

**Narrator:** Michael Amos (MA)

**Affiliations:** Canadian National Railway (CNR), Grain Transportation Agency (GTA)

**Interview Date:** N/D

**Interviewer:** Ernie Epp (EE)

**Recorder:** Owen Marks (OM)

**Transcriber:** Sarah Lorenowich

**Summary:** Former ports coordinator for the Grain Transportation Agency Michael Amos discusses his career with the railway handling grain shipping logistics. He begins by discussing his time as a clerk for the Canadian National Railway, and then his move to being the grain coordinator for the company before moving to the GTA. He describes why the GTA was established as a third-party coordinator of car allocations during a time of Canadian Wheat Board grain pooling, the weekly meetings held with the railways and elevator companies, and the issues of preventing railcars from clogging up the system and being charged demurrage. Amos then moved to the United States to test railway tracking software. He discusses some of the major changes and challenges over his career, like the Crow Rate debate, the privatization and corporatization of the grain industry, the building of inland terminals, the necessary growth of farms on the Prairies, markets shifting from Europe to Asia, and computerization of the industry leading to downsizing. Other topics discussed include Board and non-Board grains, the Great Russian Grain Robbery, his pride in working for the GTA, the closure of the GTA and the Canadian Wheat Board, CNR's car tracking system, and various stories of railway shipping issues.

**Keywords:** Canadian National Railway (CNR); Grain Transportation Agency (GTA); Grain transportation—rail; Grain shipping logistics; Car allocation; Grain pooling; Canadian Wheat Board (CWB); Boxcars; Hopper cars; Grain doors; Canadian Pacific Railway (CPR); Crows Nest Pass freight rate; Demurrage; Bills of lading; Terminal grain elevators—Thunder Bay; Lake Shippers Clearance Association (Canadian Ports Clearance Association); Grain transportation—ships; Dockage; Canadian Grain Commission; Privatization; Computerization; Inland grain terminals; Country grain elevators; Rail subdivisions; Grain varieties; Grain grades; Unit trains; Downsizing; Grain transportation—trucking; Grain trade—Laws and legislation

Time, Speaker, Narrative
EE: Well, it's a great pleasure to be here this afternoon. Let's start by asking you to give your name, place and date of birth, and we can go on from there. Which is repeating what, of course, we had on paper, but this puts it into the recording.

MA: My name is Michael Brendan Amos. I was born November 26, 1954, in Bottineau, North Dakota—a little border town very close to Waskada, which was my original hometown. My grandfather there was the town blacksmith, and 20 miles away at Lyleton my other maternal grandfather was a farmer. My roots are, until I came to Thunder Bay at least, in the grain industry.

EE: Deep in farming and supply support to farming. My father farmed most of his life and then bought the welding shop in Carman, Manitoba, and worked like your first grandfather in terms of blacksmithing for farmers and others. Well, as you were saying, you started in the grain industry, or your family was, but you yourself, perhaps you could tell us how you came to be involved. As an adult, how you got here. Did your entry into the grain trade occur here at the lake head?

MA: Yes. Basically, what happened was I started with CN Rail [Canadian National Railway] as a clerk at their Neebing office, which is in the Westfort or just outside of Westfort—all sorts of clerical jobs. I used to walk the tracks morning, noon, and night. Of course, work around the clock, we'd have to check grain cars. Some of the things was when I started in May 18, 1977, we had already started spending—the federal government—had already started spending money on the government fleet. The Wheat Board did as well. They hadn't quite started making the provincial fleet. And all of this was, as you know, with part of the Crow Rate issues—the fact that the government, in order to get a sufficient fleet for transported grain, had to step in and actually give the money to the railways, or front the money, for grain transportation. But they still had boxcars. And boxcars, of course, was the way that we transported grain for many years before that.

We continued to do up until the late eighties with grain boxcars, and we used grain doors on those. There was a specific type of load and unload facility that the elevators used for them. Basically, the grain door men who worked on the railway would take the grain doors, which fit across the boxcar door opening, and they would have to refit these and fix them up so that they would cover the door. They'd fix them up, and we'd ship them back west, and farmers or elevators would reload them, use those doors to reload boxcars. They'd come back in and the elevators would break the doors again as they dumped the boxcars. They basically clamped them, single boxcars, lift them up, turn them, and dump them mechanically, and then put them back down, and run them back out to the railway.

So, we had both of those when I first started. My job was to run up and down, basically looking at the various cars and making sure that cars were loaded or empty as they were supposed to, that they were carded correctly. In other words, we used to put these little letter-sized cardstock information panels on the door. We'd use, actually, roofing staplers like a hammer, and we'd take these cards on there, mark that a car was CN 480295 boxcar, shipper Richardson, and maybe it was canola or wheat or something else. And if it was something that couldn't be pooled—and that's a term that I'm sure you're familiar with that I can get into if you wish—but they would have to staple it with a green card so that when it went to the elevator, while we knew it and

maybe the Grain Commission did, in the event that maybe the elevator agent's tag was missing, they would know and they'd give us a call and confirm what the car was, and those kinds of things.

So, I did that. After 1984, when a gentleman by the name of John Tafe retired with CN, I became the grain coordinator, basically, lining up trains incoming, coordinating with CP [Canadian Pacific Railway] and the Grain Transportation Agency [GTA] to make sure that of all the cars that came into town that were available for unloading, that we made sure all the elevators were staffed--. That all the cars got to the elevators--.

EE: Got to the right ones?

**[0:05:09]**

MA: Yeah, not all to the right ones, but in sufficient numbers that their staff could work and unload cars and maintain throughput. The key in the port was always throughput.

In 1994, I left CN and went to the GTA, replacing a gentleman by the name of Dino Burella as associate ports coordinator. Worked for them for two years, basically working on daily plans and keeping port statistics and that kind of thing. Coordinating with the GTA offices in Winnipeg and other places to make sure that we weren't maybe taking too much of one type of grain, or one company maybe having too many cars and tying things up as a result. It was very easy for a single grain company to promise that they had vessels to take cargo off maybe in the next two months, those ships not to show, the cars to show up, and the port to be plugged. And things grind to a halt. That's basically everything I did. That's a synopsis of my career in grain.

EE: The Canadian career, which we'll focus on for a little while longer.

MA: Canadian career, yes.

EE: Well, that's a great scan of your activity. It gets us past a number of questions. I'm interested in some aspects of the first part, working for CN. The CN, of course, was in the transportation business as a service—profit making, of course, whenever possible.

MA: At the time when I started it was a Crown corporation. It was.

EE: Still a Crown corporation. And the privatization was--?

MA: '96 I believe.

EE: They were interested in becoming more profitable or being profitable. By the late seventies they laid-off a whole bunch of people, about the time--. When did you start? Started '77 you said?

MA: I started May 18th of '77. Just in the office locally they were probably 130 people. And that's in the office; that doesn't include the people that ran the trains, the engines, and stuff, and serviced them. By '94 it was probably half of that, and it kept reducing until right now. CN has almost no presence in Thunder Bay. They bring trains in, and CP does all the local work. They may have 20, 25 employees tops that are active.

EE: It seems to me, I remember a press report circa 1980, somewhere in there, indicating the achievement of CN management moving towards profitability. Part of that was laying off so many thousand workers. I think chiefly the road maintenance people, I think, were the ones that were particularly being cut at the time. Anyway, I just thought about that and said to myself, "Well, there's a burden shifted to the unemployment insurance commission very nicely." But I don't want to make much of that. I'm more interested in the fact that--.

MA: That was a railway trend. It was an industry trend.

EE: I suppose. The interesting thing about this is that it was a service ultimately to the, I suppose, to the Wheat Board. But the Wheat Board as seller of grain with the grain companies also being in a sense in the service business, weren't they—for the farmers or for the country—getting the grain to the Lakehead for export. And so, ensuring that all of this worked both efficiently and, I suppose, fairly to everyone concerned. Would you end up at times with rolling stock, loaded cars sitting in the yards waiting for--?

MA: Yes, a lot. It was very much due to the whole Crow Rate system. One of the things the railways weren't allowed to do was charge demurrage. Are you familiar with the term?

EE: Yeah, payment for things just sitting there.

MA: For cars sittings, right. A railcar has wheels because it's not--. [Dogs barking] Should we stop?

**[Audio pauses]**

OM: Take one breath there Ernie, and I'll let you know when we can proceed.

EE: As you were saying about the demurrage system, the charging for things just sitting there.

MA: Right. And the railways couldn't do that as long as that shipment was receiving the Crow Rate subsidy. And that was basically every car of grain that originated in western Canada going to Thunder Bay, Churchill, Prince Rupert, Vancouver, or any internal western Canadian cities. So, we were kind of stuck. What ended up happening, the system that was put into place was an allocation system, which was basically administered by the GTA.

**[0:10:14]**

EE: I was wondering, how was the GTA? It was established by the federal government, by the Wheat--. Was it the federal government?

MA: Yes, federal government.

EE: As a facilitator?

MA: Facilitator. And it had to do with a lot of the problems that were experienced at the ports of Vancouver, for example—canola issues and things like that. I don't know if you've spoken with Tony Kaplanis or not.

EE: I did back in the eighties when I was MP, and I'd like to chat with him again. He was--.

MA: Yeah, and he's probably coming back from Arizona now, or soon.

EE: He was the director or the manager of the local office?

MA: Yes. I'm not sure the exact year they did this, but they were kind of instrumental in pushing towards pooling because the Board grains—wheat, durum, oats, barley, rye, and maybe flax. I don't remember. I believe flax were—no, not flax—were Board grains and everything else was called a non-Board. In other words, the marketing was done through the Board and if someone shipped a car of [No.] 1 Red to Thunder Bay--. Or say, ten companies each shipped a car of [No.] 1 Red to Thunder Bay, they were basically getting paid to move it on behalf of the Board. The Board did all the marketing, the loading for the vessel was on the behalf of the board, and everything else, and with pooling.

Prior to that, it was one car, one shipment. So that company would say they would have a car of [No.] 1 Red, and they would have to get it in their elevator. And so, a train of 100 cars coming in might be going to eight or ten different elevators. That took a long time and was really hard to do anything with. If, for example, 20 percent of those cars, or all of those cars, were non-Board and the elevators were plugged, they would say, “Well, we don’t want this car right now. We can’t take it. We need our bin space.” Logistics is two things: It’s transport and storage. Okay. And if their storage is plugged because they’re waiting for vessels. And this happened a lot, especially in the spring before breakup, that car would sit. Another elevator could be empty, but they couldn’t put it there. Except for what they call a non-Board, two cars of wheat are both on the same account, they’re both going into the same vessel, to the same customer--.

EE: They’ve been graded as being equivalent.

MA: Yeah. But before pooling was set up, that one car would sit in front of a full elevator when another one was empty, doing nothing and could have taken it. And so, they started saying, “Well, this doesn’t make sense. How about we do pooling? We get all these grains and if somebody unloads it--.” If I unload your 100 tonne of grain and you unload my 100 tonne of grain, well, there’s certain amount of processing fees—the grading, the cleaning, the shipping—all that stuff. You just say, “Okay. Well, you get paid for 100 tonnes of processing and I get paid for 100 tonnes of processing. What’s the difference?”

EE: Who cares whose wheat it is?

MA: Yeah. But if we get it so that we can put it in there—and let’s say somebody needs to ship 12,000 tonne of [No.] 1 Red, and there’s only so much in town and so much coming—we can actually take cars and move them towards that one elevator. There’s all sorts of advantages to be able to do that.

EE: And that’s what the GTA had the authority to do then?

MA: That’s what they pushed for. No, they pushed for the agreement. I believe the Wheat Board probably did. The Wheat Board had the power to say—and this is my understanding—the Wheat Board had the power to say, “Look, it’s our grain, so we want you to do this. Show me where you’re going to lose money.” So, they basically guaranteed that each railway would get their share based on what they generated. All the grain companies got their share. If you generated 100 tonnes in the country, you got 100 tonnes. If there was only one car left, and you were owed 100 tonnes, and everybody else was even, you got that car. You may have to work overtime to do it, but you got that car. It worked fairly well through the ‘90s, but there were other things that were

happening out in the country that would affect that.

EE: Let's just take this for a little bit more. Did this involve a lot of paperwork in the office, the holding of records? Or was it mostly the exercise of the authority that--?

MA: It made it easier because we could differentiate. Yeah, our computer system would say, "This is a car of [No.] 1 Red. Here's a car of feed barley. Here's a car of oats." There's nothing special about it. If it said "Care of" and it had a code—they used the grain codes—a 3999 might be a special grade of oats, a 4999 would be malting barley. "Care of Canada Malt. Care of Sask Pool 7B". So, we knew exactly that's the way it was billed.

EE: Where it should go.

**[0:15:38]**

MA: It showed up in our system. Those ones would go to 7B. I'd walk out in the yard—or someone would walk out in the yard—with that green card that said "Pool 7B malting barley", and they'd staple that on the side of the boxcar or the covered hopper. As it goes by, someone would look at it—maybe the railway would—and if it wasn't on their list they'd say, "Hey, here's a car of malting barley." They'd hammer on and make sure it's a load or empty, and they'd put it in. Now, if it got into the wrong elevator-- . Because sometimes if you got a string of cars and that elevator's working a shift, and there are people waiting, and it's going to take you two hours to switch cars out as opposed to throw extra ones in there and tell them to run them out—and the term was a run-out—then we put them in there, they'd look at the green tags.

What happens is once the cars are given to the elevator by the railway, before they start unloading them, the Grain Commission comes out and they pull all the tags on the cars. They go inside and look through the computer and elevate things, maybe call the railway to confirm who had that car, or what it is, the contents, if it didn't show up in their computer. They would send a list down to the people who were unloading and say, "Okay, here's a car of wheat. This one's a car of malting barley not for 7B. We're at 7B, this one's for Canada Malting. Run it out." So, they'd put a run-out tag on it, and it would come out as a load.

Now, with a run-out tag, this is all paper on the side of a car, right, on a certain spot, a little wooden plaque on the side. As it's coming out, the person who's looking at it, the foreman who's taking the empties out, he doesn't have a list necessarily because the cars can come out in any order. He or she, sorry, I have to be PC here. They can see—or a car checker can look at it, somebody who's looking at the cars—and they go, "There's a run-out tag on that." And if they look at the springs, you can tell the difference between a load and empty by how much the springs--.

EE: How depressed the springs are.

MA: Yeah. So, they'll go out and they'll slap it and say, "Okay. That's a run-out." They'll go read the tag and tell the foreman as the car is coming out, put that over in the Canada Malt track. So now the car is lined up and it'll go to Canada Malt. But we were doing that kind of stuff all the time, and it required a lot of eyes on the ground. But yeah.

EE: Where was the GTA office?

MA: The GTA office was in the Port Arthur post office, third floor.

EE: In the post office. But you were on the ground, and various people were on the ground?

MA: When I was with CN I was. Yeah.

EE: So, this was now being done by the various company employees there on the ground, checking all this.

MA: Yeah, right. CN or CP.

EE: I guess thanks to computers by this time, you didn't have the stacks of paper piling up in the office either for that matter.

MA: No.

EE: Were the computers networked between yours and the grain companies?

MA: Not like they are. No, no. I dare say they still aren't, but they can get print outs. The grain company now can--. You can talk about what they're doing now. But a grain company in the States, where I am—and I'm sure the technology is there—CN and Burlington Northern have almost the same computer systems. Customers can get a list of all the cars that were on their tracks, and we can certainly do that even before when I left CN. We would send lists of all the cars on the tracks, and they would know what they are. And both the grain elevator and Grain Commission could look at what was on the list and have a pretty good idea of whether or not their information matched what the railway was supplying. And that was electronic. We'd send e-mails to them with the list of the cars on the track.



When I first started, a train would come in and it might have 100 cars off of Swan River subdivision. They'd come into Thunder Bay, and they'd be loaded that way. That was one of the things the GTA would coordinate with the Wheat Board and others, was you had loading of so much Board and non-Board, they would allocate space to be fair on that train so that you could ship towards Thunder Bay. They might have another one the next week going towards Vancouver. So, this train would come into Thunder Bay out of Swan River subdivision. As they go along, the conductors would pick up all the bills of lading—the actual paper, the shipping bill—from the grain office. They would take one would accompany the car on the train, another one would be sent to the head office, and another one would probably be sent to CN's accounting office, or CP's. It would say, "Here's the car. Here's the shipment, this is what it is. Here's the tonnage." Whatever.

**[0:20:24]**

EE: They'd get a bill at each of the elevators when they picked up the cars?

MA: Yes, for every car. And that would show up in Thunder Bay, and the people, the conductor, would kind of toss it in, the list of trains, saying, "There's your train." We'd have to look through these bills and make sure we got everything right. "Okay, this is Board grain it can go anywhere. Anywhere, anywhere, anywhere. Oh, malting barely. Doesn't say that."

EE: You were involved in inputting this information into your computer.

MA: Right, yeah. So, we would look at that and go, "Okay, we got a car of malting barley." And even if we didn't have the bill, what would happen is all these bills of lading then would go to a grain accounting office, which used to be in the Chapple's Building years ago in the sixties, and ended up getting centralized in Winnipeg. But those people would then compare it against the billing and if there were maybe the car never actually got billed. In other words the grain company didn't bill with us—somehow it got lost—that would still get tracked. They'd say, "Well, we can look at the history of the car and know that it was a load. It wasn't billed. It got unloaded at Sask Pool 7A."

EE: The railway wants to be paid for that car too.

MA: Oh, yeah. Yeah. So, we would do those kinds of things and track it all.

EE: You were saying the changes in the country, is that what you were alluding to in terms of the Swan River subdivision?

MA: Yeah. So, they would do that, and after a while this all got to be electronic. In the nineties, those bills didn't show up anymore. We already had that information on the train list, it was a little quicker. They were transmitting--. Once you had computers networked in the sense that they could electronically bill, it sped a lot of stuff up and got rid of a lot of the paperwork, a lot of the paper shuffling.

EE: Your computer was networked with the Wheat Board computer, I suppose? And with the railway ones? If the grain companies--.

MA: You're talking about GTA?

EE: Yeah, I was thinking of the GTA.

MA: Okay. No.

EE: So, it all had to be input here?

MA: We got e-mailed. Yeah, we got stuff e-mailed, reports emailed to us. And we did the same. We would email reports out. If you're talking GTA—I was talking about railway—but talking GTA, it would be daily loadings and unloadings and all those kinds of statistics. Who was plus or minus in terms of their percentage for the week, the day, the year—that's both for the railways and the grain companies.

EE: So, it was above all sort of a balancing function that the GTA provided, amongst the companies and the railway.

MA: Oh yeah. It would set up a plan for the week, a plan for the day, and basically create reports that would look at whether or not we hit that plan and why didn't or did or exceeded it. If you think about--. Let's say you want that 100 cars out of--. Here's how the grain industry's changed, at least in my mind.

EE: Your observations.

MA: Yeah. Let's say there's Swan River subdivision had eight grain elevators, or ten, okay, a couple in every town—some of them could only hold five or ten cars, some could hold twenty-five maybe—but you could get 100 cars off that subdivision. I don't think you can, but let's pretend you could. Back then, it was all paperwork. And originally, before you started getting some

of the government intervention and coordination, they'd load whatever they wanted. Then when the Wheat Board said, "It's our cars. We want you to do it this way. We want you to pool," then it made it easier for the railways. They'd say, "Okay, we--."

EE: Did that change occur in your lifetime?

MA: No, the pooling was already there. Yeah. Early seventies, I believe.

EE: Sometime after--. But that late? Because this Wheat Board dates from sort of 1935, so the railway companies still ran the--.

MA: It was definitely late '60s, early '70s.

EE: Right, okay. As you were saying then, the Wheat Board takes control.

MA: And the GTA came up with--. It wasn't--. The Wheat Board had the power to say, "Those are our cars," but someone had to say, "This system works better." And that's what happened to the GTA. They say, "Now, if we could coordinate this, it would really work if we did this." And they went, "Huh, okay. Let's pool." And they went to the grain companies and said, "This is how we're going to do it and here's how you're going to get your money." That worked for the grain companies. They're basically kept on us by the fact that the Grain Commission gives them their grades on stuff. So, they can't say to a farmer, "Yeah, you've got [No.] 2 Red," when it was really a [No.] 1. They might say [No.] 2 Red, but when it gets to Thunder Bay, you'd probably get upgraded. It might get challenged, but it probably could be a [No.] 1. If it was a definite 1--.

**[0:25:27]**

EE: Could be upgraded to the advantage of the company, of course, if the farmer's been paid at [No.] 2 Red instead of [No.] 1.

MA: Now, or it could be downgraded to the advantage of the company if the Board wasn't handling it. Because if they downgrade--. Oh, in Thunder Bay, yeah, that would be a disadvantage to the company. If they downgrade to the farmer, and they sell it as an upgrade, that works really well. [Laughs]

EE: It's interesting to think about the various checks that were built into the system. The Grain Commission, of course, is over 100 years old, or was. It started over 100 years ago as protection for the farmers. How well did the coordination of all of this work here in the city? I suppose Tony was in charge. Would he be the one talking to the railway district managers or whatever they

were? Or was that happening, developed, at an even higher level as far as transportation is concerned? And then, of course, there are the grain companies involved.

MA: Yeah, um--.

EE: Did you get involved in any negotiations yourself?

MA: Oh yeah. Yeah. As the associate ports coordinator, I handled the day-to-day stuff, so I was used to talking to grain elevators. We had weekly meetings. Every Thursday at noon we'd have the meeting. What would happen is the railways would come in and say, "We expect to have this number of cars for next week."

EE: Already in transit, of course, in many cases.

MA: Well, or being loaded by Thursday. And we would ask, "Well, okay, is your loading cycle--? What are we going to have up front? Are we going to have cars for the weekend this week or should we save those and start over again? Are you going to have cars for Monday? Or if we unload on Saturday, is that going to mean we're not going to have cars Monday?" So, they would have to really drill down and find God in the detail, in their plans and say, "Okay, we have trains coming in Saturday, Sunday. We got this much. For Saturday we'd like to get some trains back out." And they'd come to us and say, "Okay, this is what we can do and our plan--." Usually the plan is set, I think it was three months. But, certainly, for the month each railway would have a target—to Vancouver, Ridley, Churchill when they were in play, and Thunder Bay.

EE: Ridley?

MA: Ridley, uh, Prince Rupert. Okay. And so, for example, if we had Churchill going and we had Prince Rupert going heavy, and we were 50/50, pretend, in Vancouver, then CN in Thunder Bay would be maybe 30 percent or 35 percent of whatever the target is, and CP would be 65 to 70 percent because they didn't go to those other two ports. But if they were equal in terms of what they're pulling off the Prairies, CP needs an outlet. They would coordinate that and say, "Okay. So, this is what would happen. In order for all this to happen, here's the numbers next week, and the following things will have to happen. Sask Pool will have to go on a second shift at 7A in order to make their percentage of that." Because if they were at, let's say, 48 percent or 45 percent of 2 000 cars for the week, then they'd have to do 900 cars.

And depending if it was Board or non-Board because certain things like canola would only go to certain elevators. UGG really liked to put canola through McCabe's elevator M because they could unload it and clean it—they had some trick with cleaning it,

and I can't say what it was. I don't really know, except they said they could clean it as fast as they unload it, which is really spectacular. They had a scheme. But anyway. And so, whenever canola was really moving through the port, they were really happy to say, "Okay, we're going to taper off over here, and we're going to take our share over here because we have to. We can get it going."

And all of these things were set. We coordinated on a day-to-day basis, and we'd look at the railways and say, "Okay. We need to take care of Mission." That's Cargill, used to be Pool 15 when I first started. "We need to take care of Intercity." Pat O [Paterson O] was kind of done when I was just starting. There was Pool 10 and 11 for a while there, and then it was Current River. So, Intercity was the big one, but most--. CN basically serviced most of the elevators at Current River. They did part of Pool 4—their own stuff at Pool 4—and they did all of UGG A. You couldn't have two railways going into the same elevator. Just, it didn't work. So, if CP had 65 percent, they had to give maybe 30 percent to CN at various places.

**[0:30:34]**

EE: In terms of the shipping, it would get into the elevator.

MA: Yeah. So, people at CN complained, and said, "Well, we've got to let our cars sit today, and we've got to spot CP cars." "That's right, because they need their share." And so, we had to act as referees at the GTA to make sure that was working that way. And at the end of the day, CP got their share of cars unloaded, and CN got their share of cars unloaded. While we're doing that, we looked at what would be left over, what the grain companies could unload, because there could be 50 cars from McCabe's, the elevator's full, but they couldn't unload them. So we'd have to get something else in the count for UGG perhaps, or someone else and coordinate with the two railways between what they have and what's coming in, and where they're going to yard their trains. If something was to go to, say, from CP to Cargill, CP would have to yard a train at Westfort and get it over to us overnight. CN would have to spot it. I keep saying "we". I'm talking about my role in the GTA. Okay. They have to do the same thing maybe to Intercity and Current River. So, CP would have to maybe move their cars around, and CN would do whatever they do. And they would have to spot CP cars. They have to plan it so they get cars through the day. It wouldn't really be good for either railway to get all their unloads on one shift, because they have engines that are bringing cars up to an area and taking empties back. So, it's better if--. There really wasn't track space to take 100 cars at a time, that kind of thing, because you'd block somebody else. That's one of Vancouver's big problems on the south shore.

EE: Not to mention blocking streets, I suppose, if it went too far.

MA: Oh, we don't worry about that. [Laughing]

EE: No, you're with the GTA, of course. So, there's a lot of yard work in terms of the little locomotives pushing, yard locomotives. At these meetings, would you have representatives of the each of the companies as well?

MA: Each of the grain companies. They'd look at their share.

EE: I suppose--. Sask Pool would send one person for all of their elevators? Or would each of the elevators be represented?

MA: Each would send one. Usually it's the elevator managers.

EE: You'd have 15, 20 people in the room?

MA: No.

EE: Not quite that many? 12?

MA: No, one from each company. I'm sorry. Sometimes they'd bring an assistant or something.

EE: Okay, sure. You're down to about seven or eight, I guess, by this time.

MA: Yeah. The railways would each bring one or two, and then there would be Tony and myself.

EE: Voices were never raised?

MA: Yes, they were. I mean if somebody said--. Here's an example. Railways say, "We're bringing in 2,100 cars next week." "Is it all through the week?" "Well, no. By Friday it'll be 1,800, so we're expecting somebody to have to work Saturday." Okay. So, then their plans fall apart—certain trains got stalled, held back—so now they're bringing 500 cars into the weekend, and the elevator's sitting empty waiting for cars on Monday or on Thursday and Friday. So, saying "I had people sitting around--." This is typical Sask Pool. "I had 75 guys a shift sitting around doing nothing for two shifts on Thursday and Friday, and you want me to work overtime on Saturday?" "Yes." And the reason was that when we were going heavy—say in 1984 when this port did 20 million tonnes—think of it this way, if you want to unload--. If it takes seven days to take a train out and back—from loading to reloading—seven-day car cycle.

EE: Locally or out on the Prairies?

MA: Out on the Prairies. To Thunder Bay and back.

EE: Say from Swan River subdivision to here and back.

MA: Seven days.

EE: That can be done in a seven-day period?

MA: Oh, it can be done. Yeah.

EE: If everything is running right.

MA: If it takes seven days, and you've got a goal of unloading 100 cars a week, how many cars do you need? You need 100 cars.

EE: Yeah, I think just 100, eh?

MA: You need a 100-car train out and back. Okay. What happens if it takes two weeks? How many cars do you need for 100 cars a week?

EE: That's 200.

MA: 200 cars. The railways only have so many cars, and they cost \$80 000 a piece. Even leasing them is expensive. CN went out, for example, when "The Great Grain Robbery" happened. You're familiar with that term? In 1983, '84, when the Russians went into New York, Chicago, and New Orleans--.

EE: This was '83? I was thinking '73, '74, was it? The time of the OPEC oil shock? Because there was something at that point as well, but this is '83, '84 now? Sure.

**[0:35:32]**

MA: Yes. They went into--. Under the American system, what would happen is anybody can buy from any agent, and they could sell the grain crop—the agents could. So, the Russians' crop was failing, and the CIA kind of spy cameras were looking, and they saw that the colour changes and stuff of the crop, it didn't look all that good. But the word never got to the rest of them. The Russians showed up at noon in those three places—delegations—just to kind of talk. Just, "How's it going?" And they immediately, at exactly noon at each of those three places, bought a third of the available American crop. Or they actually overbought.

EE: That was New York?

MA: Yeah. New York, Chicago, and, I believe, New Orleans. And so, the Americans didn't have that. The Americans grow like 200 million tonnes, and they can export 100 million, but they bought everything that they had and then some. Well, they bought a lot that could have been domestic as well, and the Americans had other contracts and stuff. They oversold. And these contracts were legal. And the Russians said, you know--.

EE: Your problem. [Laughs]

MA: So, they had to export. They came to Canada and said, "We need to buy all of your stuff for domestic." In other words, to sell for like mills, flour mills, in the United States. So, all of a sudden, we had to ship grain like crazy to the United States. We said, "Okay. Well, we need cars." So, we went out and we leased.

The railways have car management, like fleet offices, and they went out and they started going. They leased, I don't know, 10, 20,000 cars. I mean it was a huge number. They started bringing them in from everywhere. All of a sudden, we started getting this. But we were unloading car after car after car, and what was happening was we were not unloading it and shipping it to places like Chicago by vessel, but we were also bringing it in under the Crow Rate and shipping it in unit trains down to the States. Thunder Bay did 20 million tonnes of unloads alone. And a lot of that was just stuff going to the States because of that Great Grain Robbery that they talk about.

EE: '84 is an interesting year for me. There was a federal election and I ran in that election that summer.

MA: It was a good year.

EE: Frank Mazur, of course, moved my nomination at Grain Handlers. I remember his talking about 1,800 guys on the waterfront, you know, in the elevators. Would there have been an increase in employment in the elevators because of this as well?



MA: I don't know. I couldn't say. Probably not. There might have been some, but certainly they probably did just additional shifts.

EE: Additional shifts. Yeah.

MA: Overtime. Lots of overtime. And they were okay with that.

EE: No, I hadn't heard of that. That's--.

MA: That was our biggest year, and that was one of the reasons. You know, when people talk about Thunder Bay now, there's a pick-up in Thunder Bay. Things are picking up. You'd also have to look--. I'd listen to that, and I'd be down in the States, and this happened. Some of our best years were when steel mills shut down. I don't know if you're familiar with that process?

EE: Uh, well the consequence in terms of iron-ore, the back shipment of iron-ore. I have a sense of that.

MA: A backhaul. The term is backhaul.

EE: Backhaul, yes. We heard about that from Mr. Paterson.

MA: Yeah. Right. And so, a lot of our really good years are dependent on things like German steel coming in. And ships that are built the size to go up through the Great Lakes, come up and start dropping off iron and stuff like that and are looking for a backhaul. So, they'll go to places like Duluth and Thunder Bay and start picking up shipments to take back. Those are some of the years that we brag that Thunder Bay is coming back. It might be, but we need a few more steel mills to shut down. [Laughing]

EE: I guess this would be the business of Rollie Mann. Captain Mann was probably riding high in those days as well, since he was serving as the agent for the salties coming into the port.

**[0:40:10]**

MA: Oh sure, sure.

EE: You moved to the United States in--?

MA: Well, 1998. Yeah.

EE: Right. Oh yeah. So, you had a good 15 years in Canada still after this '83, '84 situation on afterwards.

MA: Yeah, yeah.

EE: We've been talking about cars sort of indiscriminately at this point. So, the railway had never built anything. They just used the boxcars. All the hopper cars were built by others?

MA: No, they built their own fleet. They built a fleet on top of the government fleet. But they had built a lot of the smaller capacity grain hoppers. As the government fleet came in, one of the things that CN did was they would take these smaller capacity ones and use them for potash. There's four axels, eight wheels, and they can take 263, 000 pounds on the rail between the car. And, basically, the cars weigh the same, but you can't get much grain in there. The government grain cars, you can get about 95, 98 tonnes of wheat, maybe 85 to 87 tonnes of oats, depending on the grain. But you'd get 100 or 105—or you can actually probably get 120, but the car can't handle it—tonnes of potash. So, they put the smaller capacity cars into that. But CN and CP both built a bunch of those cars. They used them for—. You can tell from some of the initials—CPI and CNIS—international service. They built a bunch to be used for moving traffic to and from the US. So, they had some large fleets.

But going back to the whole idea of the car turnaround, we needed cars not to sit. If they wanted us to move 20 million tonnes to Thunder Bay and the balance to the other ports, what needed to happen was those cars had to move. Under the Crow mandate, someone, if they went to the Wheat Board and the GTA and said—not the Wheat Board, the GTA—and said, “We need to load 100 cars of canola to Thunder Bay,” they could do that. And if the boat falls through or they switch it somehow or something else, those cars will sit.

EE: Sure. Because they're loaded here.

MA: Right. And so, you start thinking about how many more cars are required. Well those cars sit, but they could be blocking a track or preventing—. You know, it's like clogging the arteries. That's what those tracks are that are out in front of the elevators, those are arteries. You start clogging them with stuff that doesn't move then you're not going to get much moving. It's just a trickle. And that's what happened in Vancouver, for example. Canola was the—and still is—the non-Board grain product going through Vancouver. It has to move. And what happens is they pool the canola the same way. So, everybody is entitled to a certain tonnage and everything else, and they get a certain amount of shipping to keep fluid, because that's really important. So, if a boat

comes in and it's taking away 80 000 tonnes of canola, they'll look and say, "Okay, who has the canola?" Five elevators might have enough canola for the whole thing. Say, "Okay, well, who needs room? And who is entitled to ship?" They'll look at all those things and say, "Okay, keep them fluid and move them towards their percentage of throughput."

They do that, and they do the same thing here. That's what Lake Shippers was doing. Lake Shippers would look and say, "What have you got? I'll take this, this, this, this from each of you. It helps to keep you fluid and gets that boat out. The more I can get a single vessel loaded at a single elevator, the better it is for me, because I don't want to take 2,000 tonnes here and spend two hours moving across the Current River to get another 5,000 tonnes, and then while you were unloading come back to Intercity to get the rest. It doesn't make sense." And vessels have to be loaded in a certain way. You can't just dump them anywhere. You know, depending on the number of holds and everything else, there's a loading pattern that has to be observed.

So, Lake Shippers is pulling for these contracts, for these vessels that have to get stuff out of here. They're getting paid, although they're owned by the grain companies. Lake Shippers is still getting paid premium to get those boats turned around. I don't know if they charge demurrage or not, but I know when I was with CN, a laker would charge as much as \$1,200 an hour demurrage for sitting. So, if they were there ready to load and you stopped loading for an hour, you owed them 1,200 bucks. Yeah. I mean if you managed to make up the time--.

**[0:45:19]**

EE: Market disciplines in a way.

MA: Oh yeah, yeah. And so, the same thing. They're under pressure to get the loading done. If they get their portion done that's fine, but what they really like to do is get the whole boat done. Every one of those grain elevators wants throughput. So, they're saying, "Give us cars so we can get--. I've got 1,200 tonnes now, they're looking for 2 000, have you got eight more cars, 800 more tonnes, of [No.] 1 Red that I can ship? I'll get it cleaned real fast and I'll clean out some bins." So, those kinds of things happen a lot with the grain elevators. And then the railways would be asked to kind of look at incoming trains, and, every once in a while, kind of line things up that way to help the throughput and things like that.

EE: It's a marvelous system, really, with a number of different types of organizations and entities involved. The farmers grow it and whatever organization--.

MA: Put their faith in the system. [Laughs]

EE: They sell it to the Wheat Board. The railway companies are involved in moving. And there's no one organizing--. Although the Wheat Board with quotas, the quota system was part of spreading the loading around, I guess, wasn't it?

MA: Yes. Right. But there was a Board and a non-Board quota system as well. So, the board couldn't say, "Well, we need the whole fleet." That wasn't going to work, so they got a percentage of the fleet.

EE: Who made that decision? Was it sort of by federal--?

MA: I think it was the GTA.

EE: Well, it would have to be done in practice from week to week.

MA: It was an industry-wide sort of thing because the grain companies were getting the throughput on behalf of the Board, so they would have to have sold something, and sold at a certain date. I believe that they would look--. For example, canola through Vancouver, they would go to the GTA and others, and say, "Okay, we want to sell 25,000 tonne out of Vancouver," let's say three months from now, "March 15<sup>th</sup> to 20<sup>th</sup>. That week. Or March 15<sup>th</sup> to 30<sup>th</sup>, in that window."

EE: We have a market. Someone who is prepared to take this from us.

MA: Right. "And we need an allocation. And we need the allocation for the two weeks before. So, we load at the end of that week, and then get it out a week ahead, and then get it in to get cleaned." Because for them, if the contract says March 15<sup>th</sup> to 30<sup>th</sup>, they have to have it ready to load on March 15<sup>th</sup>. If the boat shows up March 14<sup>th</sup>, too bad, but if it shows up March 15<sup>th</sup> and it's not there, demurrage starts. Ocean boats are probably charging—I don't know what they're charging in Vancouver—but here they were charging a lot less, maybe \$3 to 500. There they're probably charging close--. I mean these are bigger vessels, so \$800 to 1000. Did I say a day? I meant an hour.

EE: I was just going to ask you. This is \$500 or \$800 an hour for it sitting there.

MA: It's an hour. Yeah, an hour. Yes.

EE: And then here it's a matter of organizing the movement into the elevators. The companies themselves will take care of--. All of that's being monitored by the Grain Commission inspectors in the elevators.

MA: Yes.

EE: And then you have the Lake Shipping Association, or Shippers Association, that is organizing the pick-up.

MA: Right. Once they get it cleaned and ready to go and in the bin, then they say to Lake Shippers, “We have 2 500 tonnes of [No.] 1 Red in stock.” So, they give them their stock. Sometimes when it’s tight, and Lake Shippers is bouncing around and saying, “Somebody give me what I need for a vessel,” what’ll happen is they basically--. What was I going to say? Yeah, they’ll tell them ahead of time, “I’ve got this track, I’m unloading right now. It’s got 14 cars of [No.] 1 Red. We’ve even gone up top and sampled it. It looks good. We’ll have it in three hours. Bring the boat over.” You know? And that kind of thing happened.

EE: It starts flowing.

MA: When it’s tight. When it’s tight to get a vessel out.

EE: And of course, the grain trimmers are there to make sure the ship loads properly. I’m just totting up a sort of list of how many different organizations, entities, there were from one end to the other.

MA: Yes. Yeah. Oh, there’s all kinds of interfaces and everybody has to do the job to get it done right. If they do, it works well. But it doesn’t take much to throw a monkey wrench into the works. That’s why things like pooling of canola on the West Coast and pooling grain in Thunder Bay worked well. Now, however, I know from the American system I know how it works with unit trains. Basically, you can go to, I guess, Viterra in Swan River. They could load 100 cars. They can load whatever they want—they can load some canola, they can load some barley—one direction, say Thunder Bay or Vancouver. They can load all that, it comes in, and they can unload it all. They’ll probably unload all the Board grain there is as well.

**[0:50:40]**

EE: Well, I was thinking that I would, later in this narration of yours, have you describe the current situation and how it is different. Or what changes have occurred. The American experience would be of interest, I suppose. You went to the US in--?

MA: ’98.

EE: ’98. And you were down there for--?

MM: Until December of 2014.

EE: Just a couple of months ago or so, as a matter of fact.

MM: Yeah.

EE: So that's 15 plus years.

MM: But I wasn't on the operating side. I was testing their software. So, I got involved in looking at how their system was designed to work and used my operating experience to basically assess what it was that they were trying to do, and whether or not it made sense.

EE: Right. How did their system compare with ours? And maybe in answering that you could explain the similarities and differences between the grain industry up here and the grain industry down there. Is that too big a--? That's a big plate, but.

MA: It is, it is, yeah. I mean, everything about the American system—and the Canadian system is moving towards that—with the end of the Crow, basically the Canadian system went that way. I mean, a lot of farmers spent their Crow money on hog farms and stuff, and they were encouraged by companies like Cargill, for example, to feed into their system.

EE: So, once the federal government wasn't assisting, subsidizing, the movement of grain, this encouraged farmers then to have the rate consumed on the Prairies to some extent? This is where the hog farms come in. And that transition takes place about '83? Would I be right? Or does it start a little earlier?

MA: Right, right. No, that would be with the end of the GTA. The subsidy, I think, was done in the '90s.

EE: It lasted into the nineties, did it? Because the Western Grain Transportation Act came in--.

MA: About the same time the GTA was disbanded and such. At least the port offices were.

EE: So, sort of the vestiges of the Crow Rate system, which lasted for almost 100 years then because it's '97 or so that it comes in from the Laurier Government to encourage the railways to build through the Crow's Nest passage into British Columbia. A country I know a little bit about.

MA: And maintain passenger service and all sorts of other good things in perpetuity. [Laughs]

EE: And provide low rates for settler's effects coming to the Prairies.

MA: Right, right.

EE: The Crow Nest Pass agreement was quite a marvelous thing in its day, but it suffered ups and downs over the years. The Trudeau government wanted to do away with it, did it not, in the early '80s? There's a history of that.

MA: I believe so. Yeah. There was a lot of pressure, but there was a lot of farmers who didn't want it.

EE: And they fought back. It lasted into the '90s, then?

MA: Yeah. There were groups. When I was with the GTA, we used to read a lot of newspaper articles—we have daily news from clippings from everywhere.

EE: Clipping service, eh?

MA: Yeah. And there were more and more articles, farmers doing things to get around the Crow. That's when the trucking across into the States was happening, and they were illegally getting arrested or whatever for taking their own wheat across and trying to sell it into the States. Trying to run the barricade against the Board. A lot of it, I mean, it was just--. There were a lot of very independent farmers who didn't see the Board as anything but an obstruction.

EE: Keystone was the name of one of them in Manitoba.

MA: Yes, it was.

EE: I've heard of it, of these independent-minded people.

MA: Right, right.

EE: From your knowledge of the industry, were they on the right side of history?

MA: I don't know. I don't know. I mean, you've got a--. I haven't looked at where the bodies are now, or who they are, but when you think about it, one of the differences between the States and here is a lot—something like 25 percent—of arable land is owned by major corporations.

EE: In the US?

**[0:55:00]**

MA: In the US. Farming is becoming a big corporate entity. The Wheat Board kind of guaranteed the fairness of the system for the family farm. If something like the Grain Commission went, it could be very difficult. Here's a scenario. Here's someone taking advantage of a farmer without him knowing it.

EE: Cheating him?

MA: Well, no.

EE: Not necessarily?

MA: Yeah. Because you set these bands, right? [No.] 1 Red is from whatever, a certain protein content and gluten and all that. Okay, that's [No.] 1 Red, And then there's [No.] 2 Red, and then there's [No.] 3 Red, and then there's Feed, and--. Okay? Well, someone can have a really, really, really good [No.] 1 Red. When they get that in the elevator, they take two percent; unless it's already clean, they take two percent for cleaning.

EE: As a charge?

MA: Yeah, as a charge. The handling fees are there as well.

EE: Literally they take two percent of the quantity of the grain, which become theirs then to sell?

MA: Yeah. And that's things like wheat and other grains, maybe some wild oats, some thistles, and all that. Stones.

EE: This is dockage?



MA: Yeah, dockage.

EE: Oh, okay.

MA: So, they take two percent dockage. They were doing that to some of the farmers even though--. In fact, I think it was Kindersley, there was one fellow out of Saskatchewan who was taking [No.] 1 Red and he was shipping it to Vancouver cleaned. Because he went and bought a cleaner as part of, "Let's do it on the Prairies. Why should it go to Thunder Bay or Vancouver and then we ship feed somewhere? If my next-door neighbour has hogs now, or he's growing cattle, we'll put the feed here."

EE: Yeah. Happy to take the dockage.

MA: Right. So, he sells the dockage locally, and he ships it to Vancouver, and he's charged two percent. Well, that's skimmed. That's not going in with anything else.

EE: This isn't dockage. You're just taking some of his crop.

MA: You're taking some of his crop. And that's going in with the [No.] 1 Red. That's not going anywhere else. Yeah. And as a result of that, they can now take that [No.] 1 Red and put it into a bunch of [No.] 2 Red. And maybe if the [No.] 2 Red is upper band, now it's [No.] 1. Because you're not trying to hit high [No.] 2 Red, or you're hitting a low [No.] 1 Red—as low as you can possibly get and still be a [No.] 1 Red--and you're throwing two percent dockage back in when you ship, by the way. Then if you've got a low [No.] 2 Red, or a high [No.] 2 Red, or a high [No.] 3 Red, you can use the rest of that [No.] 1 enough times, you can bring that up. Or you can ship your own feed wheat in for a flour mill and keep putting it in with the [No.] 1 Red, until you've got something to match all that two percent that you skimmed from that fellow.

EE: This would take a good deal of effort in a terminal elevator to do, or not?

MA: It's accounting. It's just bins. "Just leave that bin. That's a special bin. Lock that bin. We're not taking that bin anywhere. That's our feed wheat." If you wait until after the audit--. If you ship before the next audit, you're fine.

EE: I'm a bit shocked to have you say feed wheat and flour mill and the same breath. Can you expand on that?

MA: No, because you take that feed wheat, you ship feed wheat in and you call it milling wheat, and you pump it into a good [No.] 1, [No.] 2, and [No.] 3 Red to bring it down, and you keep skimming. And then once you've got 100 tonnes, you say,

“Okay. I’m shipping my grain.” Bang! Once it’s in the bin, there’s no identity on that grain. So, I mean, those are the kinds of things they do all the time. It’s small, but it’s still--. Yeah.

EE: Well, it’s often at the margin that you make a profit.

MA: Right. It’s their margin. It’s their margin. And they can do that. And so, what this fellow did, knowingly, was he went and took durum—which really can’t be separated in the cleaner from wheat—and he threw two percent of that in. And he said, “Okay. There you go.” And they said, “Well, you can’t do this.” He says, “Why? It’s two percent.” They say, “Yeah, but we can’t--.” “I don’t care. That’s your problem.” So, he moved his durum that way, and they couldn’t do anything with it.

EE: They had to sell it.

MA: They had to sell it as is. Yeah.

EE: It wasn’t more--. Was it not--.

MA: They basically put a bin and it went right in the vessel because they couldn’t--. It was at two percent. It was at--. It was shippable grain. They had to put it right in the boat.

And a lot of farmers are doing that now. They say, “Okay. Well, I’ve got to pay all this shipping. I’m responsible for freight and all the other stuff.” And then Cargill or ADM or somebody else says, “You know, we’ve got a lot of pork we feed in Chicago. How about out of Manitoba we take some of your wheat?” That cuts into the Wheat Board’s available grain, so all the feed grains and stuff. Okay, they start doing that. Farmers are diversifying. Everybody’s happy in the Brandon area because the air smells nice, and they’ve got hog farms all over the place. Their hogs are basically already sold to Chicago. All they have to do is keep them in the barns and keep feeding them. At a certain day sell them into the market, and it’s all taken care of. Now the Canadian grain is gone. Now Cargill can sell more American wheat. They can take the wheat that would have gone into those hog farms, and they can sell it into something else. I mean--.

**[1:00:43]**

EE: Now what would the economic impact be for the Canadian farmers? Is the Canadian farmer better off at the end of the day? Or has the Canadian farmer suffered?

MA: It depends if you owe your soul to the company store or not. Once you're committed to Cargill, you're committed to Cargill—or ADM, or someone else. Once you're committed as a hog farmer--.

EE: Is that what's happening? Farmers are having to sign contracts?

MA: Oh, yeah, they sign contracts. Yeah. But farmers are--.

EE: So, I see what you mean. They have sold their souls. It isn't the Wheat Board that they're depending on any longer. They're now locked into someone else's supply system.

MA: Yeah. But that's smart marketing, too, on their part. They can do what they want to do with the grain. They don't have to--. They can still grow, you know, half of their--.

EE: Except they have to meet the contract.

MA: I mean, some of these guys have ten sections. They can grow pulse crops on a couple sections. They can grow canola. They can grow wheat, grow feed, and have a hog farm, too.

EE: Well, this is the Canadian equivalent of what you were saying about corporate ownership in the US.

MA: Yes, yes.

EE: Farms are expanding in Canada in a similar way. Owen?

OM: You say pulse crop. Could you explain that term?

MA: I'll just say things like, I believe, mustard, peas, and lentils--.

EE: Beans? Soybeans?

MA: Beans, yeah. And they've diversified in that for a long time. And depending on where you're from, like up around the growing area north of Prince Albert, for example, is a big canola—not canola—alfalfa pellet area. They ship through here.

OM: Soy?

MA: I don't know about soy. There wasn't a lot. I'm sure there's some, especially in southern Manitoba. But I don't think there's a lot of soy. I don't--.

OM: Soy in southern Ontario, yeah.

MA: Yes, yes. Yep.

EE: I guess with this description of what's happening these days, including Viterra. Do you have any comments on the development of Viterra? The purchasing, the merging of the various Pools, and eventually it becomes Viterra, and now it is owned by Glencore in Switzerland—or controlled by.

MA: Oh really? Okay.

EE: Yes. There was an article in--.

MA: Is Glencore part of any other grain company or anything?

EE: Glencore is a rather notorious commodities company.

MA: Okay. Uh-oh. [Laughs]

EE: There's a *Rolling Stone* article from last spring I'll photocopy for you and drop off. You'd find it interesting.

MA: Yeah, I've been a little out of touch with that. I know that--.

EE: The article focusses on the financial companies such as Goldman-Sachs deciding to get into the handling of commodities.

MA: Oh, okay. Yes, yes. ETFs and everything else.

EE: And the article focusses particularly on aluminum. So, apparently, they were shuffling aluminum ingots amongst and between warehouses to create the impression that aluminum was in short supply. This of course would impact the makers of drink and beer cans.

MA: Oh, yeah. That would cause panic [laughing].

EE: And when I was reading this and saw Glencore in there, I said to myself, “My God. Glencore controls Viterra.” And this was at the time that the farmers were complaining about a blockade on the Prairies. What did you think of that? Complaints this past winter? Were the railways at fault?

MA: I’m not one to say. I know that on the other side of the border BNSF and UP had a lot of problems with snow, being able to move product, and everything else. I think it was just, you’re up against the weather, you can’t move stuff. Whether or not they tried as hard as they could have or should have, I can’t tell you. Yeah, I’m not in a position to say. I know that years ago, when CN first privatized, they may have done some things to make themselves look good to Wall Street, look better to Wall Street, maybe at the expense of some of the customers.

EE: Of course, the acquisition of an array of American railways meant that CN become genuinely a continental operation—railways all the way to New Orleans, I guess.

MA: Yep. Yes. It’s the only one that goes to four coasts.

EE: A remarkable achievement out of the railways that had gone bankrupt at the end of the Great War, and the government took them over to save the Canadian Bank of Commerce. One of the arguments is that the Bank of Commerce had sunk so much into Canadian Northern, it would have failed if the railways would have been allowed to just go into bankruptcy, so the government of Canada saves them at the time. The latter end seems to be a bit cruel in some ways—seeing what happened to Canadian Northern. But, I guess, that’s the sort of thing that can happen.

MA: Yeah.

**[1:05:34]**

EE: Well, we've done a marvellous job here with all kinds of--. Typical days be darned. What kind of work did you--. Well, you've answered most of these questions, I think. There are some questions that were laid on by laypeople thinking about the whole business. Like a question, what might interest or surprise people most about the work you did?

MA: Interest or surprise.

EE: Or what are you most proud of in the work you did over the years?

MA: I'll answer both questions. That it added value. That might interest or surprise people because it was the federal government. But I'm proud of that. I found that being able to--.

EE: Added value or reduced costs?

MA: I think it did both. Yeah. On the whole pooling system--. They didn't get rid of the pooling system in Vancouver for canola because pooling works. Maybe getting rid of the Board, I don't know about the wisdom of that one way or another, but pooling works. Especially, I mean--. Years ago, when I was with CN, I ran into a fellow who was an AAR inspector. The American Association of Railways, basically, they have inspectors who go to various locations on all the railways and check to make sure everything is on the up and up—they're doing things correctly, they're reporting cars going between railways at the right time, all that kind of thing. And I was talking to this gentleman. He had been with Missouri Pacific and then he went to the AAR. His first assignment was New Orleans, and there are a number of grain elevators there. He started looking through some reports. He'd only been a week on the job, and he noticed that, gosh this one elevator—and I can't tell you what company it is—this one elevator has--.

EE: You can't, or you should not?

MA: I should not. Had 1,500 cars backed up for it and nothing was unloading. So, he went to the elevator, and he talked to the elevator manager. Big oak walled office, the two of them were there. And the manager said to him, "Listen. My boats have fallen back. It would really be worth it to me," and he handed him an envelope with \$1,500 in it across the table, "if you just ignored this for two weeks." He went, "Huh." So, he didn't know what to do. He took the envelope, and he went right to the payphone, and he called his boss and explained what happened. His boss says--. Or maybe he didn't take the money. Let's say he didn't take the money, and he phoned his boss right away.

EE: "Bring me that envelope." [laughs]

MA: Yeah, yeah. He phoned his boss right away and told him what happened. He said, “Give me ten minutes. I’ll call you right back.” Now the Americans also had something called the Interstate Commerce Commission.

EE: Commission. ICC.

MA: ICC. It was there then. He phoned back and said, “It doesn’t matter. The ICC just embargoed them.” What the embargo means-- He was afraid the AAR would embargo, and that meant that no other cars would be able to load until he started moving. Well, get those cars cleared up. They were in New Orleans. When the ICC embargoes you, every single car loaded for you at that time has to be unloaded before the embargo is lifted. That means cars that are a week out have to be unloaded before you can get another car allocated to you. All that he did was made a call to the ICC to make things right. So, he didn’t have a dog in that hunt or in that fight. So he was able to do that. Government agencies are able to do that. The Wheat Board, as much as it works on behalf of all farmers, still has its turf.

The GTA was sort of independent that way. It didn’t have turf. It was out there to-- It ministered a lot of agreements. It was there to help the allocation system in the country, to make sure the system like the one that happened in New Orleans doesn’t. It was there to make sure that everyone knows what’s coming down the pike and around the corner. It’s there to make sure the railways share that information, because sometimes people are too busy to share. So, you have a Thursday meeting that says, “What’s coming? What’s happening?” And then every morning they’d get a report. The railways would say what they have, where it is, that kind of thing. The grain companies say what they’re going to plan to do for the day. Lake Shippers tells them what ships they’ve got, where they’re going to go. All of those things come to the GTA, and they say, “Okay.” And if Lake Shippers says, “I need [No.] 1 Red at 7A,” or they say, “Make sure you get these three cars of canola over to McCabe’s.” Those kinds of things. It all gets translated and gets sent out to the railways. Their operating plan goes out to their people maybe for the next 24 hours. We evaluate the next morning and start all over again.

**[1:10:48]**

Nobody has an axe to grind. There was a lot of, I mean, a lot of people who were protecting their own turf. Sask Pool was the biggest dog on the waterfront, and still is—whether you call it Sask Pool or UGG. Yeah, and they basically, if for some reason they got hit, it cost them a lot of money. And the managers there had to answer to their bosses in Winnipeg. The plan had to work for it to happen, but there was always pressure. We would always say to their bosses, “Well, why do you have people on? Why do you put so many people on to unload cars, if the railways aren’t going to bring them in? Let’s not put the people on next week.” Well, if you don’t put people on next week, then the railway’s going to bring in cars and they’re going to sit. If the railways bring

in cars that sit, then your manager's alter-ego on the countryside of Sask Pool is not going to have cars to load next week. So, it's a big wheel that has to keep rolling. And everybody saw that. When they worked together, they did amazing things—20 million cars in '84.

EE: That's facilitation with--.

MA: 20 million tonnes, sorry, in '84 in Thunder Bay.

EE: It's facilitation. You're using the friction in the system.

MA: Yeah, Teflon [laughs].

EE: Whenever there's movement, there's friction. But if you can reduce it and keep things moving it's a marvellous system.

MA: Yeah, and that's key to logistics.

EE: Do you know who created the GTA? It was the federal government, I presume, Department of Agriculture, Trade and Commerce?

MA: Well, GTA was part of--.

EE: Did it exist under legislative authority? Was there an Act?

MA: Yes.

EE: Grain Transportation Act?

MA: Western Grain Transportation Act.

EE: Well, that's later. That's the eighties. This is, GT--. Grain Transportation Agency would have been a good deal earlier.

MA: Yeah, well--.



EE: I should go looking for it.

MA: Well, it's part of Transport Canada, so that's all I know. Yeah.

EE: Yeah. So, the Minister of Transport would have brought in a bill, presumably, to create that.

MA: And I don't know exactly when it started or anything else. I was there at the end.

EE: In terms of the contrast between those years of operation and what we have now, then, does the system in which, let's say, Cargill has contracts with farmers to supply it with grain, Cargill deals with the railway company to be sure that the grain comes in. Lake Shippers Association is gone I gather?

MA: I don't-- Well, Lake Shippers Clearance is in Winnipeg, and all the paperwork is handled on that side. They still have—I think, Roy, was it, Ward—they still have an agent here who kind of goes around and talks to the elevators and coordinates with them locally.

EE: And this is in terms of the ships arriving and what they have ready for ships and so on and so forth?

MA: Yeah. All of the agents like, I don't know if Bill Hryb is still in the business, but--.

EE: Yeah, he's near retirement, handing over to someone else, but he's still certainly on the waterfront.

MA: Yeah, so any of the agents would coordinate with Lake Shippers, whoever at Lake Shippers is actually handling this side of things. But yeah, they still need an agent here, I believe, to kind of coordinate some of that. Although maybe not. Maybe now out of Winnipeg, if somebody knows what's going on, they can coordinate that out of Winnipeg.

EE: Because this took people. And, of course, computers are as good as what you put into them.

MA: Right. If you get a good spreadsheet, you can coordinate a lot of stuff.

EE: Could computerize all of this?

MA: Yep. Yeah. Computer coordination with spreadsheets, that's basically what--. You know, I said I had a falling out with the grain companies. When they got rid of the GTA, that was getting rid of the ports coordinator, they saw some value in it, and we went to negotiate. They were going to pay my salary. But it was just me. Before that, there was an office of four people. And I said, "Well, what am I going to be doing?" "Oh--."

EE: "We'll tell you."

MA: "You know, I was thinking..." Well, I didn't want to be the guy sitting there taking a whip to the railways, because I saw that as being my role. I said, "You know, you need to have the information. You need to do this and that." I remember going to a meeting with them in Winnipeg and arguing, "You need at least two people." They kind of looked and said, "Well, what do you do?" They saw the spreadsheet and said, "Ah, we can do that." That was it. Goodbye. I went, "Fine. Okay." I moved on.

**[1:15:29]**

EE: When did the GTA close then? Was it--.

MA: It was in July of '96.

EE: Had it been paid for the federal government then, I suppose? Did you receive federal cheques?

MA: Oh, yeah, yeah. I'm getting a civil service pension. [Laughs]

EE: So, it would have been the Chretien government. You have a--.

MA: Mr.--. Yeah. Monsieur Chretien. He's the guy who cut my job.

EE: Yeah, gave you your--. You said that the right way. Gave you your pink slip.

MA: He did. Tabernac. [Laughs]

EE: Part of Paul Martin's cost cutting, I guess?

MA: Yes, yes.

OM: '98?

MA: '96.

OM: '98 for me.

MA: Oh, I'm sorry.

OM: Voluntary for me, though.

MA: Voluntary. Well, mine was voluntary. They said to me, "You can get a job. You get one job offer. You can take a handshake and go." And I said, "Well, there's no guarantee, so." Actually, I was going to get this job with the grain companies, and I said, "Okay, I'll go." It didn't quite work out, and I went, "Okay, well, now I'm looking for a job." I went on the road for a year or two, then lucked into Y2K with BNSF, and then I ended up getting on there as a business analyst with their testing team. So, I've been testing their software since '98. But I was down there in '96.

EE: Testing software out of your experience with the GTA?

MA: Well, no, my--. Well, that, and my railway experience. Yeah, my railway experience with CN.

EE: Oh, okay. You were saying?

OM: I think the package was open between '96 and '98. The fog of memory is not [inaudible] totally at this point.

MA: Yeah, that probably was.

OM: I had moved on as well. So, it was a fortunate move, actually.

EE: Was there an examination of the GTA in operation by the Chretien government? Did they come in from Ottawa to look things over or did they just decide to get rid of you?

MA: I think what happened was the farmers were saying, “Get rid of the GTA. Get rid of the Wheat Board. Get rid of the GTA. Get rid of the Wheat Board. We don’t want any coordination. We don’t need this.” And a couple of people in our office, actually, said, “Well, let’s put them to it. Let’s do it.” One fellow who was about to retire said, “Yeah, it’s a good idea.” He actually pushed for it. So, he got a handshake instead of just the retirement, and so he got added to the number. But the Thunder Bay office was gone. They kept the coordinator on in Vancouver. I don’t know if the GTA or the grain companies paid for him. But he was the one that basically--. The coordinator in Vancouver had railway experience.

EE: Of course, you did too.

MA: Yeah. Same as I. So, he worked with both of the railways to do things like make sure the pooling agreements for canola and board grains were still in effect, otherwise Vancouver would have been paralyzed in a week. But if you do it the right way, if the railways did it the right way, they could have made it work. But the problem is, they don’t cooperate. Once somebody says, “Well, this works for me. This works for both of us. Get our share.”

Then something goes the wrong way. You tell somebody, “Put the CP in instead of the CN in,” and they go vice versa, and guess what happens? Somebody gets mad the next day, and now there’s no cooperation. The grain companies start to fight, and nothing works. So, that’s why the GTA as a referee was a good idea, because you had railways fighting each other, grain companies elbowing each other—jostling at the trough—and everybody’s screaming at each other. So, you’re basically there to administer the agreements. You got them to sign the agreements, and then you showed them the agreement when there was a problem. And they went, “Yeah, but that’s not right. I want my share.” “Okay, we’ll get you your share, but not today.” [Laughs]

EE: Do you have any thoughts of this kind of situation about the changes in ownership, the mergers among the grain companies? Do you have any observations on how that happened? The motivation?

MA: I haven’t been in Canada enough to really comment on it.

EE: Well, in the late ‘90s into the 21st century because some of it was happening then.

MA: Yeah. Well, I actually interviewed for a job with Sask Pool as their director of--.

EE: Grain transportation?

MA: Yeah. Basically, their person handling the allocations. It was a longshot, but I got the interview because a former GTA person was the general director. I went there, and they started asking me questions, and I had some inside information about Sask Pool and how things weren't working out the way--. They weren't working smart. So, I kind of told them that. One of the questions, one of the interview questions, was, "Tell us what we could do better." So, I did. I didn't get the job.

**[1:20:30]**

EE: This was '98, '99?

MA: No, that was--. Yes, it was. '98. '98. Very early '98, winter of, about January. And it was kind of funny because then I just kind of watched as they kind of got more and more in trouble and got bought up. Yeah. Basically, I told them, "You have to be careful. When you start deciding where you're going to plant a grain elevator that's going to do 100 cars at a time and take in 20 or 30 000 tonne of grain, you have to make sure you've got it in the right place. You have to look at the landscape around you."

EE: You're talking about the inland terminals now?

MA: Yeah, the growth of the inland terminals at that time.

EE: Do you want to expand on that? Because it's a part of the grain train that we really haven't got access to in terms of people.

MA: With the GTA, the need for coordination, both in the country and at the ports, had to do with the fact that on any subdivision—a subdivision is a track of anywhere from say, let's say, 40 to even 100 miles—and you could have three or four grain companies each having two or three different facilities along there. They all need to load. So, Sask Pool might say, "Okay, I've got 20 cars here, I've got 10 at this one, I've got 5 here, and Cargill's got a few at each of them."

EE: Or "I have need of--."

MA: Yeah. So, basically what happened, the system was they would take 100 cars out or less, and they'd put whatever the cars required for each place were—the allocations—and they'd drop them off. And then the crew would go to sleep for eight hours, or maybe come back a couple days later--.

EE: The railway engineers or the engine drivers?

MA: The railway, right. They'd pick all these cars back up and take them away. And sometimes they would do it, it might be a week later, but they would have to take all that work. It takes time to move along and pick up cars, pick up cars, pick up cars. They might come back, with another set of empties, and drop off and pick up. So, it could be a week later. That slows things down. What happens now--. And then, they could be 70 percent directional. In other words, 70 percent to Thunder Bay and 30 percent to Vancouver, or vice versa, or some to Prince Rupert—then we'd have to switch them out. That takes extra handling.

What they do now with an inland terminal, is you have an inland terminal that can load 200 cars. What you basically do is you take those--. Load 100 cars, I'm sorry. You take a 100-car train, you take it just to that one station. The crew goes to sleep for eight hours, comes back, and takes the train the other way—to either Vancouver, Thunder Bay, Rupert. What ends up happening is now you've got what they call a unit-train system. With a unit train, the example of a successful unit train is coal. You take a 100-car train--.

EE: Yes. Under the Crow's Nest Pass to Robert's Bank.

MA: Yes. And you run it in a circle. And you just keep going, and you try to get the car cycle down as small as possible. So, you run with the smallest fleet and you optimize it. If you can do that with grain, it's great. What they've done in the States is they've said, "Okay, there's a certain number of BNSF cars, but if you want something, they do an allocation thing as well. If you want extra, then you take your own cars. You tell us you want your own cars to go here and unload there. That's what we'll do. We'll give you a rate. We'll give you a unit-train rate. We'll give you a better rate for taking them one loading and one unloading, just like a coal train. You can load them to Portland one day and New Orleans the next time, but it's got to be in a unit."

EE: And so, if you have a corporation that owns enough land to establish one of these--.

MA: And enough railcars. And enough railcars.

EE: And builds the facility, and then buys the cars in order to run those unit trains, and they have everything except they don't have the track. They don't have the locomotives, but--.

MA: Yeah. ADM and Cargill have thousands of cars, tens of thousands. Those are the--. Oh, and Louis-Dreyfus. They're some of the bigger ones in the States. But they do that.

EE: The Grain Commission--. Who was it we interviewed who developed the computer system that monitored all the grain cars in North America? Including all of those?

**[1:25:10]**

OM: That would be Tebenham. Tebenham. Bill Tebenham.

EE: Bob Tebenham.

MA: Bill Tebenham? Bill Tebenham.

EE: And I presume that, because he was talking about cars that went as far as Mexico City.

MA: Yeah. Oh, I had a really funny story.

EE: Tell us.

MA: The old CN system, basically, it was limited. But they brought in a database before they modernized. They brought a database that would compile all these records, every grain car. And the thing that Bill Tebenham looked at is what the call I-trace. Basically, every rail car in North America gets sent to the AAR's—place called Railinc now, it's privatized—computer with the last location. If it arrives at a station, departs a station, so the location is known for every railcar. Last location and whether it's a load or an empty. So, it's initial—CN 109253—load, arrived Thunder Bay, on such and such a date and time. Okay.

So, those records are available. This system CN had would do this. The thing was it was now in a database. They just took those records. Those records get sent out to the railways every time. So, all we did was we kept those in the database. Those kept accumulating. So, we were looking for railcars to load—we had orders in Thunder Bay. After the car load for Crow rates here, maybe one of the elevators wants to ship a car of screenings to Kansas City or Minneapolis. So, we'd say, "Okay. We need a car." And they'd say, "Oh, well, we're short of cars. We can't. None of that." "Yeah, but we've got orders." They said, "Yeah, we can't do that. We got cars." This was after they were allowing--. They were sending some government fleet into the States on Wheat Board orders. So, somehow, I said, "Well, why can't you get the cars back? If they come back, can we get them?" They said, "Well, we tried. We can't get them."

So, I said, "Well, that's kind of funny." I went and looked in the database, and I started looking at doing--. I started running queries. I found every car that maybe last unloaded, was empty, in the States, more than six weeks. And I found cars that were

going from Atlanta to Mexico, back and forth. And I had a list of about 60 of them. They can't--. There's rules, car rules, between railways, that if you have a car that belongs to somebody you can reload it as long as it's going back to the owner.

EE: Backhaul, in effect.

MA: Right. So, you can't ship a car from Atlanta to Mexico and say it's on its way to Thunder Bay, or back to Canada to CN. But they were doing that. And it had to do with the fact that they were CNWX. Well, they were private cars, but there's some grey area in that when it's a private car that's owned by a railway.

EE: But owned by the railway that you were talking to.

MA: No, owned by CN. These are the government cars. And they were saying--.

EE: Okay. Like controlled.

MA: Yeah. Our Winnipeg people were saying, "You can't have cars. We're running short of orders. We're in trouble." So, I said, "Why don't you bring those cars back from the States?" And they were saying, "We can't do it." I ran this query, and I started finding these cars. So, I sent a list on an email—we could do that at the time—I sent a list of all these cars. I said, "I just looked for the last half hour, and I found these 65." And I sent it to a bunch of people including their AVP of grain marketing, who was under a lot of pressure. Well, she went down on the operations people, into their office, and she said, "I've been after you to give me this information for six months, and some nobody out of Thunder Bay comes up with it in 30 minutes! What's wrong with you guys?" And they all kind of went--. A friend of mine phoned up and said, "Mike, you really messed some people up here." I said, "Well, all they had to do was look. They had to understand the system." Now--.

EE: They were being obstinate obviously, but--.

MA: No, no, they didn't know. They just didn't think about it.

EE: Just out of ignorance? They didn't bother checking?

MA: Yeah, yeah.

EE: So, they were being stupid? [Laughs]



MA: They, they--.

EE: Don't tell me you've both been in public service and I can't call it as the layman sees it. [Laughs]

OM: I believe in human fallibility. [Laughs]

MA: This was when data mining really wasn't even a term. So, to be able to data mine, to be able to say, "Well, I've got this information. It's in here, let's just grab it. I'll give you this list." They could then phone up the railways and say to the CSX in Atlanta, "You've been doing this with cars. We're not sending you anymore. You have to get that car back to us. Do not ship it on penalty of..." There's penalties for that, if you do it. So, there's all kinds of things and, all of a sudden, those railways become aware, and they start shipping the cars back instead of hanging onto them, doing nothing with them. Saying, "Jeez, I don't know whose car this is. It's a private car." But normally, private cars we have a waybill that goes back. There's a lot of automatic systems. So, the cars go into the States, and they just sat empty for months. And it was really bad. So, anyway.

**[1:30:52]**

EE: So, you went to the States to clean out their systems, make them work better?

MA: I did. I did. [Laughs]

EE: So, I'm not just imagine things then.

MA: I mean, they're running pretty efficiently. They're running pretty efficiently.

EE: How did the railways compare—US and Canada—when you went down? You'd been with a now privatized--. Well, you had been with CN--.

MA: No, I left CN before they privatized.

EE: Right. Back when you left it in the seventies.

MA: But I came back to CN as a contractor for about a year, and I didn't like it. That's one of the reasons I went back. From the GTA, I went to CN as a contractor for a year--. No, sorry. I went to Texas, then I went back to CN for a year, and then I went back to Texas, all as contractor, and then I became their employee.

EE: What had happened to CN? This was about a quarter century or so, almost, after you left.

MA: Yeah, they became more--. There was an old--. You know Paul Kennedy? Paul Kennedy?

EE: Here at the port?

MA: Yes.

EE: I don't recognize the name.

MA: Oh. There's someone you need to talk to, by the way. He used to be the ops coordinator, kind of a marketing guy for Keefer Terminal, for the port. He's running the old Pool 15 now, the wood pellet thing, I think he's involved in that, if I'm not mistaken. But he had a saying that, "The most dangerous place in the world to be is between CPR and a pile of money." [Laughing] Well, that wasn't the case with CN, but after '96 it became that way. And it's more so now.

EE: Was Paul Tellier running CN at that time?

MA: Yes, yes. '96. That was his reward. Then Hunter Harrison took it over. He was very, very conscious of the bottom line on his bonus for running the railway lean and mean. And he did that, maybe at a cost to the future. From what I understand from a number of railway people, the only way he could run it with a profit ratio the way he was was if he wasn't maintaining the railway.

EE: Right. Risking safety issues. And now he's running CP.

MA: Well, that too. Yes.

EE: Enhance its safety record.

MA: It's possible, yeah. Yeah. But it's a strange thing. The American system works. It's very efficient. BNSF relies a lot on information. A lot of information transparency. Everybody's in the know.

EE: And that's generally a good idea.

MA: Yeah. And trying to find a way to automate the creation of reports, for example. That's a big thing. Instead of having somebody, say, at a port who's trying to coordinate things, have him run a report at the end of his day that takes all day to basically put together. He just hits a button, sends it off; it's a snapshot. Those kinds of things. Being able to say, "Okay, this is our status." They do that. They allow people--. It's like a heads-up display. There's the information. If I don't need it, somebody else wants it, they can have it. Meanwhile--. And the information you compile at this level is compiled up to the next level for like three or four different places. So, it's subtotaled, and you can slice and dice it. That kind of--.

If you happen to be in this area and this guy's depending on you, then what you're doing here is transparent to him or her, so they know what's coming to them. So, everybody is basically making adjustments. The whole system, it's like fly by wire. They're all making adjustments constantly and everybody is aware of what's going on. If something this person is about to do affects this person, a phone call or an email is sent right away and they're aware of it, so they make adjustments. It's constantly adjusting in order to make it better. And if you have a grain system that's working the same way from end to end, that really makes things happen.

**[1:35:31]**

EE: Would computerization make it possible to keep everyone within the loop, without requiring more administrative structures?

MA: Yes.

EE: Would actually reduce the middle management?

MA: Yes. It reduces. I'm not saying without totally, but it can reduce administrative structures. That's the whole idea.

EE: Sometimes it elevates the position, the knowledge of all the people involved in the operation.

MA: Yeah, if you have three or four layers of administration—and railways are good at that, five or six—this person here can actually drill down and see in these reports what everybody below him would see. So, he can drill down to Thunder Bay, or he

can look at everything that's happening in the Manitoba district, which includes Thunder Bay. Or he can look up and see what's happening in grain, slice and dice grain. You can slice across commodities, intermodal, all the grain, coal, potash. That's what data mining is. You're able to do that. All it is, is you create the views, and anyone can see. You just click on--. It says 95 empties in Thunder Bay. You click on them, and it says, "This is going to be this train leaving at 23:00 tonight, and it's going there." And it might be a certain colour that says it's ready to go.

EE: Indicating what it is.

MA: Or another colour that says it's just planned. Grey, planned. Green, ready to go. Red, late.

OM: So, when will the human element may be out of the picture in another five years, and it will be a computerized package that can do all this and make recommendations.

EE: I mean, that's one of the ultimate nightmares, I suppose, of our time.

MA: Yeah, they're working on those. [laughs] Oh, they are.

OM: Oh, I'm sure they are.

EE: Cars that drive themselves, robots that fight our wars, and so on. I mean a kind of lunacy in a certain sense. Inhumanity of the whole system. But I would imagine here you'll always need people. The computerization is a means to make them as efficient as possible to enhance the knowledge

MA: Yep. And somebody has to talk to the guy who's actually driving the train. If there's a driver.

EE: Unless you have a robot doing that. [Laughing] Those are the horrors one can think of. How did you find yourself fitting in as a Canadian in--. How large an office was it?

MA: Six hundred people.

EE: Six hundred people. And you were a consultant to or an advisor on?

MA: No, I was an employee. So, I was the test lead for BNSF on all their computer systems.

EE: For testing the system.

MA: Yep, so we'd look--. And it wasn't unusual—this would happen once every couple months, easily—someone would say, “We got this new system and it's supposed to do this.” And I go, “Yeah, it's supposed to do that.” I would hark back to the days when I was walking down tracks or something, and I'd go, “That's not how coal trains work. Do you understand why there's a stripe painted on one side? Because that's where the rotary is.” But all they see is, “Well, I've got this type of car, and I've got to have a system where it reads it and tells you what side it's on. Why is that important?” It's really important.

EE: Yeah. The day comes when there's no one in the office who has that on-the-ground experience. That's when difficulties will arise.

MA: Yeah. I tried to pass on as much as I could. In fact, I put together a training package—basically Railroad 101—for a lot of them, talking about how trains work, showing them pictures. Because a lot of people working in offices don't even get to see a train. Here in Thunder Bay when you worked in the office, the trains went by. You saw what a hopper car was, you saw--.

EE: And I suppose trains basically haven't changed all that much. I mean there's been lots of changes in the locomotive size, car sizes, but in the principles involved in moving stuff by rail--.

MA: A lot of it's the same.

EE: There's much of a muchness within all of that.

MA: Right.

OM: How about the political and sociological meshing of points of view when you went down there?

MA: Oh, yeah, we don't--. I don't want people to know this 500 years from now or anything, but I got along really well with people in North Dakota—believe it or not—and Minnesota. Kansas, some, and anybody from New York, anybody from Ireland, Europe, not some South Africans, never got along well with them. They were true Texans. And people are good everywhere, it's just that they have--. First time I came across, the term “Right-to-work state” I didn't know what it meant. Guy I was talking to said, “Texas is a right-to-work state.” I said, “What does that mean?” He says, “Well, you have a right to work. Not to get paid, but a right to work.” Not to have welfare--.

[1:40:32]

EE: “You sure as hell aren’t going to have a union if we can help it.”

MA: Yeah. No, no. Union was a four-letter word to them. And you know, I just talk about stuff--.

OM: It probably was. [Laughs]

MA: Oh, it was [Laughs]. That’s how they spelled it. Union. Yeah, it was a different experience, but it was good. They’re very smart, and if they’re focused and they know what to do. It works really well. One of the first things I ever did, I went down there, and they said--. I had dealt a lot with customs here, US customs. BNSF goes across the border, and they were developing a customs program. They had bought a system from CN, so they kind of knew. CN gave them their customs system. They said, “I don’t think we’re going to use this.” So, they had a meeting and one lady, who was a director, said, “Okay. We’re going to develop our own system. I’m hearing stuff like customs does this and that.” She basically said, “We’re going to tell customs what we’re going to do.”

I piped up and said, “You know, I’ve dealt with customs for a lot of years, and you don’t tell them what to do. They tell you or you end up paying. You could have a car with \$100 000 and you could be fined \$100 000 if you mess it up. If you get on the wrong side of them, it’s very, very costly.” The rest of them kind of looked around the table, and she kind of went, “Well, what do you mean?” I explained to her how customs works. They work with the railways, but if you, on a consistent basis, report incorrectly—report a car as an empty going back and it’s a load of lumber or something like that. Just little things like that that they wouldn’t even think about.

EE: Well, that’s not a little thing. If the car that’s marked empty is loaded [laughs]. That’s 100 percent wrong on that particular car.

MA: It is, it is.

OM: Only if you get caught, Ernie.

EE: And this was US customs? Canadian customs? It didn’t matter?

MA: Yeah, they were talking about US customs, but it works for both. Sure.

EE: Sure, of course it would.

OM: The brotherhood.

EE: There used to be a lot of tax money raised at those borders. Less now, of course, but still.

MA: There still is some. Yeah, yeah. But, yeah, that's--.

EE: Sure. Well, let's look at some of these other questions. We've got a little bit of time left, I guess, do we?

OM: A little bit, Ernie.

EE: We don't have to talk about your contribution to Canada's success as an international grain trader. You were absolutely essential. We know that. And your connection--. In regard to inland terminals, you were saying something about location of them. Did you want to expand on that just a bit?

MA: Oh, just the fact that once you--. There's only so much grain. Okay. On the Prairies since the '50s—or before that—you started going from a little farmer like my grandfather with a half tonne truck taking a load of grain ten miles down the road to the elevator, which is one of 15 along a 50-mile line, and delivering it. Maybe taking some hogs to Brandon or something. All that kind of stuff. Then they said, "Well, we have to be more efficient. How are we going to do that? Well, we get bigger trucks." Bigger trucks require stronger roads--.

EE: Better roads.

MA: And better bridges. All of that.

EE: Pressure on the municipality.

MA: Yeah. So, all of a sudden, there's only certain roads you can take instead of driving along any little, small road on a township. What would happen is, say, well okay, if you're delivering 20 tonnes in a truck, now you've got a transport going, where are you going to deliver it to? Well, since it's more efficient, now the grain companies give you a bonus. They say, "Well,

we're going to have a big facility here where we can do ten cars instead of three. Or we can do 20 cars instead of 3, or we can do 100 cars. So, deliver there and we'll maybe give you a little bit better bonus for that because now we only have one facility instead of all of these others. Because we have one agent." So, they get an inland facility, it works for the railways too. It's a win, win, win.

EE: It works for the railway and the grain company. The farmers need bigger trucks?

MA: Yes, they do.

EE: And the country roads need to be better. The highway's being hammered by the trucks.

MA: Yeah. My grandfather's quarter section is not going to be able to support a truck. No, no. So, those things are gone. So, farming changes, right? The way the grain companies work changes. Now, instead of having three companies in a subdivision, there's only one. Well, if one is there and it's centrally located and it's a big draw, does it make sense for P&H or somebody else to compete against Viterra in the same town? No, they're going to move how far down? Okay.

**[1:45:34]**

EE: They'll move to southern Alberta.

MA: [Laughs] Okay!

EE: I happened to run across P&H elevators out there several years ago. I was quite surprised to see how many there were, actually.

MA: Well, yeah. Where nobody else is. Yeah, yeah, that makes sense. But yeah. So, what you have is you have to kind of--. Okay, so everybody announces plans. Once that money started coming and the Crow was gone or going to be gone, all the grain companies started looking. They said, "Well, we're going to build one. We're going to build one. We're going to build one." And you look, and you had to announce first or else somebody else might be announcing like one town down. Now you get competition. One of the things that's happened, I don't know if you know about this, was—I'm not sure exactly when, let's say late '90s—both CN and CP did a lot of swaps so that CN gave up Avonlea and a couple of subdivisions, a bunch of their track, in southern Saskatchewan, and CP gave up their track in northern Saskatchewan where they were each relatively strong. Weak--.



EE: Weak, they gave up, passed them over.

MA: To compare to the other, they gave them up so that actually you developed a duopoly in Saskatchewan. So, they're doing those kinds of things.

EE: And perhaps a more efficient system if each focused on its particular area.

MA: Perhaps.

EE: But you're right. Because they were monopolous within their area, you have a duopoly resulting.

MA: Right. But trucks can only—even a big truck—can only drive so far. So, if all of a sudden the only option is CP in the south or CN in the north, as an example for delivery, what ends up happen is if both CN and CP have a bad winter—like they had—what they're going to do is they say, “All that grain in the area we control, or we draw from exclusively, isn't going anywhere. So, if we can only handle supply trains to 70 percent, we're going to supply them to where we're competitive.” Because if CP can't get this grain, and CN can't get this grain, and they're competing here, then these guys are going to get the business unless the GTA or somebody else is around to allocate, and say, “You must go here.” So, what happens is you get a lot of farmers complaining that, “Hey, we haven't had a train here. The elevator's full. I can't deliver. I'm not getting paid.” See how that's right? “We're after CP. What's CP doing?” They say, “Well, we can't get there.” Or they're after CN, and CN says, “You know, the ports are plugged. We can't get there.” And the ports are plugged.

EE: Excuses are a dime a dozen. Lots of them around.

MA: Right. But they're still going to northern Alberta, maybe they're going to Manitoba. They're still doing that. But, you know, if there's business you can ignore, you ignore it. I don't know about CP, but I know that CN was, well, yeah.

EE: And there's a lot of movement by truck now. I'm beginning to think that I know someone in southern Manitoba who is in the grain moving business for someone else.

MA: Oh, yeah. There's been for a long time. Yeah, corn, soy.

EE: I guess there has been. I know I've seen the big trucks and so on and so forth, but I should ask him what--. Because he was talking just a few weeks ago about hauling from, let's say, the Emerson area—or broadly put, southern—say, Highway 75 all the

way to Minnedosa, I heard him say now. Does that sound interesting to you at all? I don't know, offhand, if he was hauling to a mill or what it involved, but we would obviously have to get into some closer discussions with him.

MA: Yeah. All these companies—Cargill's, ADM's, and others, even Richardson—they're all into processing. I mean, they have a draw area, and they get their agents in the country to establish a good rapport with local farmers and get them to sign contracts for supply and things like that. But they're feeding their own processing system whatever it is. Whether it's corn for hog feed or going into the board or something else on their contracts. But yeah, there was--. I can tell you one more story.

EE: By all means.

**[1:50:09]**

MA: Okay. A guy who was a general manager here at one of the grain elevators worked down in southern Ontario as an agent.

EE: Beforehand or later?

MA: Beforehand.

EE: His experience out of southern Ontario.

MA: Down there, there was a lot of buying and selling. So, they had this concept of the profit centre, right? You've heard of that?

EE: Oh yes, indeed.

MA: Okay. Everybody's a profit centre. As long as you make money, we're making money. So, he said, "Okay." So, corn is—I don't remember, I think he said he got--. His head office, or his office, said, "We'll give you 59 cents a bushel. You've got this much corn." He goes, "Um. Now I've got an offer for 61 over here." He said, "Okay, well, okay. I'm a profit centre. I've got to make that two cents a bushel on those truckloads." It was a lot. So, he did that and was buying. A little while later, another grain company calls him up, and says, "Okay. We'll give you 63 or 64." He says, "Sure, sure." So, what happens. He says, "The trucks will be coming tomorrow." What happens is his own company's trucks show up at the door because--.

EE: To pick up?

MA: Yeah, to pick up. Because the grain company that he sold to sold back to his own company at 63, and he sold for 64, and they bought 63 from him. So, they offered him 61, he sold his own company for 63, and his own company's trucks came to pick it up. I mean that's profit centre. You start thinking with blinkers. He thought he was fired because it was a lot of money. I mean it was cents a bushel, but it was a lot of money.

OM: The scale.

MA: It was a lot of bushels. Yeah, yeah. And so that kind of stuff happens all the time. As an example, there was once I had lunch here in Thunder Bay with a couple of oilseed buyers from Cargill out of Switzerland. That's why I was interested when you mentioned Switzerland. He said—we were trying to convince him to move more product to Thunder Bay—he said, “If I make two cents a tonne out of Vancouver, I'm going Vancouver.” And we were quite a bit more expensive at the time. The only time we had got any sort of advantage was on the backhaul when things like a steel mill in Detroit or iron ore goes down and they bring it in from Germany and they need the backhaul. Otherwise, it's a lot cheaper to go through Vancouver, even to Europe. Even to Europe. Go out of Vancouver--.

EE: Through the Panama Canal?

MA: Red Sea, around Africa, you name it. Or the Panama Canal to Europe. Yeah, through the Panama Canal, I guess. Probably Panamax size ships at the time.

EE: It seems strange that those economics exist, but.

MA: I mean, vessel is a lot cheaper.

EE: And I guess these are big vessels being loaded in Vancouver?

MA: Anything over about 1 500 miles, a vessel has an advantage per tonne.

EE: Because only a certain size of saltie can come in here.

MA: Yes.

EE: Even up the St. Lawrence Seaway.

MA: Yeah, 25 000 tonne roughly.

EE: As against one that can be loaded in Vancouver, and that can make quite a difference.

MA: Yep. I don't know if I answered all your questions or not.

EE: Major changes? We've talked about a lot of them, haven't we? The impact on yourself and the industry. Challenges from your knowledge of the industry?

MA: I mean, the industry is changing. You look at things like China, India becoming more affluent. There's more opportunity to move stuff off the West Coast. So, the challenge for Thunder Bay will be that.

EE: I guess the European--. The Common Agricultural Policies—that would be the CAP—and the European Union that subsidizes farmers and makes them more than self sufficient. And I guess whatever experiences the Russians had, difficulties they may have. Our opportunities have been limited, haven't they, in the Atlantic market?

MA: Right. In fact, the Russians are taking grain out of Churchill and bringing potash in, as an example. They're trying backhaul their side.

EE: Bringing potash to the West?

MA: Yeah. They experimented with that.

EE: That's an insult to Saskatchewan [laughs].

MA: Oh yeah. Yeah.

EE: All sorts of things happen.

MA: Yeah. And once you open things up like that, I mean, anything's possible. The bottom line is farmers, if they're still in business, are going to be busy. I mean, people have to eat. One way or another.

EE: And it will be obtained by whatever means. Whatever organization. Now Chrystia Freeland-- Well, maybe I should leave that story until after we wrap up here. What have we got left Owen?

**[1:55:09]**

OM: Two minutes.

EE: Well, I should-- Most vivid memories about you job? Maybe that's would be a good way to wrap it up.

MA: Well. Thunder Bay? I have a friend, Dan Pakulak, who has since passed away, married a woman from Russia. She showed up here one New Year's Eve—or New Year's Day—for dinner, and she was all dressed up in a fur stole and fur coat and everything. She was frozen. And I said, "You're from Moscow! Turned back Hitler, turned back Napoleon! How can you be cold?" She goes, "No, no, it's about 20 Celsius there. That's about as cold as it gets in Moscow." She says, "This is Siberia." I laughed. And two weeks later, I was walking down the waterfront by Pool 6 and the wind was blowing and it was 40 below, and I knew what she meant. Thunder Bay is very seasonal. That's one of our disadvantages. Between that and the seaway—the way it was built—the canal system, disadvantages there. We're at the heart of the continent, but that doesn't mean anything. So, it's going to be a challenge. But yeah, that was one of my most vivid memories. I live in Siberia. And I love it.

EE: We've interviewed all kinds of people, and the ones, I think, I have the most admiration for are the ones—we interviewed one of them—who worked on the elevators here in the wintertime, say removing equipment or whatever. But the wind's howling and so on. But my hat's off to those guys for sure.

OM: He just came back from Cuba. I was talking to him today.

EE: Were you?

OM: He had his outlets [laughing].

MA: Well, I have US citizenship, so I'm not going to Cuba until 100 percent that it's okay.

EE: Oh, yeah, of course! Born in North Dakota!

MA: I travel on an American passport.

EE: That provided an entrée into Fort Worth. Yeah, of course.

MA: Yeah.

EE: Well, it's been splendid. Thanks very much Mike for giving us the time today, and all of that.

MA: Yeah, okay. It's been enjoyable!

OM: That was very interesting.

EE: Chrystia Freeland, who is the MP for whatever it is downtown Toronto now—Liberal MP—was writing for Bloomberg news, whatever it was, and she had a column in the Atlantic Monthly sometime ago about how well farming was doing these days-- farmers were doing. Her father farms in the Peace River country. And, of course, it was a family farm. A mere \$3 million a year turnover or something of that sort [laughing]. But not my father's farm. But, of course, that's what's happening on the Prairies. And, I guess, that developed into what they did in the Saskatchewan Wheat Pool, ultimately.

**End of interview.**