

Narrator: Jim Dehod (JD)

Company Affiliations: Lake Shippers Clearance Association (Canada Ports Clearance Association), Searle Grain, Federal Grain, Richardson International

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Summary: Retired manager of Richardson International terminal elevators Jim Dehod discusses his long career in Canada's grain industry. He begins by describing his first job with Lake Shippers Clearance Association, working his way from junior clerk to manager of the Winnipeg office. He explains Lake Shippers' role regarding ship coordination and warehouse receipting in Thunder Bay, as well as recounts his constant communication with Thunder Bay. He then discusses his move to Searle Grain, later Federal Grain, in their export division coordinating grain sales and travelling to meet customers. Dehod describes his move into management of terminal elevators first for Searle, then Federal, then Richardson. He shares stories of visiting Thunder Bay to solve problems, and he recounts major changes to terminals and the industry, like the introduction of hopper cars and grain pooling, the shift in international markets, the opening of the St. Lawrence Seaway, the increasing size of ships, automation, and the introduction of new crops like canola. Dehod shares more vivid memories of his career, like influencing Otto Lang's LIFT program, chairing the Lakehead Terminal Elevator Association, and dealing with an elevator explosion in British Columbia. Other topics discussed include rail rate changes, the consolidation of the country elevator system, the decline in grain movement through Thunder Bay, and his time on a committee of the Canada Grains Council.

Keywords: Lake Shippers Clearance Association; Searle Grain; Federal Grain; Richardson International; Terminal grain elevators—Thunder Bay; Terminal grain elevators—British Columbia; Grain elevators—equipment and supplies; Grain shipping logistics; Grain transportation—ships; Grain transportation—rail; Grain trading; International trade; Grain export destinations; Hopper cars; Grain pooling; St. Lawrence Seaway; Lakers; Ocean-going ships; Crow's Nest Pass freight rate; Consolidation; Country grain elevators; Canada Grains Council; LIFT program; Canola; Automation; Lakehead Terminal Elevator Association; Searle Elevator; Lakehead Elevator; Richardson Main Elevator

Time, Speaker, Narrative

BC: Today is June the 5th, 2009, and the interviewer is Bea Cherniack, and I am interviewing Mr. Dehod. We will start the interview by asking you how you came to work in the grain trade.

JD: Well, being born in Winnipeg you had several options. One was to be a banker because this was the centre of banking for Western Canada or go to the railway—Winnipeg's distribution yards at one time being one of the major yards in the world—or get in the grain trade because all the grain passes through Winnipeg. So at that time I elected to try the grain trade.

BC: What year would that have been? When did you start working in the grain trade?

JD: In 1942.

BC: And what job did you have?

JD: Well, initially I went with the Lake Shippers Clearance Association.

BC: Okay, can you tell me what that is?

JD: Well, the purpose of the Lake Shippers Clearance Association was to handle the vessels moving in and out of the elevators so that the vessels were allocated loading berths that enabled them to get a carload loaded in one elevator or the fewest number of elevators possible for the particular load and type of grain where there might have been seven or eight shippers. Each shipper, otherwise, might have been required to go where the warehouse receipts dictated. Alternatively, by using the Lake Shippers Clearance Association, they had the benefit of loading and expediting the service outside of the Lakehead.

BC: And you did that from Winnipeg?

JD: Yes. There was offices in Winnipeg and in Thunder Bay.

BC: So, you would have a master sheet here, and you would look at what was going out of here, down there, and what you knew was coming in from the water?

JD: Basically, the designation of the vessels was done through the Thunder Bay office. Winnipeg was the centre for creating--. And the shippers, generally, were located in Winnipeg with grain being traded here, documents being handled through the banks here, and as a consequence, orders were placed in Winnipeg for loading in Thunder Bay.

BC: I'm truly trying to understand. The Lake Shippers Clearance Association would then be funded by the grain traders and the elevators?

JD: The shippers were all members of the Lake Shippers Clearance Association.

BC: So it was in their best interest to get their ships loaded efficiently.

JD: Right.

BC: What would a typical day be like for you back in 1942 when you started?

JD: Well, I was a junior at that time of course, and a typical day was seeing all the deposits that were coming in, in terms of documents representing the grain that was in the elevators at Thunder Bay. Those documents, in turn, were compiled to show exactly where the grain was located and then to receive the orders of the shippers and advise Thunder Bay of the balances that were available and the orders that were required to load. At the same time, vessels were tendered through the Winnipeg offices of the ship owners and that was relayed to Thunder Bay. Thunder Bay then had the advice of what was required to ship and what vessels were being ordered.

BC: And how long were you at the Lake Shippers and at what capacities?

JD: I wound up as one of the managers in Winnipeg. I progressed through the system. As time went by, I did a period of jobs that required, basically, clerical skills. There was a contact constantly with Thunder Bay and in fact when I decided to leave the Lake Shippers for another phase of the grain trade, I was offered an opportunity to go down to Thunder Bay as the understudy to the manager, but I declined that.

BC: What did you go to?

JD: I went into one of the grain companies in the export department.

BC: Okay and approximately what year?

JD: That was Searle Grain in 1952.

BC: What was your job there?

JD: I went into the export department with the purpose of initiating sales and looking after shipments to customers that were buyers, at the time now, that comprised both rail and water shipping—sales that were made at the various ports along the Seaway: Goderich, Midland, Owen Sound, Prescott, Montreal. Of course, as the sales were made, it was necessary to buy the grain and make arrangements with charter ships to load the grain to the destination. Basically, that was the initial function.

BC: And was Searle Grain Winnipeg-based or was that a national or international company?

JD: It was, well, the head office was Winnipeg and the Searle had grain elevators throughout western Canada as well as the terminal at Thunder Bay.

BC: And you then would have a contract with a shipping company. Searle, did it have its own ships?

JD: Searle did not have its own ships. The ships were chartered according to the sales that were made either partial loads, full loads. Usually, the full loads were such things as malted barley going into Superior or Detroit, any one of the destinations across the line, and the buyers were anywhere from feeders, millers, wholesalers. Basically, it was a wholesale trade.

BC: Were you selling internationally at that point over to some of the other countries?

JD: Yes.

BC: And was that part of what you were doing?

JD: Yes.

BC: Did you have to travel to do that?

JD: I did quite a bit of travelling.

BC: Can you tell me about that?

JD: Well, that was a normal routine that two or three times a year you made a swing, and that would include the principal Saint John, Boston, New York, Buffalo. Overseas, it was London, Amsterdam, Rome, and Germany [inaudible] in Germany, [inaudible] in Rotterdam. So basically, you had people that were users, were brokers, that you dealt with. The product was mostly wheat, a certain amount of other grains, barley was part of it, canola. The West Coast, basically Japan, and occasionally even Russia came in for shipments out of the West Coast. So that was essentially what I did at that point in time. As time went on, Searle Grain offered me the opportunity to take over the management of their elevator in Thunder Bay, and that's how I got into the terminal elevator business.

BC: So you moved to Thunder Bay?

JD: Pardon?

BC: You moved to Thunder Bay?

JD: No, I managed it out of Winnipeg.

BC: Managed it out of Winnipeg, okay.

JD: Sure. The Searle Grain acquired the old Lakehead Terminal that was up the turning basin and unfortunately that had a fire and it was leveled.

BC: When was that fire?

JD: Oh golly. Don't ask me about dates. I'm not very good with dates.

BC: Well, maybe after '52 because that's when you went to Searle Grain.

JD: It would have been in the '60s, the early '60s. In fact, I had just been out to the elevator and was on my way back to Winnipeg when I got word that the elevator was burning, so I was falsely accused of setting the fire.

BC: [Laughs] And did they ever find out what had caused it? Just grain I guess, and those are very combustible workplaces, aren't they?

JD: Mmhmm, yes. They are. In fact, I had fires that I had to deal with including one in Vancouver where we lost five people, and several were left badly burned. Over a period of time, I worked for a number of grain companies. I left-- Well, Searle amalgamated with Federal, and I went with Federal. So, I had the addition of the Federal elevators in Thunder Bay as well as the Searle that I had managed previously, then finally wound up with Richardson's. So, I had the Richardson's Elevator as well. I probably managed more grain elevators in Canada than anybody that you're ever going to meet again.

BC: So tell me, what's involved in managing a grain elevator? Get lot of grain through, fill up and--.

JD: Seeing that they produce and produce as efficient as they can. When I first took over the Searle Elevator, the system was pretty simple. As time went on, I began to find out there was a lot of things they didn't know in the grain elevator.

BC: Such as?

JD: Such as coming in the elevator and seeing someone taking a shovel and hitting a screen and asking the individual what he was doing, and he said, "Well, the screen gets plugged and so I just give it a bang every once and a while and clear the screen and it works better." That was his answer. Well, eventually I arranged for a cleaning seminar. The screens that they used for cleaning are very, very close in measurements, so in order to get the grain cleaned properly, it passes through a number of sieves, or screens, of a set size and hammering them with a shovel doesn't improve the operation. It worsens the operation. So right then and there, I determined we needed a little better system. I had to teach some of the fellows how to properly handle a cleaner.

BC: A cleaner would be like a vacuum almost?

JD: Oh no, no. I'm talking about a big machine and hitting the screens on that kind of unit just didn't work. I was fortunate that I had some good people working along with me through Thunder Bay. We developed systems for them that enabled much better communication in how we did things. It changed a lot of what was going on in Thunder Bay. After a period of time, you begin to appreciate that a lot of these people never really learned what the elevator system is all about and being appropriate for running an elevator but there were a lot of changes made. I was fortunate that I had good employers. I had a good team working with me, and we were able to accomplish a lot.

BC: Could you go back to what's involved in running a grain elevator and some changes?

JD: Do you want to start right at the tracks shed?

BC: Yeah, I really want to know it all.

JD: You have your cars coming in, and if you have a decent trackage, you should be able to handle a full train at a time, and your time it takes beyond that within the 24-hour day, so that you can get your cars in and out expeditiously. The system changed considerably over the years. Initially cars were stabbed in Winnipeg. When I say stabbed, grain samples were taken from boxcars in those days and the grain was sampled. Here in Winnipeg, grade decisions were made before the cars got to Thunder Bay. That system was changed along with the transportation system where we went from boxcars to the tanker-type cars that are used today.

The grading system changed. It was handled in Thunder Bay. Around 1970, there was a complete change in the system where distribution was made by the originating company to its facilities in Thunder Bay to one where everything became a common pool. So, the shunting that went on in Thunder Bay was vastly changed unless there was a specific reason to select individual cars and put them to a particular elevator, the cars were treated in common.

Once the cars arrived on the track, of course, it was a case of getting the cars off as quickly as possible. That was changed from the old open the valves. Then it was a case of seeing your equipment was in shape to elevate the grain and that's another story. You find some very, very funny things happened at times that make a difference in how quickly you can receive grain. Just as an example, looking at the unloads every day in my office in Winnipeg, I can tell whether there's a problem. When I see car unloads falling, the first thing I do is pick up the phone and talk to the manager, the superintendent, and ask why.

BC: The car falling would be that it--.

JD: Why are the unloads not up--.

BC: Such as?

JD: Well, we're getting a lot of grain that's hung up in the cars, and we've got to clean out, and that sort of thing. Or we had a particular problem that arose, and so you say, "Well, let's find what happened yesterday or the following day," But when you've seen this happen for four or five consecutive days, there's now a problem. Just about then, I get on an airplane, go down to Thunder Bay, and come in and say, "Well, let's have a look, boys," and then go up to the nerve centre of the elevator where the cars are being elevated and distributed, take a look at the ammeter on the wall, and we're not drawing enough power. So, you ask the individual, "Why is that?" Well, he says, "The electrician came along and said that we're going to cut back on the power." And they were doing some work in the electrical area. So, I'm shutting down a certain part, and you're on reduced power for a while.

Well, a week later they're still on reduced power, and I'm asking the individual why, and he says, "Well, the electrician said--." "Well, let's get a hold of the electrician." Now you get a hold of the electrician, and he says, "Oh, I forgot." So now they're operating and here I am, sitting in Winnipeg, picking out a problem. "Well, let's get the power going, boys, and let's get some work done." You're starting right at the track, and this is the kind of thing that goes on.

In this particular case, there had been a change of personnel. There was a retirement, new fellow on the job, not asking the questions. That happens all the time. For example, at one time the Searle had the only oilseed cleaning facility in the Lakehead. The requirement for shipping was very definite. You had to have your production, and in order to meet your vessels, you had to see that the grain was there on time, that it was cleaned on time, and ready to ship on time. Suddenly you see your production of the cleaning is going down. A question is asked, of course, of the superintendent, "What's happening?" His answer comes back that we had an unusually bad run of seed that is very dirty. So, they had to cut back on the machines, the load on the machines. I check with my inspector in Winnipeg and ask him what's going on in the grain, and he says, "Absolutely nothing."

BC: Now this inspector would be a Searle grain inspector?

JD: He would be a company inspector, yes. He said, "Absolutely nothing." He said, "You get the odd car that may have a little more, and you get others that have a little less. The average is pretty normal." Well, just about then I get on the plane, and I go down and pick up the manager in Thunder Bay and say, "Let's go over to the elevator." So now we go over to the elevator and come in, see the superintendent of the elevator, "What's going on with those machines?" You were asked a question. The answer comes back, "They're dirty." "We don't find that. Let's go up and have a look." So now we go up and the elevator cleaning machine has about half a load on it and the question arises, "Why?" "Well, it's dirty." "I don't see anything that's stopping things." "Well, we have a spout here that goes down that gets plugged." "Okay, why don't we make a bigger hole and increase the size, so it doesn't get plugged?" So we do that and of course they say, "Well, let's see whether you can plug it." Can't do it. So something may have occurred. Somebody shuts down something on the flow and never returns it. I'm picking this up in Winnipeg.

Now I'm looking at the superintendent and say, "Tell me when we raised the question, what did you do?" Well, he says, "I called the cleaner." I says, "Did you go over?" "Well, no. Cleaner men should know." Okay, so, at that point we've already found a problem. The superintendent is not doing his job. He should be going over there. All of this occurs as you move along, and you change people. At one point, as my varying responsibility changed for the number of elevators, I found that people that were stuck in one elevator never moved to another elevator of their own company. I changed that and switched people around. They didn't like it, and the reason they didn't like it is because some of them had to travel from the Port Arthur end into the Fort William end. I still know those two names.

BC: Yeah, so do I.

JD: And it's perfectly understandable that they don't want to move, but they also just don't learn much about the elevator system unless they get out and find the different problems that exist in different places. It's quite amazing just how much difference there is between people that are sent out and taught and people that never, never move.

One of the things that I did was to start getting all of the managers to come out to various meetings and get them involved in trade shows where they could see the kind of equipment that was available, and I had certain meetings of country managers and terminal managers. Basically, it was a country manager meeting. I would get one of the superintendents for the elevators to come out to our country meeting, and he would give a talk on the terminal elevator.

The talk was prepared for him, and it was done with a movie, and we started at the track shed, and we went through and discussed what happened at the track shed, how we elevated the grain, how it was determined as to where it was going to go, the routing that you took to get it there, the cleaning facilities that were available and the shipping, the amount of time it took to ship, the operations of blending, et cetera. In order to get the best flow of your grain, you don't run one bin at a time. You run whatever is most convenient for you. And that can be done either manually or, in the newer elevators, it's pretty well electronically controlled. Once you take it in, you pass it through the system. You clean it up ready for grading and shipping, and you've sent it on your way. You performed the services of the grain elevator.

BC: You mentioned that they used to poke the cars in Winnipeg, and they moved it down to Thunder Bay. So when the grain would arrive at one of your elevators, both your company inspector and someone from the Board of Grain Commissioners, would they both be there sampling the grain at the same time or at the same place?

JD: The grain was already sampled, and the grade was put on it before the car arrived in Thunder Bay.

BC: Okay, so where was it sampled then if they didn't do it in Winnipeg anymore?

JD: They did it in Winnipeg, initially, and when I say they stabbed the grain they had a sampler that they'd put into the grain. It wasn't the automatic sampler that you get in Thunder Bay that comes off the elevation. It was a big rod, a pipe that had a number of holes in it. They'd put this into the grain. They'd turn the handle, close all the holes. They took it out, put it into a container, send it up into the grading in Winnipeg. It was graded here so that the grain was predetermined before the car got to Thunder Bay.

BC: Okay. I spoke to Vern Duke. He spoke about doing that, but then he'd say they eliminated the Winnipeg stop.

JD: That's right.

BC: So then it would go to Thunder Bay and get graded?

JD: Yup.

BC: So they would poke the car before it got to an elevator?

JD: When it got to the elevator, they no longer stabbed the cars.

BC: Oh, okay.

JD: As the grain was coming out of the car and going up the belt on your receiving, there was also a sampler alongside, and it took a little dip of the grain that went directly to the Board of Grain Commissioners' inspection office.

BC: Oh, okay, so that's how it worked.

JD: So that every car, as it was being elevated, was being sampled right on the site. You had an interview with Vern, did you?

BC: I did.

JD: Good.

BC: He had lots of photographs from when they were up in Churchill adding to the terminal up there. Really, really good photographs. Do you have any photographs of your work career? Of elevators or--.

JD: No.

BC: No?

JD: Well, I have some, but I couldn't even tell you where they are.

BC: Okay. So how many years did your career span? Was the major part of your career managing the grain elevators for all of these different companies?

JD: Yes.

BC: How many years did you do that?

JD: Oh, let's see now, 32, 33?

BC: I think the last company you named was Richardson. Was that the last company that you worked for?

JD: I retired from Richardson's, yes.

BC: And at that point were you managing Richardson elevators or were you still taking care of some of the other ones that you mentioned along the way?

JD: At that point, I was managing Richardson elevators. The Richardson, my responsibility then was for the two elevators in Thunder Bay, one at Vancouver, and one at Sorel, Quebec.

BC: So in a 32 or so year career, what were the major changes you saw in the industry?

JD: A shift in the movement of grain, a larger percentage of grain moving out to the West Coast. The impact on Thunder Bay was huge, and the elevators obviously weren't being used to capacity in the last number of years. At one time we were working the elevators through three shifts. In fact, the old Westland Elevator--. [...*audio skips*] And then it was changed to the private trade and became the responsibility of Federal Grain. Federal took it over. When I went with Federal, the maximum number of cars we would put in there in eight hours was 20 cars. There was a push to move a lot of grain through Thunder Bay. I got it up to 50 cars in eight hours and running three shifts.

BC: And the push came from your company?

JD: Basically, the Wheat Board wanted to handle more grain, and they needed the best that they could get out of the facilities. [...*audio skips*] The Westland elevator and clean it all. So I had to make a deal with the Wheat Board that we would expedite the

unload, but I had to have leeway on being able to deliver the grain in a clean condition. That worked for them, and so we fired up the elevator and put more people on and were able to assist in the movement.

BC: Why do you think there was a shift to the coast. What do you think happened?

JD: Natural markets. The market was available. Japan is a big buyer and there was opportunities out of the--. And Europe was changing. France was becoming much more productive in grains. The Russian market would prefer the West Coast. There was a certain number of Russian vessels that were coming in and loading out of the East Coast, but there was definitely a bigger demand out of the West Coast.

Initially, the problem was that the trackage going west wouldn't handle it. As that changed and the railways were able to improve their delivery systems to the West Coast, the market just grew. It was there. I participated and shared a study of the West Coast, and there are some books available. There were three volumes produced on the State of the Industry report and that dealt with grain and grain handling and what would happen in the country and what would happen elsewhere. So it was pretty much predetermined that the system was going to change.

Thunder Bay has great limitations, and part of those limitations has to do with the size of the vessel that you can load. Well, that's part of it, yeah. The depth of water in Thunder Bay is not adequate. At Searle, we had the loading channel deepened. We did the same at Richardson's. It was a case of going in and drilling and blasting in order to create enough water to load the 25,000 tonners. Those same 25,000 tonners were capable of carrying 35,000 tonnes. Doesn't make sense. Now, when the Seaway was first opened, the ships were smaller, even the foreign ships coming in. At one point, I represented a line of ships out of Hamburg, and they tried coming into the Lakehead. Ultimately, they decided it just didn't pay them. They ran a number of their ships into the Lakehead. That's a long voyage and they could do better by going to other ports and other cargo and that's what they chose to do but I did handle them. The Lakehead wasn't really well-equipped to handle ships at that time, not the way the saltwater vessels worked. Well, Rollie Mann was the first chandler in Thunder Bay.

BC: Channeler?

JD: Chandler.

BC: What is that?

JD: A Chandler is a service that is provided for the handling of ships. They see that the ship gets their fresh water, that the ships are properly tendered. There's a routine that you go through with a ship. They have to have provisions, and that's what a Chandler does. He represents the shipping companies, and when a vessel comes in, a saltwater vessel, the shipper gets notice he has a certain number of hours to place that vessel for loading.

BC: Okay.

JD: And it's a notice of readiness. As soon as that time starts, you have a certain period of time in which to finish loading that vessel. If you don't get it loaded within that period of time, then you get demurrage charges starting. It's a pretty formal routine. The system with lakers was far more lax. The vessels were shifted, and there wasn't a question of demurrage on handling the lakers that there was with salties. Consequently, it was very important in Thunder Bay, and Rollie Mann was very well suited for that kind of job because he had been a ship's captain and trained out of Edinburgh.

BC: Is he still alive?

JD: I don't know. The last I knew of Rollie Mann, he had come into Manitoba, and he had looked after transportation on Lake Winnipeg. So he's knowledgeable in every phase of the shipping business. Whether he's still alive, I can't tell you.

BC: What was the name of the employer he had then? It was the Chandler but was it a particular company?

JD: The people of Thunder Bay will know about Rolland Mann.

BC: I have to ask you a question because I'm not that knowledgeable about this whole area, but I can't remember, someone I interviewed talked about—and it ties into what you're talking about—the shift between when Thunder Bay was the place where everything went, and then the big shift west. I understand the reasons you're giving. This person talked about Thunder Bay, in some ways, dropping the ball in that it cost grain that's shipped in the middle of Canada via rail all the way out to the coast and particularity because you have to go through the mountains and rail costs are more expensive than water costs. He was saying, the sooner you can get that grain onto a ship, your costs go way down. [...*audio skips*] The math that, saying to the companies that ultimately pay to get the stuff delivered to them, we can do it cheaper because rail from the middle of the country to Thunder Bay's flat. We can get it onto a ship faster, and your costs go down. We can deliver it to you cheaper. What are your thoughts on that one?

JD: That becomes a matter of rate structure. Now, rate structures change. For years there was such a thing as Crow's Nest Pass rate. Are you familiar with that?

BC: Well, I remember people talking about it, yes. I think Otto Lang changed that, was it?

JD: Crow's Nest Pass rate was developed many, many years ago, and it was a very low rate.

BC: For the railways?

JD: The shipping cost from various points, you know, Winnipeg/Thunder Bay was probably 15 cents. If you went west of here, you can go a long way for 20 cents. If you want to start talking in terms of where the rates were required to be to break even, as time progressed you start looking at something that is 3 or 4 or 5 times. Initially, when those rates were established, of course everything was cheap. For example, I had a young fellow who came in before you arrived that just put in a TV, and I told him a little bit about the old Grand Beach and the dance hall that doesn't exist anymore, and the various facilities that were there, and showed him a ticket to the dance hall for five cents a couple. Today, if you're looking at the same thing, it certainly wouldn't be five cents a couple.

BC: No.

JD: We'd throw those away, those five cent pieces, and the values change. The railways had a period of time in which to get their house in order. The subsidies on the rail system changed and was spread out over a period of years. The costs of transportation then certainly reflect a movement, and it makes sense that the closer you are to a particular market, the cheaper it's going to be in the cost of transportation.

Now, in the case of Thunder Bay, the railways are even in a position now that they would bypass Thunder Bay and go directly to the seaboard. The capabilities are there. The country elevator system are changed. The country elevator system now have provision ten, but today they have provision for 100 cars or 110 cars. They're able to process the grain and load a full train. You can go from the originating point direct to the seaboard.

BC: Streamlined.

JD: Mmmhmm. There's a vast difference. I can remember some years ago an individual at Thunder Bay talking about the need to expand, and in that agreement, there was a suggestion that we could move out to an island.

BC: Why?

JD: Well, you get deeper water and presumably now you have more space. You can't keep using the same old waterfront the whole time. But no, that was a pipe dream. The individual argued very strenuously that Thunder Bay was going to be the handling point of the future, and it had to be increased.

BC: I know they're down to very few elevators now that are actually operating. It's probably where it's going to stay, then, if it even holds its own doing that.

JD: Very likely. There's no new facilities going up there, and there hasn't been anything new going up for many, many years. If anything, they're going down.

BC: So in your 30-some years—you kind of touched on this—was even the county elevator system all shifted, too, in changing times? I imagine you saw it go from, when you started, hundreds of little elevators down to--.

JD: About 5,600-5,700.

BC: Oh really? Oh, okay.

JD: You're looking today. I'm not sure what the number is today, but I would suggest that it's probably about 1,500, if that. The elevators have been raised, and the shipping points are fewer and farther between and bigger facilities. At one time we had a grain elevator sitting on ground here.

BC: On ground?

JD: Mmhmm.

BC: I don't remember that.

JD: No, you wouldn't. Osborne, or Pembina Highway, if you were heading south on Pembina Highway and you came to Grant and turned west on Grant, about two blocks up was the Grain Growers elevator.

BC: And when did that go down?

JD: Oh golly, that's been gone--. I moved out to Lanark in 1956, it was still there. Probably around 1970.

BC: That's amazing.

JD: There was grain stored on just up near the underpass on Osborne. There was a street railway facility there. That was filled with grain at one time.

BC: That's amazing.

JD: We had a number of elevators out here in Saint Boniface, and Sea McCabe had an elevator. Red River had an elevator, which Searle bought, and then there was another old elevator down there, Central Grain. There were a lot of elevators around here. Some of them, like Central Grain, still remain.

BC: Not as an operating elevator.

JD: Central Grain is still operating, yes.

BC: Oh.

JD: There was an elevator over in Charleswood. That's gone. There was an elevator just out of town here at the corners, if you're heading east.

BC: Sevens Corners?

JD: Yes.

BC: Okay.

JD: There was a Federal Elevator—a Searle Elevator, pardon me—right on kitty corner from where the filling station is there. I saw that built, and I had that under my control, as well as one in Kenora. That elevator is gone already. I saw it built and I saw it tear down. There was a grain elevator just out here on Main Street that came in where the perimeter is. I saw that one built, and it's gone. There was an elevator just over here in Charleswood that was torn down and, again, I saw that one built. The State of the Industry report covered a lot of that, why the elevators were going to go.

BC: And where would you find a copy of that?

JD: Years ago, that was done through the auspices of the Canada Grains Council. Now where you might find a copy of that today? I'm not sure, but someone in the government services would be able to tell you all about that.

BC: And does the Canada Grain Council still exist?

JD: Does it still exist? I don't even know.

BC: And what was it? It was a group that got together to--.

JD: It was basically something that Ottawa wanted to do in order to coordinate a lot of the things that were going on in the grain trade at the time. Dr. Don Devers was the individual who came in to head that up. He came in from Ottawa, and he took over that operation. They did a lot of good work.

BC: And you say that you were part of a committee of that council at one point?

JD: Mmhmm.

BC: Were you a member where you would meet regularly?

JD: Mmhmm, yes.

BC: Can you tell me a bit about that because that's all a part of grain history.

JD: I'd prefer not to because there are other people that know more about the Canada Grains Council and its purposes. I wouldn't want to mislead you on the purpose of the facility. There are people that are better versed to do that.

BC: Is there a person who you would think would be around that could talk about that?

JD: Yes, there is. I can't think of the name right now. He's retired and the name escapes me at the moment.

BC: When you think of it, you can let me know. When you were on that council, though, you came from your private grain company as a person who--.

JD: As a representative, yes.

BC: A representative, okay. The grain elevators, the country elevators all amalgamated. It sounds like grain companies bought each other out and became smaller or bigger—smaller numbers, bigger companies—so you saw all of that happen in the time of your career too. How would that change the--. I often wondered when you were mentioning in Winnipeg all these little grain companies, what was the relationship? Was there a relationship between them? Did everybody know everybody?

JD: Pretty well.

BC: Would it be in an informal way or formal way?

JD: Both. The original companies that were here, some of them came from Minneapolis. The families, like the Heffelfingers and the Searles. There was opportunities here in western Canada, and the railways were looking for ventures and people to come in and start the grain industry. Some of these people came out of Minneapolis. They worked out sites with the railways, and they developed them. Now, when I say Heffelfinger, that was National Grain. I don't know whether the name means anything to you that was--. National had a line of elevators in the country and they also had the elevator at Thunder Bay.

BC: The name Heffelfinger, I've heard the name before, yes.

JD: Okay. The National Elevator is now the Cargill Elevator in Thunder Bay. As these families opened up areas of western Canada, the need for the elevator system expanded, and of course the building of the Thunder Bay elevators was natural. As time went on, a lot of the same owners saw fit to move on. Starting with Searle where I did, the family had gone through quite a bit in the grain trade. There was probably a good reason to sell out. I can remember very distinctively talking to my boss, Cyril Leach, and saying to him, from my viewpoint, that the company should sell out. That kind of shocked him because he was in the throes of looking into a sale.

BC: And why did you think they should sell out?

JD: It made good economic sense, and it seemed to me that was a logical progression. As it turned out, there was a merger. A merger of Federal and Searle. That lasted for a period of time until Sask Pool came along and bought out the Federal. At that time, I

was sneaking out of the office to go to meetings. When I say sneaking out, I would just leave and just not tell anybody where I was going. In fact, I was sitting at the time negotiating with Sask Pool. There was a good reason for the companies to amalgamate and for the industry to gradually consolidate a large number of individual operators.

Now there's a competition out in the country today, and the service is entirely different to the service that they used to have. There was a lot going on in the grain industry that was a bit of a shocker at times to go out and talk to people in the country and, in fact, talk to people in the industry about the needs of the industry. I can recall going out west, I used to do that periodically, and have little sessions with the growers themselves.

They get into some communities. They're very, very knowledgeable. They know what's going on, and they respond accordingly. In other areas, they haven't got a clue of what was going on. I can recall being at a session out west, and there was a couple of university professors at this session. I was giving a paper. After I got through, one of the professors came over to me and said, "You know, you're making statements about the grain trade. I've never heard of those things."

"You're a professor and I'm in business. You don't necessarily know what I do, and I don't necessarily know what you do. But I can tell you that the information is available." He was checking me on the availability of information, and he said, "Well where would I get it?" I reached in my briefcase, pulled out a book, and handed it to him. Then, he was amazed that it was available. He didn't know about it—didn't surprise me.

But at that particular session, I had made a statement. It kind of shocked a lot of people. My statement was, "If you don't grow another bushel of grain this year, it won't make any difference because you've got more grain that is in the bins at the present time than you can possibly handle in the next year." That shocked a lot of people. Ottawa picked up on it, and I had a phone call from the government. They asked me about it, and I told them where my source of information was and why I thought a certain way. Next thing you know, Otto Lang came out with his Lower Inventory For Tomorrow's proposal that passed. That was about 1978.

BC: What was his proposal saying?

JD: It said, "If you don't grow some grain, we'll pay you,"

BC: Okay.

JD: We'll pay you for your acreage that you retire.

BC: Would that have been good practice for the land also, giving it a break, or not important?

JD: Not necessarily but it always helps to give--. There was so much grain in western Canada, they couldn't possibly move it within the next year. There was grain stored all over the place. It was stored on the ground. It was stored in the elevators, and the amount of grain that could be moved was very definite. There were only so many cars available.

BC: So was that the first time there was a no-grow, pay-you plan?

JD: To my knowledge, yes. I could be wrong, but to my knowledge, yes. I knew Otto. Otto eventually came to work with us at Richardson's. He politically made a statement that kind of ended that, but he was making statements counter to what my boss--. [Laughs] Anyway, I knew Otto pretty well.

BC: Now does Canada today still--. On the world market, are we still a major player in terms of producing grains for the world?

JD: Oh sure. You couldn't possibly use domestically what people are producing. While Canada is a major exporter, it's not the greatest producer. A lot of people get the impression that Canada is the greatest producer. If you want to compare it to the production across the line, there's no comparison. Our total production in terms of tonnage is probably a fifth of what they produce in the States.

BC: Population?

JD: Well, they have a much bigger consumption. They also export, but in terms of Thunder Bay if you want to think in terms of movement, I had a piece of literature recently that's talking about my old elevator in Vancouver, loading a ship of a 100,000 tonnes. Now you take those ships that came into Thunder Bay, the biggest ones that you saw, put a load of 20,000 tonnes. They were capable of taking 35,000 tonnes if the water was there. I'm talking Vancouver loading a 100,000 tonnes at one berth. Now the water there guarantee [inaudible] Thunder Bay. It's very significant.

BC: Definitely.

JD: Now with Prince Rupert, I signed the agreement along with two other good friends of mine who worked for competing companies in Ottawa for the building of that Prince Rupert elevator, the latest one. It was pretty much a political kind of thing, but it's there. It operates today and is capable of delivering grain and expediting big loads. The draft is there. The draft is not there.

BC: Would Thunder Bay nowadays perhaps get more—well I don't know what the advantage would be—I'm thinking of specialty grains where you're kind of more of a custom broker who have small shipments. But I guess with big new ships, you can have different compartments with different things in it.

JD: Oh sure. There's still a market. Some of the small places in eastern Canada still exist where they handle grain. There's still a lot of feeding going on in eastern Canada. The markets are still available to the U.S. lake ports for specialties, malting barley trade, by comparison to the volumes that go overseas.

BC: The role research and sciences played in your company's development. Obviously, you worked for some of the bigger players in the private industry, so did you see that affecting any of the companies that you worked for? Were there any big research or science breakthroughs that changed the way business was done?

JD: Grain is a pretty straight forward product. The science, you had a change in product. A good example would be rapeseed to canola. Originally the use of rapeseed was in a couple of markets. One was the shipping industry where rapeseed oil was used as a lubricant, and you had a plant in Thunder Bay that produced rapeseed oil. The other market, basically India, where rapeseed was used for edible purposes. Canola opened up a much bigger market. It now became a product for edible purposes, generally.

There was a lot of work done in crossbreeding of varieties and canola, the forerunner of that was first of all, taking out some of the acids in the rapeseed, erucic acid. When that was done, it was done through crossbreeding. Then the canola was a development of that again. Canola is basically a modified form of rapeseed. Today, it's one of the bigger crops in western Canada. All those yellow fields that you see when you drive along, that's canola. At one time, you just didn't see that. When you saw yellow in a field at one time it was wild mustard.

BC: [Laughs] I was going to say mustard, yes.

JD: And you tried to kill that. Today it's a valuable crop. That's one of the developments that you can attribute to your research and development sort of thing. Dr. Steffanson was the fellow that did the work on canola seed here at University of Manitoba. So that was a credit to the U of M, and Steffanson in particular.

In terms of grain, there's always a certain amount of cross breeding. That's basically where your research and development go in the form of grain. In the handling, big changes, big changes in how you operate. There are facilities that can be run with almost nobody around, everything handled from a central point with relatively few operators and all electronically controlled. Your grain coming in, going in from a scale, can be electronically controlled. Your distribution can be electronically controlled by just having a

system that moved gates and opened and closed gates. You can control the facilities that transport the grain, start/stop, from the same central nervous system.

BC: Would that be in one of those new, big terminals that are being built? The consolidated--.

JD: West Coast?

BC: Yeah, and I guess also in the consolidated elevators on the Prairies too, less people.

JD: Yes. A lot of this was available years ago. The problem that existed, at the time, was a sensitivity of equipment, for example, computers. To put a computer in a grain elevator was a no-no because they just couldn't handle the dust. Originally, when I came into the grain business a computer was, I don't know, a pretty simple thing, but you had to have a great big room, first of all, to handle it. It had to be pressurized so that dust didn't get into the room because the systems were extremely sensitive. When I say pressurized, you had to have your doors that opened out of the room and as you opened the door, there was a little puff with the change in air pressure, very minute—didn't have to be much, but enough that it didn't allow any new air to come in. As a consequence, the ability to electrify the elevators and run them by computer was a little more difficult. As time progressed and the equipment changed, then it could tolerate a certain amount of dust, so the systems changed. But that took time, and it took a certain amount of work in cleaning up some of the elevators as well.

An elevator is not necessarily a clean place, but they generally can be cleaner. When I first went into the grain trade, they were terrible. I can recall going into a dryer in Thunder Bay and coming in and a fellow that was operating the dryer immediately got out of his chair and went to do something. I asked him how long he'd been sitting in this chair. "Oh," he said, "just a couple of seconds." "Well, isn't that funny," I said, "Your chair is absolutely clean, and you're covered with dust." I said, "You've been sitting there for a little while." Now he had to tell me that he had to get up and check on the heat gauge because it wasn't working. So he had to manually do something, and I said, "Well, you can't very well do that sitting in the chair, can you?" And I said, "Who else knows about the problem with the gauge?" "Well, the other dryer man that was on, he told me about it." I said, "Well, how's it going to get fixed?" "I don't know."

I said, "Well normally you have to tell somebody that something is broken before they can fix it." I said, "Now that you told me, I'll see that it gets fixed." And I said, "By the way, if you're going to get a chair, get a decent chair." But, you know, that's the grain trade.

BC: You're a systems person. You look at the big picture, and you see where communication has to happen, lines of authority. You're always the big picture thinker.

JD: Things changed. When I first started into the elevators, I would go down to the elevator and see somebody walking along the track with a bar. A little while later I'd see him walking, and he's still got the same bar. So, I stopped, and I asked him, "What do you do with the bar?" "Oh well I've got to do this, and I've got to do that." And I said, "But all I see you do is walking with it." I said, "It's not a very busy tool, is it?" Well, he didn't know what to say. As time went on, nobody walked with a tool. If you were going to do a specific job, the tools that you required were designated. If you were going up to do a specific job, you went in and said, "I need a kit to do this particular job." and you were handed a complete kit, and you weren't running back and forth looking for tools or carrying tools around. It made a difference.

BC: Looking at the time, just a few final questions. I guess there's three. One would be the biggest changes on your job, what your biggest challenge was, and what your most vivid memory was.

JD: Biggest change? Obviously the change from east to west. That was a pretty simple one. It was predictable and the whole system was working on it. You had a much more concentrated effort to accomplish things that were going to be. That was part of the work of Canada's Grain Council. There was a greater concentration of minds and people that were put together. There was representation from both railways and excellent representation. There was representation from all of the grain companies and the government, from both the federal and provincial. This is the group that did the kind of work of the State of the Industry report, so that the shift in directional flow in what was going to happen with the elevator system, et cetera, was predictable. It was just a question of when. Now it's been going on steadily ever since I retired. It's not surprising, at least not to me, because it was forecasted this was going to happen. Now what's your second question?

BC: You worked for a number of employers and a number of different jobs, what was the biggest challenge that you ever felt that you had to meet in your career?

JD: The biggest challenge. Well, I would say that the biggest challenge that I had was getting people to do what they were supposed to in the first place.

BC: Managing people. That's the key to a successful business, isn't it?

JD: Very much so. And it's really surprising what you find along the way. When I left Searle, we had streamlined a few systems. It was a very progressive company. I was asked at one point to be the planning officer for the company, and I declined. I didn't

particularly like that kind of work. I was more interested in, at the time, in exports and marketing and that sort of thing before I really got into the terminal elevator business as well. But I found that Searle was very progressive, and as I went along from one company to another, it's amazing over a period of time how little the changes were going on in the industry.

Going from Searle to Federal, when I came in it was like going back into the dark ages. Harry Sellers, who built the facility, was a great old gentleman, and he had made a contribution in building at Thunder Bay. He'd outlived his time, and he was an elderly man when I really got to know him. The elevators hadn't changed, and I was astounded when I came into the Federal office in Thunder Bay and had met the people that it was as backwards as possibly could be. I did an evaluation of all the people there. I did it by having the office manager go through and give me a rating on certain questions, such as you're doing now.

On his rating, everybody in place failed, and I said, "You know, your problem here is that you don't have anyone that has any acumen at all." "Oh, no," he says, "they're all pretty good." I said, "Well that's not what you're telling me." "Oh well maybe I'm doing this wrong." I said, "I know you're doing it wrong. I just want to stress a point. Now let's get down and get serious."

They were still in the process of doing a function that wasn't necessary, and I said, "You know, we're going to change that." He said, "Well, what are you going to do?" I said, "It's pretty easy. I'll tell you exactly what we're going to do. We're going to remove that phase completely." Well, he said, "How would we get along?" I said, "Just great." and so we did.

Then I started bringing in people to teach them, and I was shocked at how little the fellows knew about the business they were running. They didn't have a clue! And once I got to know some of the people in the plant that seemed to be more interested in what was going on, we began to make changes that made a world of difference. I don't know that I'm answering your questions.

BC: No, no, it is! It's all stuff that we want to hear because it is about going in, and how the industry evolved, and who the players were—the kinds of things that had to change. My last question, well, second last question is, do you have a particular vivid memory of something that happened in your work career that you'd like to share?

JD: Oh, I have a few.

BC: [Laughs] Okay.

JD: Yeah, I can remember very distinctively an individual in the industry who was a prominent figure in the development of the tuxedo, had a senior stick in the grain trade. I had taken over as chairman of the Lakehead Terminal Elevator Association, and in taking over the chair I didn't want to be handling everything that came along, and so I made a proposal that we designate certain

individuals in the association to take on the job of handling certain parts of the business agenda. Now, they could report at our meetings and have freehand to do whatever they thought was necessary between meetings. If it was necessary to call a meeting, they could do that. [Laughs]

This particular individual, he had a representative that was at the meeting and his representative would never make a decision. Of course, he went back and talked to his boss. His boss didn't like what I was doing, and so he phoned me. When he phoned me, he was going to reverse this, and I said, "Well, I'm the chairman of this association, and I'm proposing to make these changes for the betterment of the organization, and I don't think I'll make those." Well, he went on and started giving me hell, and I said, "Well the next sound that you're going to hear is me hanging up," and I hung up on him. This guy was a real tyrant. Now he phoned my boss, [laughs] and my boss was directly across the hall from me and about five minutes after I had hung up, Cy Leach came in and he said, "Jim, I understand that you got a problem." And I said, "Well it all depends on how you want to look at it," [Laughing]

"You know," he said, "I've had to go through the same thing. So and so's a senior stick in the organization, and I'm afraid we're going to have to bow to his request." And I said, "You're my boss. You're telling me. That's not a problem. You give the orders, I follow." And so we changed, and that same fellow phoned me on another occasion, and I hung up on him again. [Laughing] But he called my boss and this time he told my boss that he should fire me. [Laughs] Well--.

BC: Didn't happen.

JD: Oh no, it didn't happen.

BC: Oh dear. So you met all kinds in your work.

JD: Oh, sure. And another, I had a couple of other instances that were, in my career, important. May not be important as far as the industry was concerned. On a particular occasion, we had changed our accounting system in the company, and there was a firm of accountants that came in and devised a new accounting system and put it into effect. Well, about a month after this was put into effect, a statement came out and it didn't look very good. We tried to work around and make some explanations for it, and my gut feel was that there was no problem. But the figures weren't showing that. Another month went by. Everything seemed to be okay. Then we got into the third month. The third month is back to the first month. It doesn't look very good. Just about then my boss said something about, "Jim, are we losing a lot of money in such a place?" And I said, "No. I know I'm making money." And he said, "Can you prove it?" I said, "Sure I can prove it."

I had Harold Harri working with me at the time. I don't know if you have heard of that name, but I mentioned it earlier. Harold's been interviewed, by the way, and so I gave Harold the job of going through the process to determine whether we were making money or not. I showed him how to do it, and he went through and did all the spadework on it, and it came through, and it was about what I expected and gave it to the boss. He said, "Well, you look like you have an explanation, but what is going on in the system?" I said, "Well, I really don't know, but I'll find out. Do you want me to do that? I'll go to work on it." My function wasn't keeping records. And he said, "Well, if you don't mind."

Well, it took me two weekends of working nights and working Saturdays and Sunday. My wife called me on the second weekend on a Sunday morning and she said, "Are you coming home?" I said, "I think I'm going to be home for dinner tonight. I'm just now finishing up on what I think the problem is." And sure enough, I found the problem. The accounting firm had missed a whole phase of what we needed in our system. They weren't familiar with it because it was a marketing requirement, and they weren't marketers and in order to get an answer you had to use a market adjustment at the end of every month in order to satisfy your accounts. There's such a thing as a hedge, which you may or may not know. I'm sure you know what the term hedge means. All grain sales are hedged. If you sell some grain for future delivery, in order to protect grain, you sell the future, and any fluctuation in the market takes care of itself in that process. If you make a sale today at a dollar, the market drops to 80 cents, you're delivering it at a dollar down the road. But in the meantime, you have to make an adjustment for that, and when I finished, I found that phase had been omitted.

BC: Which would account for--.

JD: And that accounted for the fluctuation each month because you do it at month end. In any event, it was resolved, and it was a departmental thing that were being affected. So we got over that and moved on.

Other experiences, explosion at Vancouver in, it was around 1970, I guess, because the elevator was rebuilt and opened up in '75. We had five men were killed, and there were another seven or eight that were badly burned. In fact, I was at a 25 year reception here a couple of years ago, and one of the fellows that was injured in that fire was at his 25th anniversary with the company. He was pretty badly burnt. His features were all changed and scarred but he came back, and he worked. It was pretty dramatic, at the time, and the effects of that sure made a difference in how we thought about grain elevators after that. Just the way the industry works, we had to do some work on one of the elevators and explosions. I wanted to rebuild the top of the elevator so in the event that there was an explosion the walls would just blow out and take the pressure off rather than have a big concrete roof and everything that wasn't necessary. The insurance company said we can only rebuild it to the original specifications. Now, it doesn't make any common sense. If part of the problem was the rigidity of the walls and the roof and that, that really creates a problem

with the explosion, then why not take care of that problem? And when you're rebuilding you can do it. The cost probably is less to do it properly, but insurance companies were very, very rigid.

BC: I got one minute left, what was the end result? How did they build it?

JD: They went our way.

BC: They went your way, thank goodness.

JD: Yeah.

BC: But again, that's thinking from a distance and systematically. Okay, we have one minute and thirty seconds left. Is there anything else that you would like to add at this point?

JD: Probably when you leave I'll think of half a dozen things.

BC: Well, I can always come back, there's no problem with that.

JD: Well, quite frankly, I think the time that I spent with the ancillary services and organizations outside of the strictly company where what I enjoyed most. The progression of people in the industry and finding such things as the Canada Grain Council that made a contribution, the Canola Council of Canada that made a tremendous contribution, these were organizations that I enjoyed.

End of interview.