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Interview no. 910

Evaristo Valdés López
Yeah. Today is Wednesday, March 6, 1996. I'm in Mexico City at the offices of Sal Treviño. I'm going to visit with Mr. Evaristo Valdés...something about his memories of his professional career in regards to the mining business. Mr. Valdés, thank you very much for your time. You went to school at Texas College of Mines, graduated in 1939...

How did you get interested in the mining business? What brought you to begin a career in mining?

Both of my grandfathers from my mother's and father's side were miners. They owned mines in Chihuahua. And from there on I got the idea that I should keep on mining. We lost those mines during the Revolution when we had to go to El Paso. And we lived in El Paso. I lived there for twenty-two years...all the time that I was in school. So I finally graduated at the age of twenty-two in 1939 and started working for ASARCO. I got a job with ASARCO, American Smelting and Refining Company. And there's where I got my first idea of what mining was like.

Then I went to work for another company in the mountains of Chihuahua where I was superintendent in a mill where I
started. And I, also, was working the mine. And then I came back and worked, again, for ASARCO in San Luis Potosí. And there I caught a...the doctor said it was something like an allergy to dust, so that was one of the reasons I had to get out of mining. So what else could I do after I got of mining? [I thought], "Well, let's use some of my friends that are in the mining industry." So we started a company, Montes and Valdés, to handle mining machinery. We worked with the different mines, the different friends, and different college buddies that we had and they all were very kind. They gave me a hand. And we went from there on and we've been working with the mining industry since then.

We have found the mining industry...well, at first, when it was in other hands, it was harder to get in to, but then when it was Mexicanized, we were really able to get in. And not only that, but since they wanted to Mexicanize as much as possible we started manufacturing some of the equipment in Mexico to keep the dollars in Mexico. That's the idea, mostly, and to give work to our countrymen. And since then we've been growing a bit. We get different lines. We've got lines now when the metal mines- well, not now, but at the time when the metal mines went down, when silver lost its value, we thought, "Let's get into coal mining." Coal mining was doing very well, so we got into coal mining and we got some representation of English companies which we thought of at the time, and we have proved it, that they are the best in coal
mining. So we represented Doughty and Finner and brought their equipment into Mexico. We furnished quite a few long walls in the area up in the Piedras Negras area, which borders Eagle Pass. And after that I... (taping stopped and started again) We got the idea that we should start manufacturing some of that equipment in Mexico. And we got a company to start doing it with the know-how of the Doughty Mining Company. And they are still active and doing manufacturing of these supports and servicing the mines and manufacturing most of the spares, not in the electronic or the hydraulic side, but in the mechanical side of the support. And they're doing well, but we are not related with them anymore, except we can represent them.

And that brings us up to about this date where we now keep in touch with all the mining companies and sell to them whatever equipment they need that we are handling. And most of that is in some crushing equipment and these supports that I was telling you about and the Finner belting, which is a self-extinguishable belt that is used in coal mining where we have found a lot of buyers. I guess that's about the sum of it all up to this date.

M: Well, let me ask you some questions. You mentioned that when you first got of college you went to work for ASARCO. What was the first job you had with ASARCO and where?

V: The first job I got with ASARCO was in San Luis Potosí.

M: At the what? San Pedro?
San Pedro. You know San Pedro?

I know...yes.

(chuckles) Do you know Tinen?

I know Roberto Limón.

Oh, Roberto. Have you seen him lately?

Yes, sir.

Where is that guy? In El Paso?

In El Paso.

I haven't seen him since he lived here for awhile. And then he left and we haven't heard from him.

What do you remember about the general conditions there in San Luis when you first went to work for ASARCO?

Well, it was very hard to work there because there were sulfides and it was really hell. And when I left they had a fire and that's why the mine closed. And then they transferred me to Chihuahua, which I also wanted to because my family lived in Chihuahua.

At Santa Eulalia?

At Santa Eulalia, yeah. And I worked there. I had already had this problem with the dust and the doctor at San Pedro said, "Well, look. Let's move you over to Santa Eulalia, which is a wet mine." But there was enough dust there to, also, give me hell, so I quit altogether and went in to this selling of mining equipment that I've told you about.

So when you first started, then, selling mining equipment who were your primary clients? The bigger foreign mining
companies? (taping stopped and started again) Were most of
the clients, then, with foreign companies?

V: Well, at the time, yes, and then a lot of small Mexican
companies that were working. The small Mexican companies were
the ones that it was easier to get in to because larger
companies had standardized on most equipment that we couldn't
handle because other companies were handling it. You'd get in
there and they'd say, "No, we want Ingersoll-Rand." Well, I
didn't have Ingersoll-Rand. I had Thor. Thor was another
make that I had to get because they weren't represented here.
So [through] Thor I got it into small mines.

M: Well, did you visit a lot of these mines in the course of...

V: Oh, sure.

M: What were some of the just general impressions that strike you
now about access and conditions at the mines and so forth?

V: Well, there were some mines that were hard to approach, you
know, at that time.

M: These would be some out in the sierra, for example, in the...

V: No. No, I mean, because they wouldn't let you in, you know.

M: Oh, okay.

V: They had a lot of rules about getting in. And now, all I have
to do is call any one of my buddies and I'm in there or send
some of my engineers.

M: Right.

V: I've got three or four engineers working for me. But once it
was Mexicanized, I think, we had freer entrance and access to
all of that. And we helped some of the boys choose their equipment and... I don't know, it was more of a friendly thing than before.

M: Why was that? Because...

V: Well, we knew each other. And the others, some of those fellows that were here, they weren't, I don't know, they weren't too keen in talking to us. They had their own salesmen that were visiting them, so they didn't want to talk to somebody that... I wasn't going to give them anything that they really needed because they, like I said, they had standardized...crushing Nordberg. And drilling, they had Ingersoll-Rand or Gardner Denver. And what could I offer?

M: Well, you mentioned, though, that after the Mexicanization you thought that was when the mining industry took off here in Mexico.

V: Yeah.

M: Why would you say that?

V: Well, maybe I used the wrong term..."take off." I mean, it took off for us. (chuckles) We were able to get in to it.

M: But you saw a lot of the companies, too, though, expand operations. ASARCO, which became IMMSA, expanded their operations considerably, didn't they?

V: Oh, yeah, sure. IMMSA...when Jorge Larea bought out the part that he did for IMMSA and they kept going and they kept opening new projects or old ones that because of the new price of silver they could open them up again. And then we saw a
lot of the small ones close, like the ones in San Luis...Real de Catorce. Do you know Vicente Cisneros?

M: I do not know him.

V: He's another one of our buddies from Texas.

M: Oh, yeah.

V: He died last year. What a guy in mining. He did a lot of good.

M: Well, what have been some of the principle changes that you've seen from a technological standpoint and reflected in the type of mining equipment that have gone on from when you first started in the equipment business in, must have been, in the 1940s to the present?

V: Yeah, in [19]39 I got my first job. Well, in fact, the school got me a job in Shafter, Texas. That was my first job. We got out on a Friday and Monday I was going down the mine. But there they put me to work with mucking. I started mucking and kept on going up...sampling, mucking, working in timbering. And from timbering I went on to surveying. And then from that I went into the lab and then I went into the mill, so that was a second school that I really appreciated. It did me a lot of good.

M: When you first started working and were first starting selling equipment there was probably...the majority of the work in the mine was pretty much labor intensive, wasn't it?

V: Oh, yes, yes.

M: When did that really begin to change? And what was the main
impetus behind the mechanization of mines?

V: Well, it started slowly. It started very slowly with the... I mean, all these other companies had their- I wonder, how the hell I'm going to get some of this terminology- scrapers. We used to work with scrapers.

M: Uh-huh, yeah.

V: We used to work with scrapers and then from there on...

M: Slushers.

V: Yeah, slushers. And then from the slushers they went into other mechanized equipment and a lot of belt conveying underground. And then they came in with the scoop trams. And then, also, the drilling...they brought in the drills to drill the shafts and the different- what else did they have there? Well, now we're working with equipment that we can survey without the instruments that we had before, you know. We're using some of that. And we have some of that equipment that we're trying to sell, also. You get your distances by radar, by...

M: But the main changes, for example, in just underground mining, when they essentially went from a lot of hand mucking of ores to more mechanized, either rubber-tired equipment or mechanized loaders...when did that really start? When did it become more in style?

V: Well, that really became in style with the larger companies, you know, like Naica. You know Naica?

M: Yes, sir.
V: Naica was one of the ones where I first saw them going in with scoop trams. It was a big body there that they were working on. But, heck, the timing is something I just can't remember.

M: What about even the smaller mines? Now the big companies, of course, they would have been the first to mechanize and so forth. The smaller mines...are most of those mechanized now in Mexico?

V: No, very little, very little. I mean, it depends on the size of the mine. But then we have some where, I mean, it's like kind of a prospect or when they're trying to open up new veins. That, really, is done mostly by hand...and a lot of it because we like to give work to all these people, you know. There's so many of them that have been laid off because of these mines that have closed. When the silver went down to around four [$4 per ounce] - it used to be twelve [$12]. When it was twelve we had a lot of mines working...

M: Yeah.

V: Twelve dollars.

M: Now, you have been involved in equipment manufacture, too.

V: Yes.

M: What special problems have you encountered of starting a business to manufacture specialized pieces of equipment?

V: Well, the training of our people. First, we had to train them how to do the different parts that we had to assemble, but we had a lot of help from our principles. Once we start anything like that we have to make a contract with them that they're
going to help us, they're going to give us prints, they're going to give us know-how. And some we pay a royalty to, some we don't, because someone would get paid because of "know-how", but then we want to get paid because of the "know who", so that's where we balance it off.

M: Well, most of the equipment that you manufacture here in Mexico, where are your manufacturing plants?

V: Well, this one is in Monclova [Coahuila], the one I have been telling you about that's close in Monclova, close to the steel plant where we use a lot of steel and not too far from the mines. We are going to start manufacturing here in Mexico City the Fairbanks line of scales. We'll be manufacturing the truck scales and railroad scales...just bring in the electronics and all the structural work will be done in our shop that we have close to our office.

M: Well, you've seen a lot of changes not only in the mining business, but, of course, in the manufacturing business through the years.

V: Oh, yes. Oh, yeah.

M: What would strike you as the principle changes in manufacturing? Is it, again, just hand intensive labor to more mechanized?

V: We're automating a lot of it because we have another company, Ramsey Engineering, where we build electronic equipment for the processing- what is it? Any company that moves material in bulk we can control. We can weigh on a belt conveyor and
we can control speeds, densities, the height. We can weigh in bins. And we do a lot of that with the mining companies now. We're now building five weigh feeders for the copper mines, so we get around. (chuckles)

M: What do you sense, particularly as a kind of person that deals directly, but is not an employee of the mining business? What do you sense about the attitudes of mining companies these days in regards to the future? Are they optimistic?

V: Very much so. I feel that they are optimistic. And all of us have our fingers crossed that the metal prices will keep where they are or get better. But we think there's a lot of future in it.

M: Do you see your particular line of business as being well served by the recent NAFTA agreement? Do you anticipate more competition in the type of heavy equipment that you deal with?

V: Well, with the NAFTA we've been able to bring in a lot of the parts that we used to pay fifteen and thirty percent. Now, we're bringing them in just about duty-free, so that's helping us. And then with the Mexican component that we put in to it we lower our price compared if you want to bring the whole from the states or from other parts. So we have in that line that I'm telling you about, Ramsey, that company has about seventy-five percent of the mining industry that we cater to. That's been over twenty-five years.

M: Do you think that as a consequence of NAFTA that your company or companies like yours would have more of an opportunity for
export business than you had before?

V: No, no. We don't have the volume. I mean, it takes volume to be able to export. And if somebody were to tell me, "I'm going to give you so many orders," I wouldn't have the money to set up for those orders because I would think, "Is this going to be one shot or what is it going to be?" No, it's tricky. I mean, we're doing a lot of corresponding with Central America and we might be able to sell Central America one or two crushers or stuff like that and our other equipment, this electronic equipment, but not to grow from that, no.

M: Well, a change of subject. You mentioned that your family was in the mining business. What do you remember about the early years in Chihuahua and some of their stories or even some of your own experiences that led you to have to leave Chihuahua?

V: Well, the only reason we left Chihuahua was because of Pancho Villa that went in. And my father, at the time, he had a company. They were selling machinery there in Chihuahua because he, also, got out of mining. And we had to go. I was six months old when they took me to El Paso. And then I left El Paso when I was twenty-two.

M: So you grew up in El Paso?

V: Right, right.

M: Did you attend high school in El Paso?

V: El Paso High. Lamar School was my first grade and then El Paso High. And from there I went to Texas College of Mines.
M: When you were living in El Paso, and particularly when you were at college there, did you always think that you would come back to Mexico as a professional? Was that your intention?

V: Well, yes. That's why I studied mining. I wanted to come back and see what I could do to try to take off where my grandparents lived. They left us some properties, but we lost them because of taxes. You know, we didn't pay taxes so we lost them, but that's the way it worked out.

M: Well, you've certainly seen a lot of change and a lot of success on the part of people that you knew that were graduates of Texas College of Mines.

V: You better believe it. The richest man in Mexico is Salvador Treviño. (chuckles)

M: Well, thank you very much for your time, Mr. Valdés.

V: Well, it's been my pleasure.

M: I appreciate your time.

V: Thanks a lot.

End of Interview