter to court.⁷³

In 1987, Western Nuclear sued the Department of Energy and 22 electrical utilities. Joined by two other companies, Energy Fuels Nuclear, Inc. and Uranium Resources, Inc., Western Nuclear argued that the DOE was "statutorily required to restrict enrichment of foreign uranium."⁷⁴ The states of Wyoming, New Mexico, Colorado, Utah, and Nevada strengthened the action by filing friend-of-the-court briefs in favor of the company. The government countered that restrictions would hurt U. S. utilities by making them pay higher prices. Further, DOE said that such restrictions would affect U. S. foreign policy by compromising trade agreements, nuclear cooperation, and non-proliferation policies. In support of the utilities, Canada and Australia, the largest two foreign producers, wrote briefs contending that such restrictions would violate free trade.⁷⁵

The legal battle hinged on the court's interpretation of the Atomic Energy Act of 1954. Western Nuclear argued that the act clearly stated that if the domestic industry was not viable, foreign yellowcake production would be restricted. On the other hand, DOE maintained that because re-implementation of restrictions could not guarantee viability, the government should not establish such restraints. During the

⁷² The criteria used for determining the viability included the following: resource capability, supply resource capability, financial capability, and import dependency. Basically, these analyzed whether the domestic uranium industry had the resources, production levels, and capital to meet domestic needs over the next ten years. In terms of imports, criteria was established that required the Secretary of Energy to investigate the effects of imports on national security if foreign suppliers provided more than 37.5 percent of domestic uranium requirements during any two-consecutive-year period. The best source for the history of these findings can be found in the most recent viability assessment, Department of Energy, Energy Information Administration, *Domestic Uranium Mining Industry 1991 Viability Assessment*, ix-2.

⁷³ Department of Energy, Energy Information Administration, *Domestic Uranium Mining and Milling Industry 1985 Viability Assessment*, DOE/EIA-0477 (85) (Washington, DC, 1985), 17; *Western Nuclear, Inc. v. Huffman*, 825 F. [Federal Reporter] 2d 1430 (10th Cir. 1987), 1433.

⁷⁴ *Western Nuclear, Inc. v. Huffman*, 1430.

⁷⁵ An article in the *Deseret News* of 10 April 1988 quoted Governor Mike Sullivan (D-Wyoming) as saying that he supported the mining companies and that if he were a Supreme Court Justice, he would "view this appeal by DOE as frivolous." "6 States File Brief Backing Uranium Firms," *Deseret News* (Salt Lake City), 10 April 1988, B5. See also Robert H. Woody, "Uranium Industry Holds Breath as Court Weighs Restrictions," *Salt Lake Tribune*, 13 January 1988, B3.

first round in Denver, U. S. District Court Judge James Carrigan sided with Western Nuclear and ordered the DOE to limit its enrichment of foreign uranium and to impose a total ban starting 1 January 1987. The DOE appealed this decision but lost when the Court of Appeals again sided with producers.⁷⁶ The DOE then appealed to the Supreme Court. On 15 June 1988, the Supreme Court unanimously overturned the lower courts' decision. Justice Harry Blackmun wrote the decision, contending:

The determination of the courts below that DOE was barred from enriching any foreign-source uranium rests on the assumption that the greater the restrictions, the more assured is the domestic industry's viability. This assumption cannot be grounded in the statutory language and, indeed, for the purpose of this case's summary judgement status, we must accept DOE's assertion that the assumption is false.⁷⁷

With this defeat, Western Nuclear decided to leave Jeffrey City for good. In 1988, the company managed to sell its mines and townsite; it then began to dismantle and bury its radioactive mill.⁷⁸ The company sold houses to anyone that would drag them off. Every business, save two cafes, closed. A handful of Western Nuclear employees remained to fulfill environmental clean-up activities on the area's mines and mill site.

Since the bust, Jeffrey City boosters have suggested several schemes to recharge the community. In the late 1980s, the town's new owner, U. S. Energy Corporation, suggested turning the site into a minimum security prison. Proponents argued that the site had plenty of vacant housing, utility hook-ups, and a harsh-enough environment to discourage escape. This plan failed.⁷⁹

U. S. Energy then hit upon the idea of trying to advertise Jeffrey City as a vacation and recreation center. The company printed full-color brochures in hope of selling individual house lots. Interestingly, company officials felt the name "Home on the Range"

⁷⁶ *Western Nuclear, Inc. v. Huffman*, 1430.

⁷⁷ *Huffman v. Western Nuclear, Inc.*, 108 Sup. Ct. [Supreme Court Reporter] 2087-2893 (1988). See also Stuart Taylor, Jr., "Uranium Industry Loses In High Court on Imports," *New York Times*, 16 June 1988, D2. An interesting reaction to this decision can be found in Bill Payne's article "Lights Dim for Domestic Uranium Producers" in the New Mexico School of Law's *Natural Resources Journal* 29 (Fall 1989): 1079-91.

⁷⁸ Western Nuclear's mines were sold to U. S. Energy Corp., of Riverton, WY. Legislation to begin clean-up of uranium mill tailings began in 1978 with the *Uranium Mill Tailings Radiation Control Act of 1978, Statutes at Large*, 92 (1978): 3021. This law declared that all inactive uranium mills that had only sold yellowcake to the federal government would qualify as federally-sponsored clean-up sites. Mills that continued to produce for the free market, after 1970, would have to meet environmental standards on their own. Subsequently, the General Accounting Office advised Congress that the government had a "strong moral responsibility" to assist in the clean-up of the remaining active "commingled" tailings and millsites. After more than a decade of debate, the *National Energy Policy Act of 1992* established an annual congressional appropriation to help industry reclaim commingled sites. United States, *National Energy Policy Act of 1992* (Washington, DC, 1992).

⁷⁹ Peterson interview.

might attract more attention, so they advertised the town as "Home on the Range, Wyoming—Also Known as Jeffrey City, Wyoming." The pamphlet publicized the town as having all utility and water hook-ups, as well as paved streets, lighting, sidewalks, tennis courts, recreational parks, and school facilities. Further, although the brochure included a detailed map of the city at the height of the boom and ten color photos of "nearby" scenes, there was not a single view of the busted town. In fact, the word uranium never appeared. Fortunately, the company never released the booklet to the public.⁸⁰

In the summer of 1992, Fremont county commissioners initiated talks with DOE about the possibility of constructing a temporary nuclear waste dump within the county. While many Americans openly oppose such a facility in their backyards, sentiment around Jeffrey City was that the project was manageable and that it could return property taxes and jobs to the area. Indeed, the proposal would somehow close the uranium cycle by bringing the spent fuel rods home to Wyoming for storage. But the federal government's ability to change the rules concerning such a site at any time in the future alarmed Governor Mike Sullivan (D-Wyoming). Despite a vote by the commissioners to pursue the project further, Sullivan closed the talks and shelved the proposal.⁸¹

As the prospect of closing the uranium cycle dimmed in Fremont County, federal officials were working to complete the most ironic twist to the plot yet. Beginning in late 1992, the Bush administration negotiated a contract with Russia(!) and five other former Soviet republics to provide some uranium for American nuclear plants. When a snag developed in this agreement, the two former adversaries amended the compact to allow American utilities to purchase up to 42 million pounds of Russian uranium over the next ten years provided they buy an equal amount of American yellowcake.⁸²

Although many American officials saw the move as an effort to stabilize the Russian economy and the Yeltsin government, uranium producers in the United States argued that the former Communist country was dumping uranium at prices below American production costs. Further, Canadian officials challenged the pact under the North American Free Trade Agreement (NAFTA). Canada, which currently supplies 24 percent of the U. S. demand, contends that the Russian-American agreement would squeeze out all other foreign producers from the American market.⁸³

⁸⁰ "Lots for Sale in the Crisp Clean Air of Wyoming," promotional pamphlet, U. S. Energy Corp. files, Riverton, WY.

⁸¹ "Nuclear Waste Proposal Killed," *Denver Post*, 22 August 1992, B2.

⁸² "U. S. to Buy 500 Tons of Russia's Leftover Arms Uranium," *Los Angeles Times*, 25 February 1993, A12; Peter Passell, "A Deal with Russia on Uranium Draws Protest from U. S. Industry," *New York Times*, 8 June 1994, A1; John J. Fialka, "Modern Prospector: Big Uranium Dealer Grows Rich in Market Where Few Succeed," *Wall Street Journal*, 10 June 1994, A1.

⁸³ Rosanna Tamburri, "Uranium Pact Between U. S. and Russia is Challenged by Canada Under NAFTA," *Wall Street Journal*, 11 April 1994, B5.



Jeffrey City Town Center, 1992

As this latest chapter in the uranium saga is played out over the next few years, Jeffrey City will take its place among the many boomtowns in the American West. Certainly its rise and fall shares common themes with many one-industry towns. Like other mining communities, Jeffrey City was doomed from the beginning because its extractive economy was not regenerative. Further, the town's ups and downs reflect its reliance on a boom-and-bust industry. Finally, the loss of control experienced by many Jeffrey City citizens suggests the common western cry of colonialism. But the story of Jeffrey City is a different brand of colonialism because it exemplifies the growing dependence not only on market conditions but on changing federal policy as well. Indeed, the boom and bust of Jeffrey City is a case study in the interplay of federal policy, industry, and community.

