

Four mines produce coking coal in Alberta. The largest operator, McIntyre Porcupine Mines, Limited, near Grande Cache, was able to supply only 75% of its contracted tonnages because of unsatisfactory operation of the coal preparation plant which currently recovers only about 65% of the coal feed. By the end of 1971 the company decided to replace the longwall equipment in McIntyre No. 2 and No. 5 mines with continuous miners and shuttle cars and the new system was operational by early 1972. In 1973 the company studied the possibility of developing a new surface mine to replace its No. 8 mine where the reserves will be depleted in two or three years. Even though raw coal production was higher in 1972 than in 1971, clean coal shipments were still below the contracted level by approximately 25%, a shortfall attributable to higher production of strip coal with problems at the preparation plant and to the seamen's and longshoremen's strikes which affected most coal exporters. In January 1973 the No. 5 underground mine was closed as uneconomic and the Japanese contract was modified to delivery of 1.25 million long tons a year for two years at an increased price. McIntyre then embarked on a program of expansion of coal production from surface mines and diversification of marketing.

During 1972, Cardinal River Coals Ltd. produced coking coal at its full-rated production capacity. The company managed to overcome the effect of the two shipping strikes and shipments to Japan were at contracted levels. In August 1973 an increase in contract price was negotiated and the annual amount for delivery to Japan was raised from 1.0 to 1.5 million long tons.

The Canmore Mines, Limited continued to export small quantities of coal during 1972. Coleman Collieries Limited had operational difficulties and negotiated an 18-month reduction of 500,000 tons in its contracted tonnages.

British Columbia. Coal was produced in two areas of British Columbia in 1972. Fording Coal Limited, BC's second and Canada's newest coking coal mine came on stream in April 1972. This new mine is located near Elkford about 40 miles north of Kaiser Resources Ltd.'s mine at Sparwood. Development of this mine followed the signing of an agreement in June 1969 with Japanese steel producers. As a result of general start-up problems with the mine and preparation plant, production in 1972 and 1973 remained below the original estimate but full production was expected to be attained in the fiscal year 1974-75. The design capability of Fording mine is 3 million long tons of clean coal annually; the coal is mined in two areas, one a shovel-truck operation and the other a drag-line operation.

Kaiser Resources Ltd. made steady progress in 1972 toward its planned production capability. However, production was hampered during the first quarter by severe winter weather conditions which disrupted rail movement of coal to the Roberts Bank port near Vancouver. The after-effects of fire that shut down the preparation plant in late December and early January was also a contributing factor. Shipments were severely curtailed by the seamen's strike in Japan which lasted from May 5 to mid-July; however, Kaiser was able to renegotiate its contract on more favourable terms. By September 1972, Kaiser had solved its technical difficulties to the degree that it established a monthly production record of 457,000 long tons of clean coal. The revised contract of 4.5 million long tons of metallurgical coal to Japan was fully met in 1973.

Generally, exploration for coking coal in British Columbia slackened in 1972 and 1973 compared with the previous two years, partly due to the fact that Japanese coal demand had lessened. By the end of 1972, approximately 1 million acres in coal licences continued to be held in the province by about 45 companies or consortiums; however, of this total, only a few companies had accomplished substantive development work and preliminary investigation of market possibilities.

Saskatchewan. Lignite production experienced the same accelerated growth as did the sub-bituminous industry in Alberta, with output destined primarily for power generation in Saskatchewan and Manitoba. Lignite production generally is on an upward trend but increased hydro-electric power generation limited the use of lignite for thermal power. Initial development work began in 1972 on a new lignite mine at Estevan by Manitoba and Saskatchewan Coal Company (Limited). The new mine will be the sole supplier of the nearby Boundary Dam power plant of Saskatchewan Power Corporation. Annual production capacity was scheduled to reach 1.8 million tons a year, raising provincial output to 5 million tons annually. Because of the growing demand for lignite the federal and provincial governments have undertaken to determine the potential of Saskatchewan's lignite reserves.