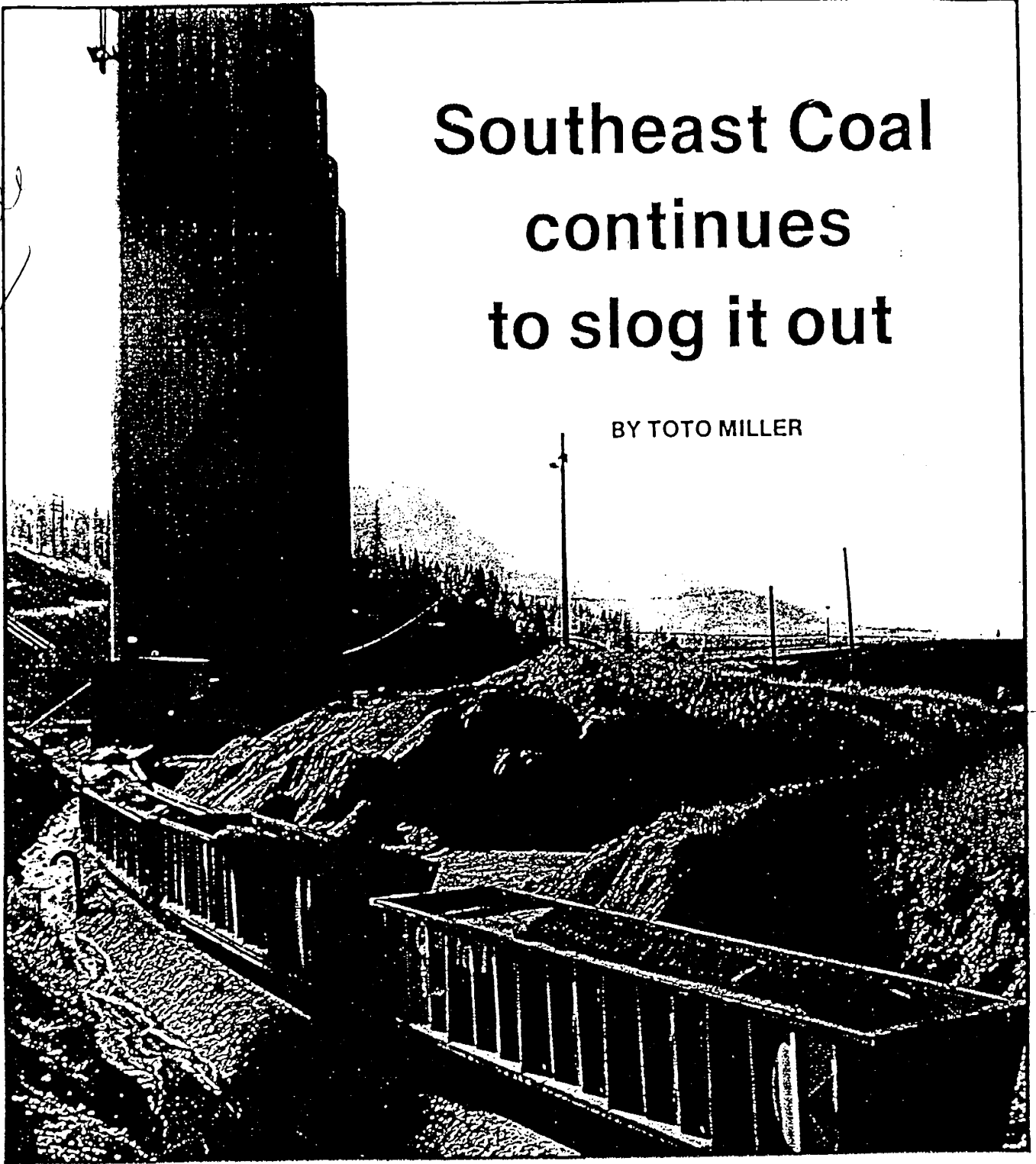


Southeast Coal continues to slog it out

BY TOTO MILLER



The old days of pick and shovel in the coal mining industry have been retired to the museum. Even the horse-drawn loads of "black nugget" have been set in memories to feed the nostalgia buff who is prepared to sit down and listen to the days when...

Today, it is the age of efficiency where technology rules as heavy-

duty equipment tunnels and scrapes in relentless pursuit for the mineral wealth that awaits export to an energy-conscious and energy-demanding world. About the marketplace, one oldtimer who had lived coal from the days of his youth saw fit to remark, "The world's the oyster and the pearl is black."

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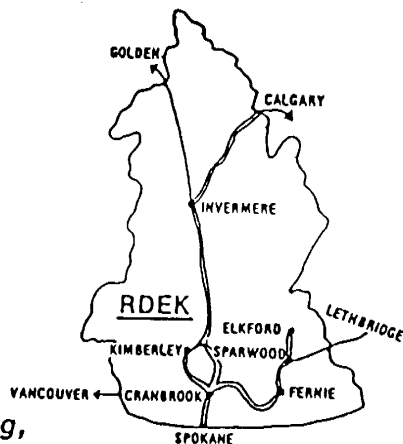
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applies up-to-date corporate practices where computers assess, report and recommend options in a way that only the giants of the corporate clan can utilize and understand.

In the southeast corner of British Columbia sits the Elk Valley. Buried below its scenic splendor of mountain peaks and lush green forests is an unparalleled coal supply which has been tapped by the old and the new. History in coal mining has melded and evolved with the modern era in a harmony that grasps the challenge of the new age in mining practices. From there, the world is the marketing stage. Japan. Korea. Denmark. Taiwan. Hong Kong. Brazil. Ontario. The countries are an international geography lesson where the names become synonymous with sales.

Efficiency. Experience. Good years. Bad years. Days of prosperity and a new age to come. All this is rooted in the soil of commitment that carves the will of the Elk Valley. Its predominance as the largest coal-producing block in Canada stands firm with no threat of being displaced.

Predating the turn of the century, the Elk Valley has captured the interest of those lured to tap its immense reserves which run into the hundreds of millions of metric tonnes. Eighteen-ninety-seven saw the formation of the Crow's Nest Pass Coal Company, Limited. Twenty Cape Breton miners began to apply their skill in pursuit of the mineral that would forge the area's destiny. To transport the coal, Canadian Pacific Railway links were completed within the next two years. With the new century, six new mines were opened with the longest-sustaining coal mining operation at Michel (now part of Sparwood) being one these.

Mining operations continued to flourish as new mines were opened throughout the valley and railway links were expanded to accommodate this increased production. However, the world's energy needs began to increasingly be quenched

southeast coal

by oil and other energy-producing means. This move was a "bust" for the Elk Valley. One day's work. Two days' work. Mines being closed down. This became the rule instead of the exception. Yet, there was a determination in the Elk Valley to survive. One could liken it to the intrepid pioneering will of the family.

Throughout the lean years, the attitude held firm — coal was the Elk Valley. It was only a matter of time before King Coal would raise its head to greet the challenge of the suppliers and the international buyers.

It was not until the mid-sixties and early seventies that the door to opportunity would again open. Edgar Kaiser Jr. would be the force in the development scheme. "Big" was the call and "big" was the response. Trucks that towered over man the midget. Fifteen and 25-cubic-yard shovels. Drills that bore 50 feet into the ground to receive over 300,000 pounds of explosives for each blast. Sixty thousand-ton clean-coal silos to receive the prepared coal for shipping on unit trains of 106 cars to the new superport of Robert's Bank on the west coast. And if "big" was the way, the philosophy was "continuous".

In 1976 Edgar Kaiser Jr. said it all when he commented in the *Canadian Mining Journal*, "We have taken an approach which is similar to running an airline. The only way an airline can make money is to keep its aircraft flying. The same is true when you have mining equip-

ment such as 200-ton trucks worth about \$1 million a piece. You have to keep them running."

And "run" it did as Kaiser's \$160 million investment in the Sparwood operation saw a \$32 million accumulated loss marshal a \$71 million profit between 1971 and 1975.

East of Sparwood, in the old but deserted mining community of Corbin, B.C. Byron Creek Collieries stripped the marginal amount of coal for its chief buyer, Ontario Hydro, as Kaiser was moving in with the new age of coal. But behind the walls of Cominco's corporate office the stage was being set for a new mine north of Sparwood — Fording

Coal. To serve the new mine, the new townsite of Elkford would be created. From a population of 181 in 1971, the community was to grow to 1,875 in the same period of time as Kaiser's dominance had entrenched itself in supremacy. Five years later Elkford's population would top the 3,000 mark.

If one was to assess the impact of the new age of coal on the East Kootenay, the region of which the Elk Valley is a part, then one would have to take note of the gargantuan rise in dollar-value over a 10 year spread. From a \$45.8 million production value in 1971, the monetary scale had climbed to \$553.2 million



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by 1981, outdistancing any other industry in the area and crowning coal mining as supreme for the region.

With the eighties would come the recession and the departure of Edgar Kaiser from coal mining in the Elk Valley. The newly-formed government corporation, British Columbia Resources Investment Corporation, was to become the chief player. From Kaiser, the name would be changed to B.C. Coal.

If the emergence of the eighties was to mark the worst recession since the great depression, then it

touched the Elk Valley in a unique way.

Growth was the call. Housing starts were up. Two new mines were under construction. Building permit values were at an all-time high. Oil companies were now into coal in the Elk Valley with Shell constructing Line Creek and Esso purchasing Byron Creek. B.C. Coal, now Westar, was also constructing a new mine (Greenhills) north of Elkford. Further north, the new Elco mine site was being talked about while, close to the American border,

Sage Creek was receiving first stage approval for a new mine site. Altogether, the future looked like the heaven for a new coal development dream come true.

But the recession *did* come to the Elk Valley in 1982 and expectations began to be answered by a falling world demand for coal. The frenzied pace to develop eased to a crawl. But progress was being measured, despite shutdowns and layoffs. If the floodgates are to re-open, then 1985 and 1986 seem to be the target dates and the anticipation for a resur-

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gence of expansion is being felt now as Line Creek and Greenhills celebrate their official opening in September of this year.

If the face of coal is depressed, then the three communities of the Elk Valley have held their own through the worst of it all. The central community in the coal fields, Sparwood, is heralding the expected resurgence with dramatic construction growth. A \$4 million indoor aquatic recreational complex is slated for opening this fall. A \$1.2 million Shell Oil bulk plant to service the mines is being developed. Canadian Pacific Railway is constructing an \$850,000 rest house facility. The town's mall is undergoing major expansion to house a 30,000 square-foot Overwaitea, the largest supermarket between Nelson, B.C. and Lethbridge, Alberta. A community ski hill is earmarked for completion before the snow flies. A nine-hole golf course will be open for play

next spring. The privately-developed Alpine Industrial Park is having its servicing completed while the community is eyeing industrial land west of Alpine for potential expansion under the federally-funded IDSA program. A new college campus is being discussed to serve vocational and training needs. The council is pursuing a new courthouse with the provincial government. And close to the community's boundary is the new Elk Valley Airport, a 4,000-foot strip which is awaiting further funds from the provincial government to accommodate a paved runway.

To the west of Sparwood is Fernie, which is striving to become a major tourism center. Last year saw the opening of condominiums and a new chalet for Snow Valley Ski Hill near the city's eastern boundary. In Fernie itself, a new mini mall is being planned while a major mall is being proposed.

For Elkford, north of Sparwood, new campground facilities are being developed, utilizing TIDSA funds. An \$800,000 firehall complex is under construction and the mayor recently officiated at the sod-turning ceremonies of a 7,000 square-foot office/retail complex while major shopping expansion projects occurred last year. A major industrial park was also opened last year with Riv Quip being the major tenant.

If coal is the mainstay of the valley's economy, tourism promises to open up new horizons due to the high volume of visitors that travel Highway 3 enroute to and from the Alberta/B.C. border. A major tourism study is currently underway involving the three communities of the Elk Valley and the regional district. The study, funded by TIDSA, will seek out current and new potential areas while identifying existing ones which would attract the tourist dollar to the area.

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But it is still coal that flows through the economic veins of the Elk Valley region. Ten to 15 million metric tonnes of coal journey to Robert's Bank each year. A breakdown of the coal shipment total would tally as follows: Westar - 5 million tonnes of metallurgical coal from Sparwood's Balmer operation- 1.3 million tonnes from the Greenhills operation with contracts calling for 2.4 million tonnes in 1984. Line Creek - 3 million metric tonnes of coal currently and anticipated to flow each year. Fording - 3.7 million metric tonnes with a potential growth to 5 million. Byron Creek - 1 million tonnes with the amount anticipated to double by 1986.

The current work force directly employed in mining exceeds 2,500. Foreseen in the near future is Line Creek increasing the number of its employees by some 250 with the company eyeing phase two of its new mine development. Byron

Creek is also seeing the potential for new employees as it anticipates doubling coal production from its current one million metric tonnes. Fording also sees expansion into Eagle Mountain as it eyes the five million metric-tonne mark already noted. Sage Creek, the Dominion Coal Block, also contributes to the potential of unbelievably "great days" that will carry the valley beyond and well into the turn of the next century. Is there any wonder why Strong Hall and Associates Ltd., in its regional profile prepared for the Economic Development Commission of the Regional District of East Kootenay acknowledges: "Total investment in coal mining industry over the next 10 years, if all projects were to proceed, would likely be at least \$2 billion, including associated townsites and infrastructure. An additional 4,500 direct jobs would be created and output would be 2.5 times present levels." And is

there any question why over \$120 million is being invested in expanding Robert's Bank facilities to accommodate coal shipment?

"History is on our side," comments Len Gunlock of the Sparwood Chamber of Commerce. "If you think about it, tomorrow is only the future's history. And the future looks great!"

What of the northeast coal block? The Elk Valley doesn't fear it. Gary Livingstone, Westar's president, remarked to the B.C. Association of Professional Economists on June 23 of this year: "I admit that the timing of the new mine (in the northeast) wasn't best, but we have faced the fact that they are in business to stay. But we intend to compete with them, retain our traditional markets, and expand into new areas as well."

To those in the Elk Valley, King Coal will continue to reign, whether it be thermal or metallurgical. They are confident about the quality of their product. They are confident that the reliability of delivery will be assured. They are confident that any cutback from the international buyers is only part of the economic cycle that their commitment and determination can measure up to.

Offstage lurks another story for the new potential boom of the Elk Valley. Chevron is investing \$7 million in an exploration program for natural gas and oil. Shell has also shown keen interest in the area that is immediately south and north of the Elk Valley. Whether a new-found wealth is ready to enter on the economic stage of the area, time will tell.

Last year, mining development and operation in British Columbia went through the worst recession in its history. The financial battering the 29 leading mines took tallied \$151 million in the red. Of the 10 mines that showed a profit, the Elk Valley's Westar operation accounted for over 50 per cent of the black ink, netting a profit of some \$88 million. It appears that history and experience has taught southeast coal well the techniques of survival. □

Toto Miller is the Mayor of the community of Sparwood.

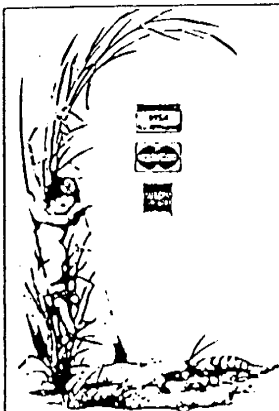


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