

8 The End of an Era



The most important event in Alberta's economic history occurred shortly after the end of World War II—the discovery of a major oil field. Natural gas had been used in Alberta since 1912, and aside from decreased coal sales of Canmore coal in Calgary, the use of natural gas had little overall effect on the Canmore mines. However, the 1947 discovery of oil and gas in Leduc, near Edmonton, followed by larger discoveries nearby at Redwater and Pembina, would prove to have a much larger effect.

The Canmore mines had not been put to the test this directly since the Canadian Anthracite Coal Co. struggled to find a niche in the mid-1880s. Even the Great Depression held the promise of an end followed by a new beginning. Oil and the rush to convert to gasoline and diesel did not bode well for Canmore, especially when the CPR began to introduce diesel-electric locomotives in 1937. The Leduc find was seen as the tipping point that could potentially lead to the decline of the use of coal and to Canmore's eventual demise as coal mining town. In 1947, Canada only produced 8 percent of the oil the country consumed. In Alberta by 1951, there were 737 oil wells and total production – if the markets were available – was at 170,000 barrels a day. As a result, 30 percent of the oil consumed in Canada was produced in Canada, which translated into \$25 million a year for the Alberta government in royalties and licensing fees. Sixteen new fields had been discovered by 1953; the Pembina field, as one of the largest oil fields in Alberta, was the most important. The oil boom was good for Alberta. Numerous workers were attracted to the area, and Alberta became the Prairie province with the highest population. However, what was good for Alberta at that time was not necessarily good for Canmore.

Canmore Mines Ltd. president Edmund Hayes understood implicitly that the oil boom meant the CPR's use of coal would sharply and suddenly decrease. The railway began switching to diesel locomotives and built its last new steam locomotive in 1949 (which remained in service until 1960). It even stopped ordering briquettes for heating. Even so, Hayes believed in Canmore and

Skating into History

Winter has always been a popular season for outdoor activities in Canmore. This was especially so in the town's earlier days, when social and sporting activities dominated life outside of work. During the early 1900s, ice sports were the most popular winter pastimes. Nearly everyone—men, women, and children—skated, played hockey, or curled wherever they could find a patch of ice. Canmore got its first covered ice rink, built in Mine-side, in 1905. As a result, Canmore produced a number of skilled athletes who went on to play at competitive levels. Canmore's hockey teams (including the Miners, Roses, Flyers, and Eagles) consistently brought home championship trophies based on the talents of players like the Jerwa brothers, Frank, Art and Joe, who helped win the Senior Alberta Championships from 1926 through to 1928.



Leo Carbol, born in 1908, played for the Canmore Canadians, St. Louis Flyers, and Chicago Blackhawks

A number of locals went on to play hockey professionally, such as Annie Williamson, who played in Portland, Oregon. Canmore residents Percy Jackson, Ollie Reinikka, Andy Chakowski, Art Michaluk, Darcy Campbell, Leo Carbol, Joe Jerwa, Alex Kaleta, and Dan Blackburn all played in the National Hockey League. Many others locals competed in the minor leagues for teams such as the Calgary Stampeders, which no longer exists and the Trail Smoke Eaters of British Columbia, a team that continues today.

Canmore also produced world-class speed skaters such as Thelma Anderson Crowe, who dominated the Alberta championships between 1936 and 1942; she was awarded 14 medals and 35 certificates. Crowe also won the Alberta senior women's 220-yard (200 metre) event in 1946.

The two indoor rinks at the Canmore Recreation Centre are named after Thelma Anderson Crowe and Alex Kaleta, both of whom have been inducted into the Alberta Sports Hall of Fame. Through the winter months, the recreation centre hosts the home games of the Canmore Eagles, who play in the Alberta Junior Hockey League (AJHL). The local franchise formed in 1995 under the name of the Bow Valley Eagles.

the quality of its coal. He believed Canmore's coal could survive the transition to oil as the world's primary energy source and that it was worthwhile to forge ahead and continue work to open the No. 3 Mine, which began producing coal by 1947–48.

By 1950, the mine was earning more than \$250,000 a year, mostly from its sales of locomotive fuel and briquettes for the railway and for homes across western Canada; this profitability did not last, however. Profits began to plunge by 1953, and Hayes prediction regarding the CPR reducing its contracts with Canmore came true. Canmore saw a 25 percent decrease in sales. The winter that year was also warm; subsequently the mines only earned \$90,000—bad news for shareholders and miners alike.

The following year, the Canmore Mines Ltd. reported a loss of \$895. However, as Philip Hayes explained in his 1998 book *Boxing the Compass: The Life and Times of Edmund Hayes*, the loss was in the books only; the mines had written off large capital projects, including a \$25,000 overhaul of the mine locomotive, the Goat. Also, both the tippie and the briquette plant had been rebuilt to reduce the mine's insurance rates. It also helped that the mine had switched to electricity, reduced the workweek to four days, and spent \$500,000 to improve production and develop markets. Hayes stated that without all of this work, the Canmore mines would have been shut down—a reality other coal mining towns were facing as coal production throughout Alberta decreased. By 1959, the total output of coal in Alberta was 745,000 tons, 200,000 of which came from Canmore. By 1960, coal use across Canada had dropped 20 percent.

It became obvious that in order for the Canmore mine to stay in business, new markets for its coal had to be found. By the 1950s, most North American coal was converted to coke for use in the steel industry. Unfortunately for Canmore, though, the local coal was too soft, and as a result, it did not have the sufficient heat value necessary to be converted to the quality of coke required by the Canadian steel industry. It was sufficient, however, for a Californian company, Pacific States Steel, to use to smelt scrap

steel. This resulted in the export of around 40,641 tons of coal annually, but it was not enough. The mine reduced operation from six days a week during World War II, to five, then four, and finally, by 1955, the mine operated only two or three days a week. The mining company forecast that in a few years time, total annual production would drop to only 203,209 tons.

A few factors ensured that the Canmore mine remained open. With the inventiveness of mine managers and a skilled work force, combined with assistance from the federal government and the luck of having the right product, Canmore was poised to take advantage of a new market: Japan. After learning that the Japanese steel and chemical industries were in need of anthracite coal, Canmore shipped a small sample of its coal to an intermediary, Toyo Menka (now Tomen Corporation), which in turn supplied it to Japanese industrial plants. After that first sample, increasingly larger samples were sent. These shipments of samples eventually led to an order of 4,064 tons, which were shipped to Japan on May 15, 1957. Toyo Menka then placed an order for 40,641 tons. Throughout the late 1950s and into the 1960s, Japanese markets remained the key element in Canmore's ongoing success and in keeping its 225 miners working.

In the 1960s, the population of Canmore began to diversify, finding other avenues of employment; residents began working in Banff and at the Exshaw cement plant and the Kananaskis lime plant. Luckily, the local economy no longer relied entirely on coal. As predicted, the market for locomotive fuel all but vanished, essentially ending a 77-year-old connection with the CPR. Coal production during the 1960s began to climb as new markets in the U.S. were accessed through Canmore's newest product, coke. Even though Canmore Mines Ltd. had been unable to produce coke directly from its coal, Canmore-born mine engineer Walter Riva (who authored *Survival in Paradise: A Century of Coal Mining in the Bow Valley*), solved the problem in 1962 when he developed a high-temperature plant, nicknamed Sputnik (after the Soviet satellite), that could convert briquettes into coke.

To achieve the coal production required by the Japanese contracts, Canmore Mines Ltd. opened the Wilson Mine in 1960 on a gentle slope near what is now the junction of the Three Sisters Parkway and the Trans-Canada Highway. The mine was named for Canmore Mines Ltd. former executive vice-president and general manager William Wilson, who was instrumental in securing the Japanese market for the company. In 1969, the lucrative Japanese markets negotiated a \$50 million deal with the company that required the production of 508,000 tons annually.

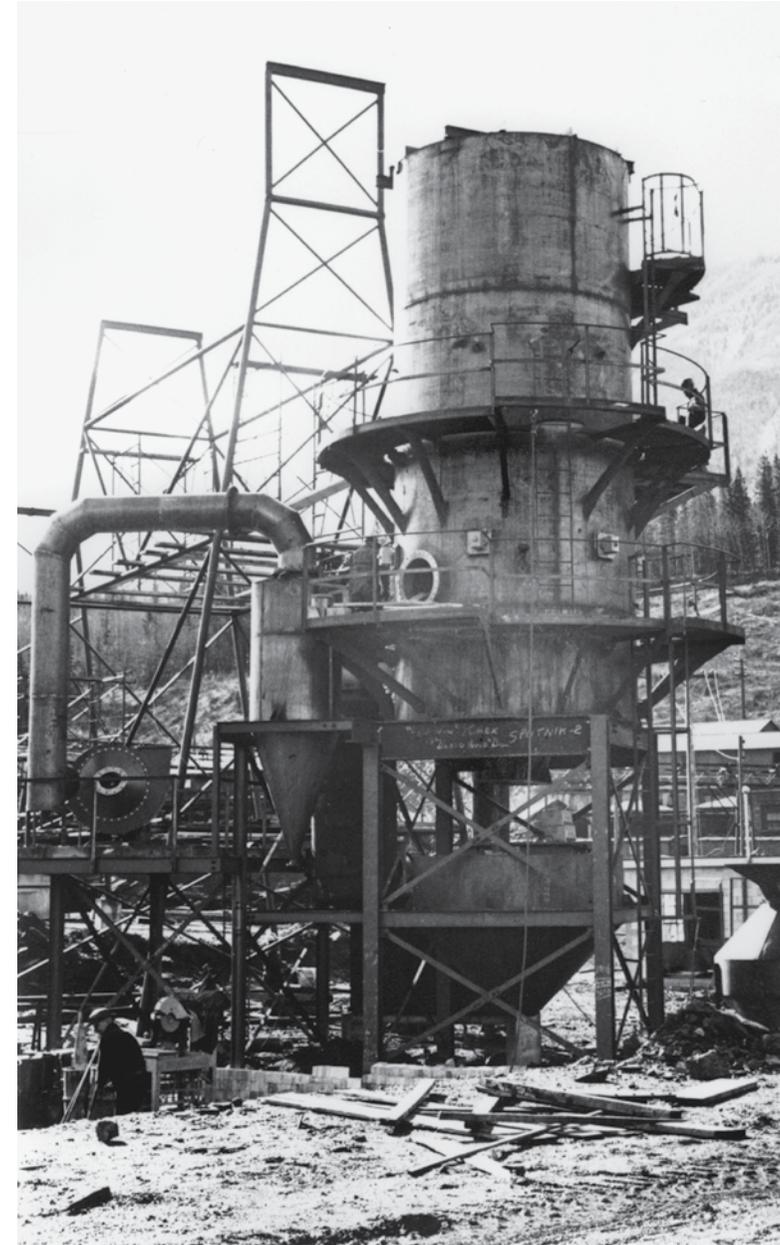
Lawrence Grassi



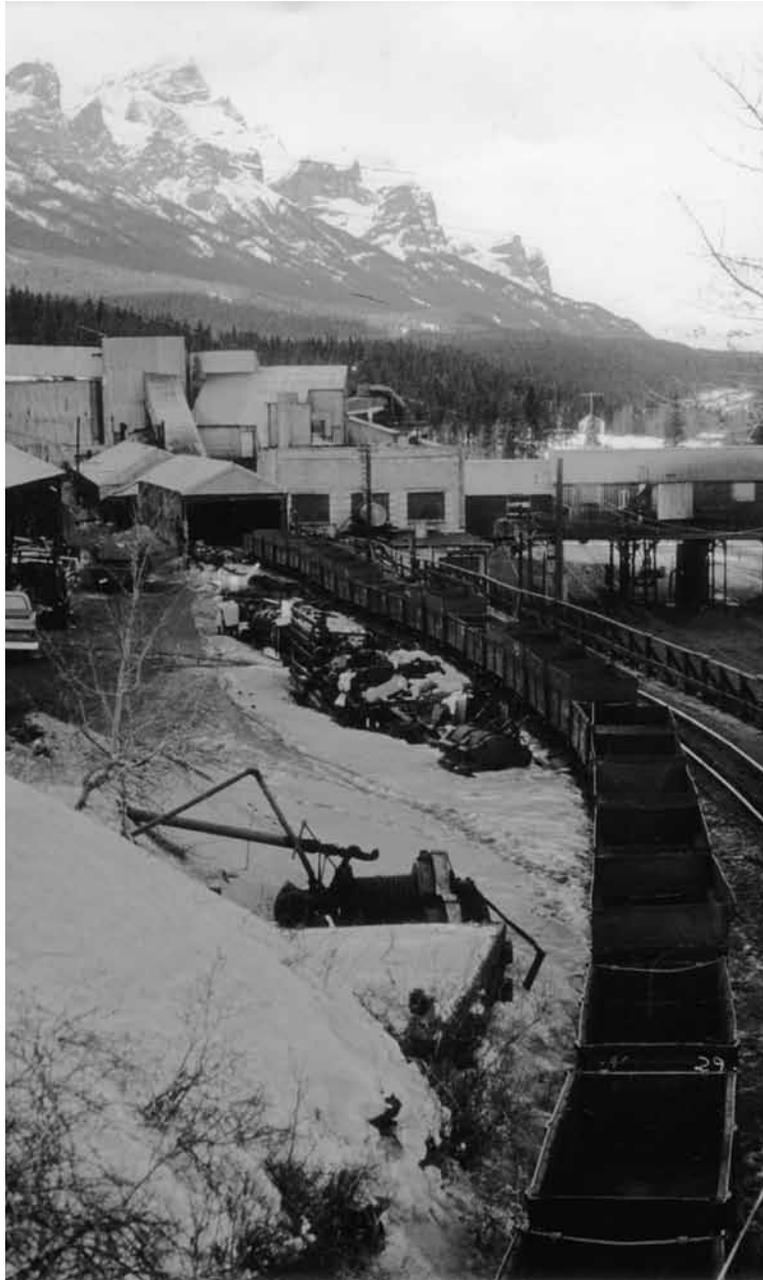
The two Grassi Lakes are named for Lawrence Grassi.

One of Canmore's best-known residents is Lawrence (Lorenzo) Grassi, whose love of the Canadian Rockies was legendary. Born in Falmenta, Italy, in 1890, Grassi immigrated to Canada in 1912. His first employment in his new country was with the CPR as a section hand. He eventually made his way to Canmore and began working as a coal miner. After two years in Canmore, Grassi had saved enough money to buy a small house on land leased from the Canmore Coal Co. along what is now Three Sisters Drive. Known for his great strength, Grassi was a hard and diligent worker, but when he had time off—during work stoppages and frequent periods of slow production—he explored the surrounding mountains. In 1924, Grassi built a trail to Twin Lakes, which were renamed in his honour

in 1938. The trail remains an enduring and much loved legacy to this day, complete with a stone staircase and wooden benches. After officially retiring, Grassi built trails in the Lake O'Hara region while working as a seasonal assistant park warden. When he wasn't building trails, he climbed mountains (often in his mining boots), including the first solo ascent of Mountain Assiniboine. Grassi passed away in 1980 at the age of 90. Today, he has a mountain, a Canmore school, and an Alpine Club of Canada hut named for him.



Walter Riva's coke plant was nicknamed "Sputnik" for the resemblance to the Soviet satellite.



The tipple, as it looked shortly before Canmore's last mine closed in 1979.

As Canmore was only producing 304,814 tons by 1967–68, miners and management had some work ahead of them; a new mine was needed. Coal reserves of an estimated 27.4 million tons were available in Wind Valley, but until a source could be verified and a new slope opened, surface quarries were the answer, at least for the short term.

By 1968, Canmore's two main strip mines accounted for 63,600 tons of coal excavated annually, and they would go on to produce 355,616 tons over 7 years. The open pits were an eyesore, but the areas where they were previously located are now reclaimed and are favourite recreational spots for Canmore locals. The pits were located at what is now Quarry Lake, which for many years was simply known as the Strip Mine, and in a large meadow that has been incorporated into the Canmore Nordic Centre trail system.

Exploration work in Wind Valley, east of the No. 3 Mine and south of Dead Man's Flats, was not promising, even though the area had ample reserves of coal. More thorough testing was required, the company coffers were dry, and the shareholders were not willing to pay for a new mine, as the mine company did not have an adequate market. Instead, the board of directors for Canmore Mines Ltd. decided to either sell or merge the company and its holdings.

Although a number of companies expressed interest in the Canmore coal mines, only Dillingham Corporation of Honolulu came forward with an offer. Dillingham Corp. and Canmore Mines Ltd. reached an agreement in 1970 and officially signed a deal in late 1971. At the time of the agreement, the Japanese customers were seeking larger and larger amounts of coal. Canmore had reached a new production record of 355,616 tons in 1971, a new record, but it still was not enough to meet the Japanese needs.

A glut of cheap petroleum coke caused Canmore's production to drop to 152,407 tons, forcing Dillingham Corp., which had just taken on full control of the mines, to lay off workers. The 1975 Organization of the Petroleum Exporting Countries (OPEC) oil

embargo pushed coal production back up to 203,209 tons and allowed coal to be sold for a high price. In theory, the embargo was an unprecedented opportunity to explore new markets and make huge profits. The reality, however, was that the high cost of oil made shipping by rail costly as well, which eliminated the potential to explore markets in eastern Canadian. Also, the demand for Canmore's semi-anthracite coal was low.

By the late 1970s, Dillingham Corp. began looking to sell its Canmore holdings. Even though the company was actively seeking a buyer, however, the company continued to open new seams, including Riverside Mine and No. 4B Seam and the Walker strip mine. Both the Riverside Mine and No. 4B were located east of the old No. 2 Mine. As neither produced enough coal to meet the

Japanese contract, Dillingham reopened the No.3 Mine, which had been closed at the end 1978 when Canmore had produced only 100,588 tons of coal.

The company lost money for seven out of the nine years it owned the mine. Dillingham Corp. had no prospective buyers and faced increasing difficulties in the form of tougher environmental regulations, more difficult mining conditions, competition from Australian mines, and the Japanese push for lower prices; therefore, the company made the decision to close the Canmore mines by January 1, 1980. In the previous three-and-a-half years, Dillingham Corp. had seen losses of \$3 million before taxes. Charles Gregory, general manager of the mine, said losses averaged \$100,000 a month.



The corner of 8th Avenue and 7th Street during the flood of 1924.

Rising Water

Given its low-lying location on the Bow River flood plain, Canmore has always been susceptible to flooding. For residents who lived near the river during the earliest years of settlement, flooding was a fact of life. Provincial records indicate that the Bow River flooded at least 19 times between 1883 and 1967. Many of these floods inundated Canmore, specifically the Mineside area of town, with water.

One of the worst floods ever recorded occurred on June 25, 1974. An unusually heavy snowpack and warm spring weather caused the Bow River to flood; as well, Calgary Power had earlier been forced to release water into the Bow River from Lake Minnewanka to keep the lake from overflowing, which raised the water level in the Bow River even higher. Canmore's mayor and doctor, Alfred Miltins, declared a state of emergency. The flood's crest was predicted to be the largest the Bow River had ever experienced. The flood had already raised the water level of the Bow River 1.8 metres higher than normal for that time of year, and the *Calgary Herald* reported that the river could rise an additional 23 centimetres. Eighth Avenue, Second Street, and Mineside experienced the worst of the disaster.

Hundreds of volunteers laboured throughout the day and into the night and filled the 40,000 sandbags needed to build a three-kilometre-long dike that would keep the floodwater from spreading further into town. Children even sacrificed the sand in their sandboxes as they helped their parents fill the burlap sacks that would make the 20-kilogram sandbags. By the time the floodwaters began to recede, most of Canmore's 600 homes had been flooded.

The flood of 1974 spurred officials to build a dike that stretches along the Bow River from First Street in South Canmore to the end of Larch Avenue. As downtown Canmore was built on a flood plain, water continues to flow underground, especially in downtown and south Canmore, where many buildings do not have basements. In previous years, staff at Marra's Grocery store, for example, have had to clear goods from the crawl space each spring, as water in the ground table flows through the store's low basement.

At the end of June 1979, word was released that Canmore's last mine was going to close, which ended rumours that had dogged the Canmore workings for the previous decade. On July 9, 1979, mine foremen attended a meeting at Union Hall where they were told the mine would close later that week. Two days later, general superintendent Victor Mrokwia posted a notice on bulletin boards at the mine that stated that miners would work their last shift from 8 a.m. to 4 p.m. on Friday, July 13, 1979 – a day that would become known as Black Friday. On that day, someone with a sardonic sense of humour wrote in chalk on a door at the mine, "Mine Closed. Happy Holidays."