

This effort in time turned up a large number of occurrences, some of them capable of low production costs, others much less attractive from the economic point of view. Work in Australia uncovered a number of orebodies but most of them were difficult to develop and have operating problems which give rise to high operating costs. The same applies to the development which took place in Portugal. France had considerably more success and has developed a number of quite large orebodies in Europe and one small field in French Equatorial Africa.

11. In the United States a few small deposits were known to exist in the Colorado Plateau. These known occurrences were opened up by private operators while a search for others was actively pressed, with the government bearing the cost of certain phases of the work. By 1953 production was coming from over 500 mines, none of which had large ore reserves. This necessitated a continual stimulation of prospecting, and by 1956 production was coming from over 900 mines. The first important orebodies were discovered in the Gas hills of Wyoming, from which production began in 1956. However, the future production within the United States was still dependent upon the finding and development of hundreds of small orebodies until the potential of the Ambrosia lake area of New Mexico began to be fully revealed in 1956. The first concentrates from Ambrosia lake were delivered to the United States atomic energy commission in 1957. More recently the Shirley basin in Wyoming has indicated large tonnages of high-grade ore, but only a small part of this was developed in time to qualify for an atomic energy commission production contract.

12. Canada, as early as 1944, had started to search for additional uranium ore. In 1946 Eldorado undertook an expanded exploration campaign and in 1948 an effort was first made to interest the mining industry by offering to buy uranium under specific conditions at certain prices, all of which was set out in what became known as the published price schedule, described later in this brief. It was as a result of the 1946 campaign that the company's prospectors found the rich Beaverlodge area which later developed a number of small mines (now closed), the Gunnar mine, and Eldorado's own mine, now capable of handling 2,000 tons of ore per day. The attempt to interest the mining industry was not at first too successful and it was not until what became known as the special price formula (also discussed later in this presentation) came into effect that the mining public took interest, and it was the impetus provided by the special price arrangement which developed the Elliot Lake and Bancroft uranium areas. Both these districts were discovered in 1953. No purchases were ever made under the published price schedule and the offer was withdrawn in 1959—eleven years after it was first made public.

13. It was decided in mid-1955, on the basis of Eldorado forecasts, that the potential production of Canadian mines and prospects then under development would be sufficient to satisfy the requirements of the United States atomic energy commission from Canada. It was essential that steps be taken to curb further development and this was done by the Canadian government's announcement of August 3, 1955, which stated that there was a limit on the amount of uranium which was to be purchased under special price contracts, and that no special price contracts would be negotiated after March 31, 1956. The United States atomic energy commission took similar action in their announcement of November 24, 1958, as a result of the success of their domestic exploration and mine developments. The official Canadian statement is quoted in the section of this brief dealing with uranium procurement and the United States atomic energy commission's statement is set out in appendix A. As a direct result of the production contracts made in various