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# The Power to Transform

## The Kemano Power Project and the Debate about the Future of Northern British Columbia

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**ABSTRACT** The struggle to determine the pace and nature of resource development has long been at the centre of northern autonomy movements. The forty-year-long debate over the Kemano Power Project in Northern British Columbia reveals how the understanding of hydro-development has shifted from a major regional benefit to a more complicated and conflicted view in which environmental and indigenous concerns are balanced against economic opportunities. When built in the 1950s, Kemano was seen as the foundation for a stable and prosperous industrial economy. The planned expansion of the hydro-electric system in the 1980s and 1990s touched off a major debate inside and outside the region. The region wrestled with the difficult choices presented by such major projects but the decision to cancel the Kemano Completion Project (KCP) rested on the provincial government's reaction to southern pressures. Kemano, as with many major resource projects in northern regions, reveals the degree to which external political and commercial forces continue to determine northern development and therefore the very future of the region.

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**KEYWORDS** northern development, hydro-electric power, Alcan, Kemano, Northern British Columbia

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**HYDROELECTRIC DAMS** are among the pre-eminent symbols of economic progress in the post-World War II era. Industrial nations rushed to capitalize on growing international demand for manufactured goods, as the combination of the military expenditures of the Cold War and rapid growth in personal incomes generated exceptional rates of economic expansion. In regions as diverse as Siberia, the Australian outback, Canada's Mackenzie River valley and northern Norway, industrial mega-projects were touted as being the solution to both national

ambitions for economic prosperity and promoters' dreams of finally bringing northern and remote regions into the national mainstream. In Alaska and the Canadian Northwest, promoters offered dramatic plans to dam the Yukon River at several points or to capitalize on the hydro potential of the Peace and Fraser Rivers and their major tributaries (Coates 1993, Naske 1991, Mitchell 1983). Massive water diversion schemes were touted as holding the key to the economic future of British Columbia and the western United States. Hydro-electric projects figured prominently in most national strategies for remote area development and have played major roles in shaping the settlement and community formation in remote regions.

For northern regions, the region's capacity to determine its economic and environmental destiny remains a central issue in the debate about resource development. Regional aspirations in northern regions have repeatedly been subordinated to the commercial and political priorities of external agents, particularly regional and national governments and southern corporations, but expanding in recent years to include environmentalists and Aboriginal rights activists (Coates 1985, Pretes 1988, Weissling 1989, Coates 1994). The vigorous debate in northern British Columbia about hydro-development illustrates an effort by one northern region to gain control of its economic future and reveals the countervailing power of southern and external decision-makers. There are compelling illustrations of the power of external agents in the history of northern economic development. It is obvious that major development projects transform regions; it is much less clear as to whose priorities and concerns should determine the shape and timing of these major undertakings.

Post-World War II resource developments transformed northern British Columbia. Before the 1940s, the Grand Trunk Pacific Railway dominated regional life. Northern British Columbia experienced major pressure during World War II, but only in a few narrow corridors. The construction of the Alaska Highway and the Northwest Staging Route expanded activity in the Dawson Creek to Fort Nelson corridor, just as American and Canadian military operations in the Terrace and Prince Rupert regions had reshaped those communities. In general, however, the North remained largely undeveloped in 1950. A rough highway connected Prince George to the south of the province, although the Pacific Great Eastern (PGE) Railway reached that city only in 1952. There was no road construction further north until the completion of the Hart Highway in 1952, and the highway between Prince George, Jasper and Edmonton was not completed until the 1960s. The road from Prince George to Prince Rupert had been improved somewhat during the war, but was well below commercial grade at the war's end. Mining and logging operations in the region were small and unimpressive. Prince Ge-

orge had only 14,000 people in 1961 (ten years later it was 50,000), but even then it dwarfed the much smaller communities of Burns Lake, Smithers, Vanderhoof and Terrace.

The North had its dreamers and visionaries, the most of important of whom was T. Duff Pattullo, premier of British Columbia from 1933 to 1941. Pattullo was the first British Columbia leader to make a concerted effort to draw the North into the pattern of provincial development, although his initiatives foundered during the Depression (Fisher 1990, 1991). The province had, at the time, glimpses of the potential of the North, promoting the extension of the Pacific Great Eastern railway (now BC Rail) to link the province from south to north, and sharing the broadly held Canadian view that the North remained a treasure trove ready for southern exploitation (Wedley 1998). After the war, and particularly following the 1952 election of W.A.C. Bennett, another premier with roots in the hinterland, and his Social Credit Party, British Columbians seized on the promise of the northern districts. Bennett floated remarkable and audacious plans for the rapid development of the region, including the highly suspect and flawed Wren-Grenville water diversion schemes, the damming of the Peace River, the construction of a highway linking Prince George and the North East, the extension of the PGE to the Yukon and Alaska (started but not completed), and various other infrastructure mega-projects (Mitchell 1983, Barman 1991, Wedley 1986). The construction of the Kemano hydro-electric project by Alcan hastened community development in the North, albeit in a very different fashion than envisaged at the time of construction (Christensen 1995).

The development of a northern consensus on resource development has long been slowed by the mobility of the non-Aboriginal population. Newcomers to the provincial and territorial Norths in Canada have been extremely transient, coming to the region to capitalize on short-term opportunities. Few invested much in the region and most left the North with much of their money. The pattern changed, for the provincial Norths at least, after World War II. The rapid expansion of base metal mining resulted in the construction of numerous of company towns across the region. The growth of soft-wood lumber operations resulted in the building of dozens of sawmills and pulp mills away from southern population centres. Northerners told outsiders who complained about the sulphurous smell that it was "the smell of money." Equally important, hydro-electric projects fuelled large-scale construction activity, swelling the local population and encouraging industries to consider locating in the North. These industries, like the INCO smelter in Thompson, Manitoba, promised the long-missing stability to the North, creating mini-industrial centres with substantial permanent popula-

tions. For the northern provinces, much more than for the territorial north, the post-war period appeared to bring prosperity. If the decisions had been made in the south, by corporations and governments with limited northern presence, northerners could at least see some apparently permanent benefits arising from all of the investment and industrial activity.

Each of these developments alerted settlement patterns in the North. New communities opened at Cassiar and Mackenzie. Small villages like Hudson Hope were overwhelmed by construction workers. Prince George saw its population grow nearly ten times, from 5,700 in 1951 to over 50,000 in 1971. The combination of improvements to Highway 16, linking Prince George and Prince Rupert, expanding logging and milling, increased government services to Aboriginal peoples and the movement of indigenous peoples from mobile life ways to sedentary lifestyles resulted in substantial growth in the communities along the road. In ways large and small, northern British Columbia was transformed by the juxtaposition of corporate involvement, major government investments, and the impact of global resource markets (Coates & Morrison 1992, Bernsohn 1981).

Alcan's Kemano smelter, which came into production in 1954, is the exemplar of the post-war development boom. Aluminium production requires a ready supply of cheap electricity and access to ocean shipping for the bauxite needed in aluminium production and for the distribution of the finished product. Alcan, on its way to becoming a major international player in the sector, was rooted in its Quebec operations, particularly those at Arvida. Anxious to capitalize on the resource potential of the West Coast and the emerging markets in Asia, Alcan explored possibilities in northern British Columbia. The province offered a superb location at the head of Douglas Channel for the construction of production facilities and a company town. Proximity to the railway at Terrace and Highway 16 made the town and manufacturing site very attractive. Even more important, Alcan engineers identified the electric potential in the development of the Kemano River, particularly in concert with the damming of the upper reaches of the Nechako River. The larger project entailed the diversion of water from the storage lake inland from Kemano and the diversion of large quantities of water westward, through large tunnels constructed for the purpose, to the generating stations at Kemano.

After securing the necessary permission to divert water from the Nechako and construct the hydro-electric project and manufacturing facilities, Alcan proceeded with development (Hendrick 1987). The investment was one of the most impressive industrial undertakings in Canada in the post-World War II period, involving the construction of a company town (designed to house approximately 10,000 people), a small satellite commu-

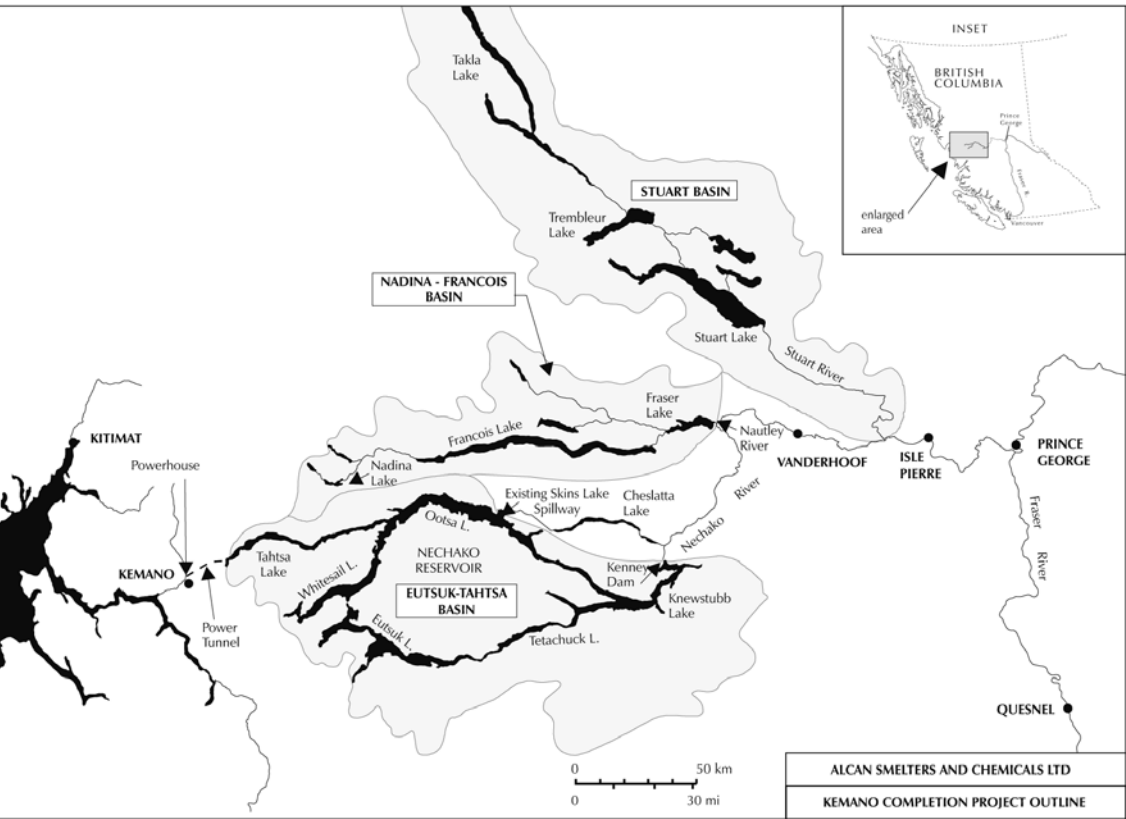


Fig. 1 Proposed Kemano Completion Project Facilities on the Nechako River. Source: Water Quality Branch, Ministry of Environment and Parks, "Water Quality Assessments and Objectives for the Nechako River," 1987.

nity at Kemano (accessible only by water and air), a massive aluminium smelter and, of course, the Kemano power plant, all at a cost of close to \$500 million. The project involved the damming of the Nechako River Canyon (the Kenney Dam), the diversion of the water to the west, the construction of a 16 km tunnel to take the water from Skins Lake to the generating plant at Kemano. The powerhouse was itself an engineering marvel, carved deep into the mountainside and holding eight generators, each capable of producing 112 mega-watts. Alcan also built an 82 km transmission line to carry the power to Kitimat. Kitimat was built quickly, an impressive model of 1950s urban planning. As the *Northern Sentinel* observed in 1987:

In the 1940s the site of modern Kitimat was one of wilderness. The tiny Indian Village represented civilization at the end of Douglas Channel. Some 37 miles away with nothing more than a foot trail between, lay Terrace. It had less than 500 population. The economic magic came for

Kitimat with the building of such industries as Alcan smelter, Eurocan's pulp and paper mill and Ocelot's two petrochemical installations. Without them there would be no industry to support and industrialize Kitimat, no power, no road or rail line from Skeena to the beach and Terrace would not have had the leap in population in the 1950s to produce a figure of more than 6,000 population at the time the rail link and road to Kitimat were finished.<sup>1</sup>

With a short period of time, the Kitimat plant was the largest single source of mineral-based exports in British Columbia, with major contracts with emerging Japanese companies (Holroyd 1995). Much later, in the 1980s, Kitimat diversified away from its aluminium base, with pulp and paper producer and a petrochemical company setting up plants in the area.

The impact of the Kitimat plant extended well beyond the Kitimat Valley. The Kemano/Kitimat combination was the first major industrial plant in the province's north, and the first to move beyond the secondary processing of locally available raw materials. It attracted a large and diverse workforce noted by their long term commitment to the community. In contrast to the largely transient workers in mining camps elsewhere, the Alcan employees enjoyed high wages, a generally strong relationship with the company, a nicely built and well-serviced community, and a stunning location for the town site. Clearly, Kitimat was designed as a permanent town, expected to grow as economic diversification followed the smelter and power generating capability of the Kemano station. It was, in a way that pulp mills and saw mills were not, a declaration that the North could have a new and very different future, one based on manufacturing, new product development, and strong industrial exports.

Although the Kemano/Kitimat development had a broad and generally positive impact on economic development in the region, other communities in northern British Columbia were not strongly supportive of the new town. Vanderhoof and Prince George received many of the initial benefits from construction, since access to the upper reaches of the Nechako River basin was from these central communities. But once construction ended, the economic benefits for these towns fell off dramatically, and anticipated spin-off benefits, in the form of additional industrial activity, failed to materialize. Moreover, residents of the Nechako basin were quick to accuse Alcan and Kemano of adding to difficulties related to the flow of water along the river, although the actual impact was more mixed, with lower water levels offset in part by greater control over periodic flooding.

Intense rivalries developed between Kitimat, Prince Rupert and Terrace. The latter town, only 40 kilometres away, served as an economic satellite of Kitimat in terms of services and retail shopping, and clearly was made more

stable on that account. But Kitimat's better facilities, paid for by Alcan, and generally higher level of prosperity generated resentment. On several occasions, rivalries between Terrace and Kitimat impeded government investments in the area. While Kemano served as an economic spark, raising expectations across the North about the nature of corporate investment and engagement and about prospects for industrial stability in the region, Alcan's operations remained a touchstone for debates about the future of the region's communities.

But as Northern British Columbia became more stable, with more long-term non-Aboriginal residents, divided visions of the future emerged. Smithers, a settlement of under 5,000 people, became a centre of environmental activism and eco-tourism. While public sentiment in logging towns like Burns Lake, Houston and Fraser Lake and mining centres like Granisle welcomed the growth of industrial activity, strong environmentalist movements emerged in Vanderhoof, with an active agricultural sector, and Prince George. Furthermore, Aboriginal activism increased sharply, led by the Nisga'a in the Nass River valley north of Terrace, but increasingly focusing on the displaced community of Cheslatta, a Carrier village that had been relocated during the initial phase of Kemano construction. The Carrier-Sekani Tribal Council also joined in the criticism of the project.<sup>2</sup> Increasing attention was paid to issues like control over the Nechako water flow and salmon returns. Even trappers from Fort Fraser added their voices to the concern about the disruption of water flows, although they agreed to cooperate with Alcan on seeking means of ameliorating the impact on the beaver and their livelihood.<sup>3</sup> Agitation by communities like Cheslatta, which had been compensated by the Government of Canada for the original relocation, drew attention to the disruptions associated with hydro-development, an issue which gained a great deal of prominence in the 1970s with high profile battles over water diversion projects in northern Quebec and northern Manitoba (Waldram 1988, Leslie 2005, Rosenberg et al. 1997).

Alcan worked hard to document spin-off benefits throughout the region. Annual surveys were done to document the reach of Alcan's spending. A report released in 1986 reviewed revealed that Alcan had spent almost \$160 million over the preceding seven years, distributed unequally among 13 communities in the North. Kitimat received the lion's share – over \$120 million of the total – with Terrace (\$19 million) and Prince George (\$13 million) receiving substantial trade. Even the small community of Houston claimed, in 1986, that five local companies received Alcan contracts, amounting to close to \$250,000 per year. Burns Lake had eight companies doing business with Alcan, and nearby Smithers had six firms selling services or supplies to the aluminium company.<sup>4</sup> As the following year's report concluded:

Kitimat Works total expenditures in the northwest region benefited a wide range of businesses and industrial sectors. While the majority of these expenditures flowed to large construction, manufacturing and wholesale operations, many smaller businesses also benefited, particularly in the Kitimat and Terrace areas.<sup>5</sup>

Through the 1970s, debates about the future of Kemano picked up in intensity and acrimony. Under the terms of the original deal, Alcan had until the end of 1999 to complete the planned water diversion on the Nechako. If the project was not finished by that time, control of the river reverted to the government. The federal government, with responsibility for managing the salmon fishery and water flows, disputed Alcan's claim to control of the Nechako through the 1970s and challenged their right to complete the Kemano project. Negotiations, often acrimonious, followed. In 1979, Alcan re-asserted its right to control the river and declared its intention, under the terms of the 1950 agreement, to complete the water diversion and hydroelectric project. The federal government responded with injunctions to bar construction. In 1984, Alcan challenged the injunction sought by the Department of Fisheries and Oceans preventing further water diversions from the Nechako, forcing the federal government to reconsider their approach. Northern opinion makers, particularly in Kitimat and Terrace, criticized the government's handling of the affairs and challenged authorities to approve the next stage of the Kemano project.<sup>6</sup> Subsequent discussions, encouragement by northern communities to find a suitable agreement,<sup>7</sup> and the threat of a lawsuit by Alcan, led in 1987 to the announcement of an agreement that would allow the Kemano Completion Project (KCP) to proceed. The KCP was a \$500 million undertaking designed to increase the water flow to the Kemano generating facilities and to provide Alcan with greatly enhanced electric output.

The announcement of KCP, as it came to be known, proved extremely revealing about community aspirations and expectations. Opinion was divided within each community in the North; even Kitimat had residents who opposed the expansion project on environmental grounds. The *Northern Sentinel* described the opposition in critical terms:

Predictably this [the proposed development of industrial capacity in other communities] altered downstream regions' attitudes significantly but left the hot spots of opposition – the irreconcilables of the far left, Fishermen's Union in Prince Rupert, the Wildlife Federation, the people who, on principle, were going to attack anything but state ownership and control of power – ready to sacrifice new jobs for ancient prejudice.<sup>8</sup>



Quickly, however, clear distinctions emerged. Kitimat and Terrace supported the construction, with the Chambers of Commerce believing that it would spark economic expansion in the area and stave off threatened cut-backs in industrial operations. Mike Scott of the Kitimat Chamber of Commerce said that KCP would bring major benefits:

We think that it could be as much as three or four thousand jobs. We look at the whole corridor north from Terrace right up to Cassiar, it's a vast area that's full of mineral resources; we look at the town of Stewart which badly wants to have hydro power delivered to it right now.<sup>9</sup>

That support, however, did not extend to the region's Member of Parliament, Jim Fulton (NDP), who was openly critical of Alcan.<sup>10</sup> Trade union members in Kitimat, many of whom were worried about continued job loss in the Kitimat smelter – estimated in 1987 at 400 positions over a decade – and who did not believe that KCP would result in additional industrial development. CASAW, the local union, declared their position:

the union will be countering the dangerous and misleading propaganda put out by various groups on this topic. Kitimat's businesses must take a second look at their leadership and the path of misguided confrontation they are headed for.<sup>11</sup>

Smithers became the flag bearer for environmentalism, and residents often sought common ground with First Nations opposing the KCP undertaking. Pat Moss of Smithers and Chairperson of the Rivers Coalition responded to Alcan's position:

We're not aware that there's any evidence that the Kemano completion is going to produce any permanent jobs in the northwest. Alcan's not talking about building smelters anymore [...] we find it very hard to believe that if there are industries wanting to develop in the north that power is the only impediment.<sup>12</sup>

The environmentalists opposed the transfer of effective control of the Nechako into private hands.<sup>13</sup> Local farmer, John Grieder, captured a widespread sentiment in the North when he said at a public meeting in Smithers:

We shouldn't let them make these decisions in Victoria or Ottawa. They affect us here and that's where it should be made. As long as we have the current system, we'll get nowhere.<sup>14</sup>

Vanderhoof experienced considerable internal tension over the issue, as did Hazelton. The Mayor of that community, Alice Maitland, observed:

[...] such a problem I've had all my life with Alcan being in control of such a large area of our province and there [are] people living here that are impacted by everything they do, but they rarely get to really say what they would like to see happen so that fisheries isn't the only body that's going to feel the impact of whatever Alcan does.<sup>15</sup>

Many residents hoped that KCP would produce sufficient power to support major industrial expansion in their community, providing a longed-for boost to the local economy. At a public meeting held in Vanderhoof in June 1989 to discuss the Kemano project, the most vociferous opposition came to the announcement that Alcan's construction would be undertaken by union contractors, thus shutting out many local non-union shops. As an angry contractor, Harold Giesbrecht said:

It is discrimination, plain and simple. We've been ripped off. They took the river, and now we get nothing. We've been promised smelters, we've been promised pulp mills, but nothing ever comes of it. Now, with a closed shop at Kemano, we're closed out.<sup>16</sup>

Debate about the project spread widely. Prince George became the media centre for the controversy, with radio host Ben Meisner, journalist Bev Christensen, and the *Prince George Citizen* newspaper leading the campaign against the KCP. In Prince George, however, the business community and its supporters worried that a strong environmental stance against KCP would have a negative effect on northern economic development generally, and the result was a series of vigorous and often heated debates about the project. As a consequence, Prince George City Council came out in support of a negotiated settlement between the Department of Fisheries and Oceans and Alcan.<sup>17</sup> City planner Greg Farstad declared the impasse to be "one of the most protracted, complex and emotional disputes in the history of resource management in B.C."<sup>18</sup> Far to the west, the City of Prince Rupert declared strong opposition to the proposed construction, arguing that the "fisheries are in jeopardy"<sup>19</sup> and calling for a public inquiry.<sup>20</sup> The *Interior News* said about the controversy:

The simple fact remains that the Nechako dispute is over who has, and who should have jurisdiction over river water – a government or a private corporation. Anything else confuses the issue."<sup>21</sup>

Echoing sentiments spoken widely in the region, N.D. MacRitchie wrote angrily:

What we have here are recalcitrant bureaucrats impacting severely on issues they do not seem to understand. The children of this region (and

probably other regions) are going to be punished economically because of the immaturity of bureaucrats in your Ministry [of Fisheries.]<sup>22</sup>

In the end, the debate over KCP produced a surprising degree of agreement in the North. Kitimat and Terrace were solidly behind the project, as were Stewart, Cassiar and other communities along the Highway 37 corridor. Campaigning by the westerly communities, aided by Alcan's efforts to promote the project, ended up bringing Vanderhoof, Houston and New Hazelton on board with the "salmon plus power" plan advanced by Alcan. These communities urged British Columbia Premier Bill Vander Zalm to intervene with the federal government and to encourage an out of court settlement.<sup>23</sup> While there was considerable internal dispute, the North clearly wished to reach a northern-based decision. As one editorialist wrote:

as for the wilderness buffs, when the clean, non-nuclear power is developed the wilderness [...] serenely beautiful and at times implacably cruel [...] will still be there. The 'last wilderness' alarms have become about played out in British Columbia.<sup>24</sup>

This stage in the battle over the KCP merged two crucial movements on the opposition side: the effort by northern communities to assume control of their future, and the growing power and effectiveness of global environmentalism. In the former instance, northern communities worried about the boom and bust nature of the regional economy and sought to stabilize northern society. A deep desire to wrest control of the North from southern interests and to establish north-centred decision-making was manifest in everything from Prince George MLA Bruce Strachan's campaign for northern autonomy and the Social Credit Government's various northern strategies, to a noisy but largely bar-room northern separatist movement (Weller 1984, 1994, Ramsey 2005).

Opponents of KCP, dominated by environmentalists, used the growing interest in northern autonomy to turn the battle over hydro-development into a grassroots campaign against a large, southern corporation (Alcan) and policies created in Victoria and Ottawa. They argued, in particular, that the 1987 agreement was unconstitutional and violated federal jurisdiction over the Nechako. Further, they claimed, the project was about hydro-electric profits, not aluminium production and would return few benefits to the region.<sup>25</sup> As Lee Straight, President of the Steelhead Society of B.C. wrote:

To yield such vital resources which, in effect, encourage an already-coddled industry to diversify by increasing its hydro-electric sales program, is wildly extravagant. To yield such vital resources at the expense

of the common-property owner, the citizens of Canada, is an act of betrayal.<sup>26</sup>

The debate over KCP took a decided turn against Alcan when, in the early 1990s, it became clear that the widely touted industrial expansion associated with the power project would not occur. The residents of Vanderhoof, in particular, had been torn between something of a Hobson's choice: support the power project and secure a major industrial establishment for the community or oppose KCP and lose out on hundreds of high-paying jobs. Initial talk focused on the construction of a second aluminium smelter in the community and, when the economics of global aluminium markets undercut that possibility, Alcan raised the possibility of constructing a pulp and paper mill in the community in 1988.<sup>27</sup> (The company had earlier raised the possibility of a meat processing plant.<sup>28</sup>) Mayor Len Fox declared himself to be "very cautiously optimistic" about the announcement, noting that

Alcan is fully aware of the kind of disappointment that Vanderhoof has had over the last four years – not just with their project, but other projects that appeared to be in the future, and then had been shelved for one reason for another [...] I would suggest that we, the valley of Vanderhoof, have a lot of faith in Alcan to deliver on this particular proposal and there's no question in my mind that they will.<sup>29</sup>

When it became obvious by 1990 that Alcan's trial balloons about industrial development along the lower Nechako had run out of air, many residents of Vanderhoof dropped their support for the project and joined with the critics.

Until the early 1990s, the debate over Kemano was almost exclusively internal. The region seemed on course to make its own decisions about future developments. Southern British Columbia and the rest of the country paid very little attention to an obscure debate about the expansion of an existing hydro-electric facility. As the debate shifted from questions about community benefits to broader and less focused environmental concerns, external forces came into play. The northern message brought forward by Rivers Forever and the Nechako Defense Coalition, B.C. Wildlife Federation, Steelhead Society of B.C., Nechako Neyenkut Society, Save the Bulkley Society, Gulf Trollers Association, United Fishermen and Allied Workers Union began to resonate with environmentalists outside the region.<sup>30</sup> KCP, they argued, would kill the remaining salmon in the Nechako River, ensure permanent corporate control of a public resource (the river) and would irreparably harm northern ecosystems. An effective media campaign by the Cheslatta for additional compensation brought First Nations into the equa-

tion, and found supportive audiences in the southern part of the province. By the early 1990s, the debate over the KCP had ceased to be a northern issue. Rafe Mair, the provocative Vancouver radio host, joined the effort to stop Kemano and used his province-wide daily talk show as a bully pulpit against the project (Mair 1998). The otherwise pro-business Liberal Party of British Columbia sought to cultivate an image as environmentally-friendly and criticized KCP and attacked the New Democratic Party government for allowing it to proceed. Internationally-known environmental activist David Suzuki, weighed in on two counts: the potential environmental impact of the project and the impact on northern First Nations people.

The Government of British Columbia responded to the mounting pressure, now coming increasingly from outside the North, and announced in 1993 that KDP would be reviewed by the B.C. Utilities Commission (BCUC). The BCUC hearings provided powerful insights into the internal debate about the North's future, as each community hosted the Commission and took advantage of the opportunity to argue their case.<sup>31</sup> The federal government aided the inquiry, providing scientific and government documents on Alcan and the Kemano project and providing \$150,000 to the Rivers Defense Coalition, a Smithers based group leading the campaign against KCP. The heated controversy spilled over into the provincial arena, with Alcan and the KCP attracting continued criticism from Rafe Maier and mounting opposition from provincial newspaper columnists Stephen Hume and Mark Hume. The BCUC hearings assembled dozens of scientific commentaries and submissions from hundreds of northern residents. The BCUC submitted its report to the provincial government in the last months of 1994. The report was balanced and, somewhat surprisingly given the increasing rancour of the now-province wide debate over the previous years, cautiously supportive of KCP. The Commission called for remedial measures and restrictions on Alcan's control of the Nechako, but did not recommend shutting down the project.

The NDP government nonetheless announced the closure of the KCP project in January 1995 – on the same day that they released the BCUC report. The government also produced an assessment of the project that declared – over Alcan's vigorous protests – that KCP was not financially viable, a judgment that did not explain the aluminium company's half billion dollar commitment. The BCUC's conclusion subsequently received little attention, with debate now focusing on the collapse of a northern mega-project and Alcan's demands for compensation for the costs of construction and the loss of electricity. Environmentalists hailed the decision as a major victory, even as northern communities wrestled with the consequences of the announcements. A Northwest Communities Coalition was formed has-

tily in Kitimat to lead the protest against the provincial decision and to seek alternate means of sustaining northern industry. In the months that followed, after lengthy negotiations and public acrimony, the Government of British Columbia reached an agreement with Alcan. The accord promised Alcan a steady supply of electricity, at rates comparable to what KCP would have produced.

The KCP debate demonstrated the intensity of internal northern disputes about the future of the region. They were, in fact, healthy and constructive, albeit often heated and acrimonious. The BCUC process gave voice to all northerners, on all sides of the debate, and seemed well-designed to provide a solution that was scientifically sound and regionally sensitive. The politics of 1990s environmentalism, and the spread of the Kemano controversy throughout the province, however, meant that the issue would not be resolved on northern terms. Instead, the interventions of Rafe Mair, Stephen and Mark Hume, David Suzuki and others, plus the engagement with the issues by the provincial Liberal Party, turned the KCP debate into a province-wide discussion of environmentalism versus corporate control.

The Kemano controversy was not the only such province-wide controversy involving northern resource development. Premier Michael Harcourt had in 1993 announced the cancellation of the Windy Craggy copper mine and the creation of the Tatshenshini-Alsek region as a provincial park – later designated as a World Heritage Site. The decision came, as with KCP, on the heels of a major national and international environmentalist campaign to protect a highly desired recreational and wildlife area. With Windy Craggy and with KCP, it was clear that provincial priorities mattered much more than northern concerns.

The KCP had been applauded by supporters as the beginning of a second industrial age in the North, but the cancellation immediately slowed economic activity. After the 1995 decision, mining and development companies cancelled their investments in the North, often citing NDP policies as the reasons for doing so. The North stopped growing, save for a fast-expanding First Nations population. Alcan did not proceed with their proposed expansion of the Kitimat smelter. In an unrelated event, Methanex closed their plant in Kitimat in November 2005. Alcan announced the closure of the Kemano settlement in 1999, removing the last 70 residents and mothballing a half-century old company town. The company also found itself in a protracted political and legal battle with the City of Kitimat over its decision not to expand the smelter and to sell surplus power outside the region.

The Alcan experience coincided with a sharp transition in the northern British Columbia economic system. Company towns throughout the region – Cassiar, Granisle, Tumbler Ridge – ceased mining operations entire-

ly, with Granisle and Tumbler Ridge marketing themselves as recreational centres. (The process is an inevitable part of mining company town life. Kit-sault, a molybdenum mining town north of Prince Rupert, abandoned in 1982, becoming newsworthy when it was put up for sale for \$5.4 million in 2004.) New resource developments opted for a radically different approach to staffing: joint ventures with local First Nations groups, capitalizing on local Aboriginal labour, and fly-in camps for workers who are based, for the most part, in southern centres. The forest industry, long the cornerstone of the northern economy, endured major transitions, including a widespread critique of clear-cut logging, loss of markets in Asia and the United States (the latter due to the softwood lumber dispute), and a mass infestation of the pine beetle, which is steadily destroying vast areas of northern forest. In the boom and bust cycle that has been the norm in the middle North, the post-KCP phase met the classic definitions of an economic bust.

The evolution of the Kemano hydro-electric project from a 1950s industrial mega-project to a hotly contested environmental issue, illustrates central features in the post World War II history of northern British Columbia. Communities in the region were transformed in this period from industrial outposts of southern Canada into regionally-focused though still economically vulnerable settlements searching for long-term stability and economic viability. But Northern British Columbia remained, as in the Kemano debates, bitterly and internally divided about the nature of that future. There is more than a little irony, however, in the reality that the decision to cancel the KCP came only because of outside protests about the undertaking. Even after a decades-long, community-based struggle over the future of the North, the region was denied the opportunity to make a clear decision on its own about the future.

Three fundamental elements have governed the development of communities in the middle and far North: the transiency of the non-Aboriginal population, the search for freedom from the boom and bust cycles which have governed northern life, and the struggle to wrest control of decision-making from external forces. Kemano, Kitimat and KCP represented, from the beginning, an attempt to escape from a well-established pattern of economic and social instability. Proponents of these projects saw power development as a fundamental element in the industrialization and stabilization of northern society, believing that the Kitimat smelter would be but the first major industry to be built off the steady supply of market-competitive Kemano hydro electricity. The North was not stagnant, in terms of its approach to development. In place of a strong consensus on the need for rapid development of resources and infrastructure, a new and different northern ethos emerged. The new North demonstrated tensions between sustained

or expanded industrial development and a commitment to environmental protection.

Kemano and KCP both encouraged population growth and revealed fault-lines in and among the residents of Northern British Columbia. The distance between First Nations communities and other northern British Columbians was revealed yet again, even though the indigenous population was more divided than environmentalists, in particular, assumed. The non-Aboriginal people in the towns founded on the opening of northern resource development revealed, through the debates of KCP, that a more diverse vision of the region's future had emerged. The open, passionate and divisive battle about further hydro-development in the region tested the communities and challenged northerners to articulate a regional strategy for development, bringing the North to the verge of an open, hotly contested and largely internal decision about the next stages of development.

In keeping with the broader pattern of Northern history, however, the opportunity was stripped from the North. The 1995 decision to cancel the KCP reflected the provincial government's response to broader province-wide environmental sensitivities and did not illustrate a North-centred judgment about the region's future. The British Columbia Utilities Commission investigation into the project, rendered irrelevant by the government's preemptive decision, revealed a region uncertain about resource development but willing to consider further expansion provided appropriate protections and precautions had been implemented. Instead, a mega-project was shut down and the much-vaunted regional benefits of KCP evaporated.

The promise of the post-World War II period proved as illusory as other dreams and visions of a new North. The levers of economic power remained in the South, and communities throughout the region struggled with little success to shape the region's future (Summerville & Poelzer 2005). Within less than a decade of the closing of KCP – an event that coincided with the closure of several major mines and the downscaling of northern infrastructure projects – another northern resource boom was underway, again propelled by outside forces. The election of Gordon Campbell and the Liberal Party in 2001, timed nicely with a surge in global commodity markets, reinvigorated the mining and oil and gas sectors just as a scourge of pine beetle infestations necessitated a rapid expansion of timber harvesting and as Chinese demand for resources permitted work to start on several northern mega-projects, including a planned pipeline to Kitimat and the expansion of the Prince Rupert port. The old style northern development – sparked by southern markets, southern governments, southern corporations and benefiting southern workers as much or more than northern communities – returned with a vengeance.



In the end, critics of KCP, and there were many, appear to have got what they wanted when the project was scuttled. But the NDP government's motivation had much less to do with a clear reading of northern sentiment than it did their assessment of the province-wide implications of permitting hydro-development to continue. Alcan got its future power, albeit through a complex arrangement with the province rather than through KCP, but the planned expansion of the Kitimat smelter was suspended and reductions in the labour force in Alcan continued. To add to the ironies surrounding the Kemano project, British Columbia now forecasts impending power shortages in the province, requiring both an increased reliance on imported power and the need to fast track power development on other British Columbia rivers, likely with greater environmental consequences than with KCP.

The ability to produce a consensus on regional economic priorities has long proven difficult in the North. The region's history has long been dominated by a culture of opposition – against the climate, distance, market forces, government policies, southern corporations, and broader images of the North. The strong, often bitter rivalries between communities in the region played out strongly during the KCP debates, as northern settlements offered competing visions of the region's future (Coates 1993, Naske 1991, Mitchell 1983). The absence of a common position on the KCP made it much easier for the provincial government to attend to political and provincial concerns, instead of regional ones. Kemano and KCP illustrate the cycles, tensions and challenges which have governed community formation and development in the post-World War II era and demonstrate the complex and often confusing manner in which personal choices, regional priorities, provincial concerns and international markets combine to ensure that Northern British Columbia remains without the means of determining its future.

Northern development requires complex trade-offs: between jobs and environmental change, between additional external control and business opportunities in the region, between serving the broader national interest and attending to regional needs. Over its history, the Kemano Power Project has been viewed as an engine for northern industrial development, an inspiration for economic expansion, a blight on the northern ecology, and a threat to indigenous communities. It has also been the focus of an intense political tug-of-war between competing regional interests. Half a century ago, hydro-electric developments were viewed throughout the world as the start of a new era in northern economic growth; they are now viewed in a complicated fashion, alternately lauded and criticized for representing the best and the worst in the modern industrial age. As Kemano demonstrates, however, the debates over northern resource development are, even after

decades of regional mobilization, typically decided on the basis of external ecological, economic and political priorities. Northern regions still have a long way to go before they gain the authority to determine their environmental and economic future.

## NOTES

- <sup>1</sup> "The view ahead is stimulating and bright," *Northern Sentinel*, 27 Nov. 1987.
- <sup>2</sup> "Water basis of dispute," *Kahtou*, Jul. 1986.
- <sup>3</sup> CFPR *Daybreak* transcript, 13 Dec. 1989.
- <sup>4</sup> "Houston merchants benefit from Alcan," *Houston Today*, 2 Jul. 1986.
- <sup>5</sup> "Alcan spends over \$450 million locally," *Northern Sentinel*, 13 May 1988.
- <sup>6</sup> "Half measures on power disappoint Northwest," *Northern Sentinel*, 3 Sep. 1987.
- <sup>7</sup> See, for example, the resolution by the Fort St. James Village Council, *Caledonia Courier*, 5 Aug. 1987.
- <sup>8</sup> "There can be more salmon and power too," *Northern Sentinel*, 21 Aug. 1987.
- <sup>9</sup> CFPR *Almanac*, 26 Aug. 1987, transcript of an interview with Mike Scott. See also "What have you done to create jobs," *Northern News Advertiser*, 25 Aug. 1987, and "Residents clamor for Kemano 2," *Northern Sentinel*, 23 Jul. 1987.
- <sup>10</sup> Among many examples, see "MP calls for full inquiry," *Terrace Review*, 2 Sep. 1987, and CFJW *News*, 25 Jun. 1987, News report; "Fulton points finger at Alcan," *Northern Sentinel*, 13 Oct. 1988.
- <sup>11</sup> "Union Overwhelmingly Supported, Kitimat Chamber of Commerce Misleading Public," unpublished circular, 1987.
- <sup>12</sup> CFPR *Almanac*, 26 Aug. 1987, transcript of an interview with Pat Moss.
- <sup>13</sup> CFPR *Almanac*, 16 Jun. 1986.
- <sup>14</sup> "Kemano II draws protest from Bulkley Valley," *Northern News Advertiser*, 4 Aug. 1987.
- <sup>15</sup> CFTK *News*, Interview of Alice Maitland, 19 Aug. 1987.
- <sup>16</sup> "Kemano project slammed," *Omineca Express-Bugle*, 7 Jun. 1989.
- <sup>17</sup> "P.G. jumps on bandwagon," *Omineca Express-Bugle*, 19 Aug. 1987.
- <sup>18</sup> "City to take a stand on Nechako dispute," *Prince George Citizen*, 11 Aug. 1987.
- <sup>19</sup> "City tries one more time to block Alcan's proposal," *Prince Rupert Daily News*, 27 Aug. 1987.
- <sup>20</sup> CFPR *News*, 21 Jul. 1987.
- <sup>21</sup> "Power games," *Interior News*, 12 Aug. 1987.
- <sup>22</sup> "We've been waiting five years for a settlement," *Northern News Advertiser*, 21 Jul. 1987.
- <sup>23</sup> "More unity on the river use issue," *Hazelton Sentinel*, 3 Sep. 1987.
- <sup>24</sup> "Mines, forests, factories need power," *Northern Sentinel*, 27 Aug. 1987.
- <sup>25</sup> "No smelting expansion on the horizon at Alcan," *Prince George Citizen*, 13 Aug. 1988.
- <sup>26</sup> "One last appeal against a negotiated settlement," *Northern Sentinel*, 20 Aug. 1987.
- <sup>27</sup> CFPR *Lineup*, 3 Mar. 1988, interview with Bill Rich.
- <sup>28</sup> "Fingers crossed on new pulp mill," *Omineca Express-Bugle*, 9 Mar. 1988.
- <sup>29</sup> CFPR *Lineup*, 3 Mar. 1988, interview with Len Fox.
- <sup>30</sup> "Groups enter legal battle," *Houston Today*, 2 Jul. 1986, and "Alcan battles court action," *Northern Sentinel*, 20 Jun. 1986.
- <sup>31</sup> *British Columbia Utilities Commission, Kemano Completion Project Review Report and Re-*

*commendations to the Lieutenant Governor in Council* (Vancouver, B.C.: British Columbia Utilities Commission, 1994).

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