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Summary: President of Prince Rupert Grain Nick Fox discusses his long and varied career within Canada's terminal grain industry operations. He begins by discussing his early work in the United States on the construction of an inland terminal before he moved to Canada to work on the expansion of Pioneer Grain Terminal. He describes joining Pioneer Grain's terminal engineering group and recounts the major upgrades to terminals in Thunder Bay and Sorel. He then recalls moving to Thunder Bay as terminal manager, and he discusses cooperating with other terminal elevators, interacting with the Canadian Grain Commission and Canadian Ports Clearance Association, and using cleaning and grain blending to make additional profit for the company. Fox then describes becoming vice president of all terminal operations for Pioneer Grain, describes the differences between the terminals, and explains the major issue of Canadian Wheat Board railcar allocation and consistent transportation service. He discusses moving to Viterra in the same vice president after their acquisition of Agricore United and his eventual move to president of Prince Rupert Grain. Within these positions, he describes the labour relations in each shipping port and changes to grain movement and capacity. Other topics discussed include elevator audits, the demise of the farmer cooperatives and the CWB, Prince Rupert Grain's consortium ownership structure, and stories of memorable labour strikes.

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Audio Part One

Time, Speaker, Narrative

NP: This interview is taking place at what was formerly called The Winnipeg Grain Exchange Building, at the office of Prince Rupert Grain Limited on September 14, 2015. I would like the person who is being interviewed just to introduce himself and his current involvement in the grain industry.

NF: My name is Nick Fox, and I am the president of Prince Rupert Grain. I have a responsibility for all the operations of the company in Prince Rupert, and we have a small office here in Winnipeg with four employees.

NP: You spent your time split between the two?

NF: Yes, I get to Prince Rupert every five weeks or so, and I will go up for the majority of the week. I was up there from Monday through Friday, and I have to go back this week for our annual general meeting being held in Prince Rupert on this coming Friday.

NP: What is happening in Rupert, anything?

NF: We just came off a week shutdown. We have a week shutdown for major repairs and maintenance once per year, and it encompasses the September long weekend. We are just back from that, and this will be our first day of unloading coming back. We anticipate it being another busy year in Prince Rupert—our crop year 2015-2016.

NP: The way we usually progress is to start out with a question about how you got involved in the grain industry, and then move through your history and deal with changes and challenges, some general things, but we would like to answer them specifically from your perspective, because you are you and no one else is.

NF: I began my career as a site engineer in 1974. I worked for a company out of Minneapolis that designed and built grain elevators in the US. My first project was in Northern Iowa working on an inland grain terminal. That was how I got started in my career. That building in the grain industry eventually took me to Vancouver 1977, when the contractor had secured the contract to rebuild and expand the Pioneer Grain Terminal out there that was destroyed by a fire in 1975. That is how I got to Canada. I worked on that project until it opened in November 1979, at which time I took a job with Richardson's in Winnipeg in their maintenance and engineering group.

NP: You were not born in Canada, I take it?

NF: No, I am an American.

NP: Where did you grow up?

NF: I was born in Osage, Iowa. I grew up on a farm in Iowa and had that mechanical ability that took me to the building trades.

NP: What kind of farm did your family operate?

NF: We had a row crop of corn, soybeans and cattle. We raised a lot of live-feeder cattle and raised them to fat cattle and then sell them.

NP: In case I forget, you have obviously become much immersed in Canadian agriculture since you moved to Canada. Is there anything that leaps to mind if I ask the question, “How do things on the farm vary in Canada versus the farm you grew up on?”

NF: I think the biggest difference was the CWB [Canadian Wheat Board]. There was no marketing board in Iowa for corn, soybeans, or cattle. There were no marketing boards at all when I grew up on the farm. Coming to Canada, even though I didn't work on a farm here, but being exposed to the grain industry when I did start working for Pioneer Grain in 1979, it was quite a change to have the marketing board—the CWB—which primarily were the days before canola, so it was 90 percent of what went through the assets.

NP: Let's start with your job in Vancouver. What were the challenges there and what did you learn about grain elevators that you hadn't experienced before?

NF: I think the first thing, having come from working on projects in the southern part of the United States, the first change was the first 23 days that I was in Vancouver it rained for 22 of those days. So that was my first experience in Canada to begin with. The terminals are quite different than the terminals in the United States because of the wheat cleaning. Wheat traditionally wasn't cleaned in the US. I think the harvesting technique was a little bit different, so the grain came off cleaner, and there wasn't as much trash in the grain. The Canadian grain was sold at a cleanliness level that was higher, so it didn't require cleaning. The biggest change was the type of cleaning machines and the cleaning equipment that we were installing in the elevator in Vancouver.

NP: Did that construction project go without a glitch?

NF: There is never a construction project that goes without a glitch. It went fairly well, and we were on schedule. What was interesting about that project was the day of the grand opening, which was in November of 1979, as we dumped the first car in the pit and cut the ribbon—George Richardson actually cut the ribbon to bring the car into the unloading area—a tug and barge hit the lift bridge that brought all the cars over to the north shore. So, there were no cars after that first day available for several weeks until the bridge was repaired. Other than that, the project went fairly well.

NP: Did you know anything about what caused the elevator to burn down, and were there any changes in the construction of the new one to prevent a similar thing, if the construction had anything to do with it?

NF: No, I don't know the cause of the fire in 1975, but it did destroy the main workhouse completely, so our contract was to design and build a new one and add storage to the existing facility. At that time, I guess elevators built back probably in the 1950s—and this is 1975—so we did adopt what was current in terms of safety features, dust control, aspiration on the equipment. So, when the facility was designed and rebuilt, it had the standard state-of-the-art at that point in time.

NP: Has it been added to or modified in any significant sense since then that you know of?

NF: Yes, in fact I believe that they have just doubled the storage capacity there. It is going to be coming online here sometime this fall. So, they have added quite a major addition just over the last couple of years.

NP: Does it have a name, that elevator?

NF: I am not sure what they call it today. It was called Pioneer Grain Terminal Limited when I was at Richardson's for the 27 years that I was there.

NP: You didn't go back to the States at that time?

NF: No, I had just started a family, and there had been a boom in the construction industry, so you are always moving from project to project. When Pioneer Grain offered me a job in Winnipeg in their maintenance and engineering department, we decided to do this for five years. We had one small child and one on the way. It just seemed like a good thing to do at the time in our lives. Our plan was to stay for five years and that is 35 years ago.

NP: The job that you moved to, was it in Richardson's or in Pioneer?

NF: It was called Pioneer Grain at the time. That was the grain division that ran the country elevator assets and Richardson Terminal in Thunder Bay and Sorel Elevators in Quebec. So, it was all under the Pioneer Grain umbrella.

NP: What did that job entail?

NF: It was maintenance and engineering in their terminal group. I had a responsibility for supporting the terminal operations for both the newly completed Vancouver terminal, but also the Thunder Bay Richardson Terminals Limited, and their Sorel Elevator Limited.

NP: How long were you in that position?

NF: For about five years, five and a half years. My first project, which I am sure people in Thunder Bay can relate to, was painting the elevator orange and yellow. I moved onto more substantive projects after that, which involved upgrading the elevator both in Thunder Bay and in Sorel.

NP: What is the importance of painting an elevator? I am sure it is not the artistic or was it a trademark?

NF: I think it was the trademark. The Pioneer orange and yellow across the prairie is well known. It was an attempt to move that brand to Richardson Terminals Limited, and the Sorel elevators, and the terminal in Vancouver. Eventually they all were painted with that orange and yellow paint scheme. While it might have been controversial, I think, particularly in Vancouver, whenever there seems to be someone on the waterfront doing a news report back years ago or even some of the TV programs, you could see the orange and yellow terminal in the background. Quite often it was a backdrop for news reporting.

NP: Painting an elevator was controversial?

NF: Orange and yellow!

NP: Why was that?

NF: I think people thought it was pretty bold for the waterfront. [Laughs]

NP: Now they do murals on them.

NF: Yes, they do.

NP: What was happening with any projects other than the painting at the Thunder Bay elevator during that five-year period?

NF: Early in 1981 or 1982, we did do a major renovation in Thunder Bay, where we removed some of the old equipment that was originally from when the elevator that was built in 1919. We replaced it with more automated bulk weighers and the beginning of automation, and computer and process-control equipment. We did do a major renovation there in the winter of 1982 to increase the capacity of Thunder Bay. At that point in time from '80 till about '86, the eastern movement was still growing. I think it was about 1984 or so that it was one of the best years ever for Thunder Bay. We did do a number of upgrades to increase the efficiency of that plant before 1985.

NP: What is involved in those upgrades? I am thinking of things such as you have got to get rid of stuff. It not always easy to get rid of stuff out of a big concrete building. So what happens to the items that you do get rid of and how is it planned to try to disrupt things as little as possible while you are doing this?

NF: One thing about Thunder Bay is that you are shut down typically during the winter, unless there is a winter rail program to the east. When we shut the elevator down about the middle of December—we shut down a little bit early—we took a big section of the roof and cut a hole in the roof, and we set up a tower crane, so that we could remove equipment through the roof of the building and put the new equipment into the building and then assemble it once it was inside the building. But certainly, a lot more complicated as the pieces had to be smaller than if you were doing new construction, and then they would be bolted together once they were inside the building. Again, as I said, in Thunder Bay you have that opportunity for three, three and a half months during the winter when the lakes were frozen over that you were not really losing much business to do a renovation during that period of time.

NP: Where does the old stuff go?

NF: It goes to the scrapyards, and a lot of it would have been old, steel hoppers, et cetera. So, they would have gone to a recycler.

NP: Any use for the equipment at all, or was any of it shipped offshore?

NF: No, it was too old, and it wasn't up to the modern-day standard. The old scales that, originally, we took out were originally the beam style where a guy had to move the weight along the balance beam. Eventually they were converted to where you replaced the person with a load cell in the balance beam. Then eventually they became obsolete, and then you went with a fully

automated scaling system. That is just an example of what would have been manual and progressed to where it was fully automated.

NP: Was Sorel also operating, and were there any projects that you were working on there?

NF: Yes, in Sorel, we had replaced five shipping spouts with three much higher spouts and larger spouts because as the ships got bigger, then the spouts that were originally installed in that elevator back in the 1930s were not high enough to service the new ocean-going vessels. So that complete shipping system was replaced in the mid 1980s also.

NP: To an outsider looking at it, okay, so you take the spouts, and you just move them up. So big deal. But that's not it because there are things operating inside that have to get to those spouts, so what happens there?

NF: That's right. The equipment then that supports that, obviously with bigger vessels, the demand is to load faster. So, you put up a taller tower, and it has to reach further because the vessels are wider and of course everything then is of a much bigger scale. Then it has to be supported on the back end by faster equipment, and more modern equipment, and more automated equipment.

NP: If you were to look at, say, planning time to make those kinds of significant changes versus the time to actually implement them, could you give a percentage of how much planning has to go into that?

NF: You would probably start on a project where you are replacing shipping's old bulk-weighers with a new shipping system, you would probably start that project a year before the actual construction. So, you would have a number of months of engineering and then a number of months of fabricating the parts and securing the equipment, and then the final. So, it may be about a third, a third and a third renovation project: One third of the time engineering, one third of the time fabrication and securing equipment, and one third of the time for actual installation.

NP: You said you took that position, and you were looking at a five-year commitment to staying?

NF: Yes, to staying in Canada, and then I was planning to move back to the States.

NP: Then what happened?

NF: People always ask me that question, "Why did you stay in Canada?" I always say--. I tell the story that when I came to Canada in 1977, the Canadian dollar was worth \$1.02. Eight years later when I got back to the border to go back to the States, it

was only worth about \$.80, and I said, “I am not going back till it is par again.” So, I had to stay! Then of course when it went above par, all of those same people were asking me, “How come you are not going back now?” By that time, it was too late in my career.

NP: How did your career progress then?

NF: At Richardson’s, with about five and a half years in their maintenance and engineering group, Bruce McMillan, who was the president of Pioneer Grain at the time, one day came and said, “Well you spent a lot of money in Thunder Bay and Sorel with all this new equipment. We want you to move into operations and move to Thunder Bay and try to make some of that money back.” They asked me to move to Thunder Bay and move out of the engineering group and into the operating group. I did move to Thunder Bay in the summer of 1985, and shortly after that, Jim Simons, who was the manager there, retired, and I became the manager of the terminal there. It was my learning career on the terminal operations side of the business.

NP: How long were you stationed there?

NF: Three years, and then in 1988 I moved back to Winnipeg to succeed Jim Simpson, who was the vice-president of terminal operations for Richardson’s. He was retiring, and then I moved into that position as the VP of terminal operations.

NP: Moving into Thunder Bay from Winnipeg, you were now in a position where you were not head office. you were looking back at head office. Tell me what it was like. What did you find intriguing about managing an elevator? What were some of the highlights, and what were some of the real challenges?

NF: Certainly, there is a big difference from being in head office. Where your head office can only see what happens, operations like Thunder Bay, that is where it actually happens. That is where the grain is unloaded, cleaned, and shipped. It was quite a dynamic place, Thunder Bay. I think from the perspective of the challenges, you are dealing with a large labour force, a unionized labour force, old assets that were dusty, and a lot of things that were quite different from what you were used to. But I think the nice thing about being a terminal operator, it is a very good job because you can actually go out and walk through the elevator and see how things happen, how that equipment that you put in five years before that worked and contributed, how the individuals contributed to the success of the terminal every day.

NP: What were the challenges there?

NF: The cold weather. [Laughs]

NP: Wimp. Iowa, I don't think I should be calling you a wimp.

NF: Some days I would walk down the dock—all the offices were about halfway down the dock—some January days, when I would walk down the dock, I would think, “Am I actually going to live until I get to that door that took me inside the elevator?”

In terms of challenges, I don't know if there were significant challenges. You had a very skilled workforce down there—a lot of people committed to their jobs. The cars were pooled back in those days, so the grains that Richardson's originated or Pioneer Grain originated didn't necessarily come to their terminal. You were always fighting for your fair share of the cars. That actually was one of the roles that Canada Ports Clearance played back in the CWB days was that whole car allocation—where the grain was going to be loaded. Quite often your challenges were with the agencies that had some control over which vessel you were going to get that day, how many cars you were going to get. It was more of trying to get your fair share of the business was the biggest challenge.

NP: What was your connection, if any, with the competition? I think there was, at one point, elevator managers from various companies met?

NF: Yes, there was a Lakehead Terminal Elevator Association who met monthly, and while you competed for the cars, you had a common interest. Your common interest was the labour. The companies all had the same labour agreement. We were all dealing with Canada Ports Clearance. We were all dealing with the CWB. We were all dealing with the Grain Commission's rules and regulations and grading standards. From an operating perspective, the terminal elevator group in Thunder Bay was fairly close-knit because what was a problem one day for you with the CGC [Canadian Grain Commission] was going to be a problem another day for somebody else. The terminal elevator managers did meet monthly to talk about industry issues or issues with vessel placement. How are the vessels being allocated to the various terminals? Was everybody happy with that? That group did meet frequently, and they had a common interest betterment of the operations in Thunder Bay.

NP: Other than being sure that you are in the mix, trying to get your fair share, did that time—the three years that you were there—was it pretty smooth operations with the grain coming in and grain going out, or any glitches you can think of?

NF: You had the typical things. There were frequently issues around infestation. You would be inspecting a bin and find that it had rusty grain beetles in it, so you would have to fumigate the bin. One day as an example—where you are talking about challenges—one day we did have the locomotive go off the end of the dock with two cars of barley with it. All the locomotives and both cars were submerged 100 percent in Lake Superior. There were challenges like that.

NP: How does that happen? I won't ask you who is responsible.

NF: Railway cars and railway locomotives use compressed air to both apply the brakes and release the brakes. You see the air hoses on the car. Our locomotive operator that day had started the locomotive, and he was doing his checks around it, but as the compressor built up air, I guess he didn't realize that the brakes were set to the off position. So as he was doing his inspection and the locomotive is running, and the air is building up, and when the air got high enough where the brakes released, the locomotive took off down the track with no one driving it, and it went off into Lake Superior with a couple of cars of malt barley.

NP: Inexpensive stuff?

NF: Yes, inexpensive stuff, absolutely. That was just one of those things that happened from time to time. [Laughing]

NP: You were there for a short period of time, so were there any changes that occurred over just such a short period?

NF: No there were no regulatory changes. We didn't have any big changes in market share during that period of time.

NP: You worked with the inspection and weighing staff with the CGC. Tell me a bit about that interaction.

NF: They were the regulator. Because we were getting grain from different companies, they had to make sure that the grain coming into our elevator was weighed and inspected, so that we would issue a warehouse receipt, say for example, "Manitoba Pool, we have this grain of yours, and here is what it weighed and here was the quality." Because there was competition, there was always the fear that they would be getting their fair weight and their fair assessment of their grade.

That is one of the major functions of the CGC at the time, to do that. We would issue them a receipt for the quantity and the quality of the grain they had. It was a fairly smooth working relationship. On the shipping side, they are grading the grain that is going out. There were two standards back in those days. There was a primary standard for grain quality, and there was an export standard. The theory being that the primary standard—what was coming into your elevator—could be of a lower standard than what had to go out of your elevator because you were going to get grain from all over Western Canada and on an average the blend or intermixing of grain would likely be of a higher quality than in individual car lots. That could be problematic from time to time, if the cars you were getting didn't represent a mix of different qualities. There was always and could be issues. You are taking grain in at one standard and having to ship it at a higher standard. If we had any issues around the CGC, that it was likely was it involved.

NP: Very little goes wrong given the amount that goes through an elevator, but every once in awhile something happens like the wrong bin opens. Did you manage to miss that kind of issue?

NF: That could occur from time to time, where you would get a vessel partially loaded and find out that it didn't meet the standard that was expected. We were loading lake vessels primarily, and they would go down to a transfer elevator in the St. Lawrence whether it be Montreal, Sorel, Quebec City or Baie-Comeau. So, on occasion, if you saw where you were not going to meet that standard, you could stop loading that lake vessel, and it would move to a competitor's elevator. Then they would put on a quality that would make that average meet the export standard. You had one more backstop and that was the St. Lawrence River, where there could be some blending done there to fix it, if there was some contamination. When I say contamination, maybe there was Canada Prairie Spring in a Red Spring shipment. There is a tolerance for it. By the time it gets to the river and they unload it and they load it with Red Spring wheat again, most of those small mistakes could be remedied through that handling process.

NP: What would you say were your major learning, wisdom, that you took from your experience there when you moved on in your career?

NF: The managing and large labour force was one. I think we had close to 200 employees at the time, and a lot of it was manual in those days. All the spouts had to be moved manually and the trippers had to be moved manually. There were boxcars, but we had a boxcar tipper there, so you were not shovelling boxcars. But I think just managing a large labour force would have been one that was a bit challenging. I grew up on a farm. The boss was the boss on the farm, and I knew who that was when I was growing up. [Laughs] That would be one.

I think the other thing is that there is a lot more blending done in Canada because of the various varieties and the protein levels. I think just the art that some of the cleaner men had, that really understood when they took a sample out of that cleaner whether that was going to make the grade or not, or what they had to blend it with in order to make it make the grade. On the cleaning side of the business, there was almost like there was an art—almost like a woodworker. That side of the business was almost an art and a learned art, versus a trade as an example.

NP: I agree with you totally. I knew nothing about any of this. People have said that is one of the major moneymaking jobs in the elevators is having somebody who is an artist with being able to blend and keep it within tolerances. I'm just curious, because of automation, where a lot of everything now is done from a central control office, and at the time that you were there, you would have these guys who were binning stuff that would be and they would see this stuff. Is anything lost in the automation? Maybe not significantly, but did it matter that you were not right there?

NF: I think it did for a period of time, but over the past number of years with better varieties and different harvesting techniques and different techniques on the farm, the grain comes in cleaner and there is less carryover from one crop to the other. There is less canola as carryover in barley and wheat, so there is less dockage coming in the grain overall. The makeup of that dockage is such that there is not as big a requirement for the art as there was. There is still a requirement for some of it, but only in years where you might have a very varied harvest—a wet harvest in one part of the country and drought in another part—so that you get various qualities of Red Spring wheat let's say coming in. I found it is more uniform over the past number of years for all those seed varieties, whether farming practices or lower dockage all result in just a better quality of grain coming into the terminal to begin with.

NP: Let's move on as you did after three years, and back to Winnipeg.

NF: Yes, back to Winnipeg, as vice president of terminal operations for Pioneer Grain, which was then responsibility again for Vancouver—where I had actually helped them build the elevator in the late 1970s—Thunder Bay, and their Sorel transfer elevator.

NP: Are terminals terminals regardless of where they are, or were there distinctions?

NF: The biggest distinction is a transfer elevator doesn't typically have the cleaning equipment. The grain was cleaned in Thunder Bay, put on the lakers, and put on a transfer elevator solely for loading a larger ocean vessel that couldn't transit the lakes. The transfer elevators are just really throughput elevators. Unload a laker and load a saltie, would be a limited amount of blending because when it came off that laker, they were already in 25,000 tonne lots destined for a sale. But Thunder Bay and the Vancouver terminals are very similar. The cleaning equipment is the same, and the handling equipment is the same.

NP: From a structural perspective, are there challenges for something that is on an ocean versus something that is on a lake? Does salt affect the equipment?

NF: Certainly, yes. Being on saltwater, as in Vancouver and in Prince Rupert, there is more corrosion, more attention to painting. You have to have cathodic protection to counteract the saltwater on anything that is underwater—piling, concrete, et cetera. So, there are some challenges around that, particularly in terms of longevity. The elevators in Thunder Bay were built, a lot of them, before 1920 and on wood cribbing. They are still on wood cribbing today. An elevator built in 1919 in Vancouver likely would not be there today if it was on wood crib.

NP: How long did you stay in that position?

NF: I was vice-president at Richardson's until I left in 2007. Primarily, I was always involved with the terminal group. I did have a term of vice-president of operations for the entire company as we consolidated our operations under one entity. Then I left there in the summer of 2007—coincidental with the Sask Pool acquiring all the shares of Agricore United. Then I went over to the new entity called Viterra in 2007.

NP: A substantial amount of time, then, with Pioneer in the terminal operations position. What caused you to tear your hair out? What brought you great joy?

NF: The terminals have always been viewed in the Canadian grain industry as the money makers for the companies.

NP: Why is that?

NF: I think because we were a tariff-driven industry. We had fixed tariffs for everything that we did. There was a fixed tariff for cleaning and a fixed tariff for elevation. The blending was a huge opportunity in the terminal. Because of its size, it had the opportunity to blend a lot easier than a country elevator with a small size. The terminal was always viewed as the place you make money through your blending, but also for years with the rotation, let's say, of crops. Barley and canola were good rotating crops. You always had a lot of carryover canola would come in with the barley. So, it would come in as barley dockage. You would clean it out, and then you would have it to sell as canola. You always had that opportunity for cleaning the whole grains that came in as dockage in another commodity, such as barley and canola. Wheat has carryover in a canola harvest. Then you would have that grain that you could blend into wheat, barley, or canola and sell as whole grain. You were really creating whole canola, whole wheat, or whole barley out of dockage, out of nothing.

NP: There are audits done in elevators. Am I correct in thinking or remembering somebody talking about that, that again, you are walking a thin line because if what's coming in looks to be low grade but a whole lot more is going out as high grade, was that what the audits were for? Tell me about audits.

NF: Within a class of Red Spring wheat there are several grades in proteins. You always would try to upgrade to the highest grade from Canada Feed Wheat to [No.] 3 Red, and [No.] 3 Red to [No.] 2 Red to [No.] 1 Red, et cetera, and the same thing with protein. The purpose of the audit was to determine whether that the grain that you took in, that you didn't own, that somebody else owned, and you gave them a warehouse receipt for it. Then when they gave you that warehouse receipt back and you had to give them the like grain. Of course, when you are operating and your elevator is never empty, at some point in time somebody says—it's just like doing an inventory at a grocery store or a gas station—they say, "Have you sold more than you have actually taken

in?” Without doing an audit and weighing over what remaining stocks you have in your elevator, no one could really tell whether you had. The purpose of the audit was every 30 months to balance your books, and in that balancing you would, if you were a good terminal operator, you would still have more whole grains whether it was wheat, barley, or canola in your elevator than what you owed anyone because of what you cleaned out of dockage and you have created. That was recognized that a terminal could have a certain amount of “overage” as they called it, where they didn’t pay for that grain, but now they are able to sell it because we have recovered it out of cleaning.

NP: The audits were another interaction with the CGC. It would be when you came back to Winnipeg then that you would have been more closely associated with the CWB? How did that position interact with the CWB?

NF: The CWB had the hammer. The CWB determined obviously when grain came out of the country. They could assign that ship to any terminal they wanted it to ship to. When there was pooling, you got the same number of cars that your company shipped out of the country were supposed to come to you, even though it might not have been. As I say, we got Manitoba Pool cars and maybe we got wheat cars, and we had originally had barley cars. As it moved to where pooling disappeared—because in the country you were loading 100-car trains, the new elevators were built in the country—pooling disappeared. The car that Manitoba Pool loaded went to Manitoba Pool, and the cars at Sask Pool loaded went to Sask Pool. The car that Pioneer loaded would go to Richardson’s Terminal in Thunder Bay. Then the CWB started to direct, say, “Well, no, I want some of those cars to go to Superior Shipping.” And they were taking grain out of your pipeline and directing it to other facilities. There got to be a lot of competition amongst the various terminals to provide incentive for the CWB to ship somebody else’s grain to them.

NP: How could you do that? What was the mechanism to do that?

NF: Kickbacks. I shouldn’t say that. We called them “diversion premiums.” [Laughs]

NP: What was in it for the CWB?

NF: A lower cost for them to do business.

NP: Good old-fashioned competition!

NF: Yes, but not really competition because they didn’t have to compete with anybody for that grain. They were not competing for it. The CWB wasn’t. They were just using their leverage to get a lower handling for something that we probably paid the farmer a premium for to get it into our pipeline to begin with. Have you heard that one before?

NP: No.

NF: But think about it, right. The competition really occurs in the country. You are paying trucking premiums. You built elevators in order to be able to afford to pay trucking premiums. You are paying the farmer for something and maybe you are giving him a [No.] 2 Red for a [No.] 3 Red to get his grain in the elevator because you have this pipeline that you want to run efficiently, and that is going to help you pay that farmer that trucking premium. But all of a sudden, you get to one part of that pipeline where there is someone who has a monopoly, interrupts it and says, “Oh, no, I am breaking your pipeline here. So, I want that grain to go over here,” maybe to somebody that hasn’t paid the farmer a premium for that grain.

NP: Was that always the case or did that become more of the situation once the inland terminals were--? I am just thinking of trucking premiums because if you were going to a small community like Iglis, where there were five different companies back in those days, were they still giving trucking premiums?

NF: I was more involved on the terminal side of it, so I am not sure when the trucking premiums really came into play in the country. But you were always competing with the farmer for grade. The farmer would come in and say, “Is this a [No.] 2 Red or a [No.] 3 Red?” You knew if you said [No.] 3 Red, he is going to shop it down the road. You looked at that from a country elevator perspective and said, “I have enough [No.] 2 Red that I can take this guy’s [No.] 3 Red as a [No.] 2. If I don’t, I just pay that guy a premium.”

NP: What happens now then? And I am thinking of the old days when the farmer used to go in, and he would have his truck loaded or he would bring a sample in before he brought his truck in, and said, “What are you going to grade this at?” Can that still happen now? Then he would just drive the truck down the road a few yards. Can the farmers still deal in that fashion now, with the size of truck?

NF: Bill Parrish is probably a better person to ask that question. My perception is that it still happens today, in that there is a lot of commercial trucking. So, a lot of the country managers, they sample the grain in the farmer’s bin, so they know what the quality is. The farmers are much more educated today about what the quality of their grain is also. They would have taken samples in likely at harvest and said, “Here is a sample from bin on my southwest quarter, and here is the bin that sits there and here is the sample from it.” The guy would say, “That will all make it a [No.] 2 Red.” He knows already, the elevator manager says they have space for it, and he can call a commercial truck. He knows what grade he is going to get, because he says it is coming from that bin on the farm.

NP: Going back to the CWB interaction, were there any cooperative programs that the companies worked with the CWB on, given that the CWB was the CWB? Whether you liked it or not, it was there.

NF: There were always programs around. If there was a problem with a crop, they would have a falling number program where there would be samples taken. There was cooperative programs with the CWB to try and maximize the value of the grain, depending on the harvest conditions, et cetera. There were programs where, if they needed specific moisture for a customer, you had your standard that said 14 percent, above that is damp and below that is dry. If the customer wanted 13, then you would have a cooperative program with the CWB to select the grain that came in naturally at 13 or dry grain to 13, even though it was considered to already be dry, or to blend to meet certain specifications for specific customers.

The same thing with segregation. There was a Warburton Wheat Program, which was a specific blend of different varieties, but they called it Warburton. But it was Warburton Wheat that was the name of the mill in Europe. They wanted a certain 30 percent of this and 20 percent of this—a blend of varieties—and you worked with the CWB to run that program through the elevators in Thunder Bay, a speciality program. There was that cooperation.

NP: With your job with terminal operations, you said you left there in 2007, what were the major changes that you saw in the industry or even in your job over that time period?

NF: Over that period of time, the biggest one was the shift in markets from the former Soviet Union, which was a state buying agency, where 70 percent of the grain was going east to the switch to when the Soviet Union broke up. You didn't have the big annual sales of 6 million tonnes. There were more nearby sales and smaller quantities and the growth of the Asian economies having a higher demand for grain. I think the biggest change was to see that shift from the east, where in probably 1980 you thought would never be a split of more than 70 and 30 west, where it is now the opposite probably 75-25 and could likely be greater if the West Coast capacity continues to improve. That was the biggest switch.

NP: What kind of impact did having to deal with that switch have on the job that you were doing?

NF: Certainly, it affected the labour force in Thunder Bay. There was a huge amount of consolidation in the terminal operations in Thunder Bay. I think that was probably the biggest significant factor on employees. At the same time, you had to ramp up the number of employees that you had at your facilities on the West Coast—add more shifts and more unloading shifts and more time cleaning grain.

The shift was the most significant because nothing else really changed in 25 years. The CWB still had the monopoly, and the CGC still had audits. We still had the CGC weighing and inspecting every car coming in, and we still had the CGC weighing and inspecting every shipment out of the elevators. In 25 years, the only thing that has really changed was a huge market shift. Pooling disappeared—the pooling of cars disappeared. You started getting cars from your own country elevators, and there were 100-car trains. You were not getting six cars from this elevator and six cars from this elevator. So those two things: The larger trains coming from one location, and the market shift from east to west.

NP: Also a corresponding increase in efficiency, would you say?

NF: I would say, yes, because the terminals in Vancouver or on the West Coast were newer. In Thunder Bay, they were built from 1914 to 1930. I doubt if there was an elevator built in Vancouver before 1930. Back in the late 1970s when Richardson were rebuilding their elevator in 1977 to 1980, at that time Alberta Wheat Pool and Saskatchewan Wheat Pool both did major expansions to their facilities out there. So that was in 1980, and everything was relatively new and up to date and modern. Prince Rupert grain was built from 1982. It opened in 1986.

NP: Where did you go next?

NF: I was at Viterra from 2007 until 2012.

NP: What position did you move into there?

NF: I moved over to help them merge their engineering groups because Agricore United had an engineering group here in Winnipeg and Sask Wheat Pool had an engineering group in Regina. I was asked to help them integrate their maintenance and engineering groups. That took about a year, and at the end of that year, I moved into a position of vice-president of terminal operations for Viterra. From 2008 until I left in 2012, I was responsible for terminals and their engineering group, much like I was at Richardson in my early years, engineering and terminal operations that included Cascadia Terminal in Vancouver, Pacific Elevators in Vancouver were two that they operated, and their Thunder Bay terminals that they still had open. Then during that time, we took over the lease of the Montreal elevator and took over 100 percent of the operation of that.

NP: In 2007, what was operating in Thunder Bay at that time?

NF: A & B. I am not quite sure which one but was it 8 that just recently closed? I am not quite sure. But they were just pretty well down to A and B. They had acquired what UGG was operating in 2007. That would have been the A house on the north shore and the one in Intercity.

NP: And UGG M was already mothballed?

NF: Yes.

NP: That must have been a challenge just—there is a term for it—“right sizing,” I think was the term used at the time. But there is something else. Just trying to make the best decisions to make things in a bad situation, better?

NF: There were issues around integrating seniority lists because there were certain seniority rights within the terminals in terms of an acquisition. There were a number of issues around that that had to be resolved. Obviously, there was a downsizing of people completely because all of that terminal capacity wasn't needed because A and B House had a fair amount of capacity that was already going unused in the current environment.

Then in Vancouver, there was a complete swap of assets there. Sask Pool had been running, but their terminal on the north shore, when they acquired Agricore United, and they completely left that terminal. They went and took over two terminals that they had never operated before—Cascadia and Pacific. Then Cargill took their north-shore terminal because Cargill had been a partner in Cascadia at the time.

NP: Take me through what happens in the labour situation. How does that unfold and what issues do you deal with?

NF: If you talk about consolidation, obviously all of the ports were governed by collective agreements that do have language around severances, seniority, if you are merging two elevators in Thunder Bay. It is just a matter of working through what you are required to do by the agreements that you have. In Thunder Bay, because layoffs had occurred over time and layoffs are by seniority, that you had a lot of senior people in 2007 were at the top of the seniority list already. So it was a matter that they were close to retirement, and it was a little less painful, I think, for employees because they were closer to retirement than during the years when the market was shifting and you had to lay people off because you didn't need as many shifts. Well, those are the people at the lower end of the seniority list that were basically having to leave the industry and find work someplace else.

NP: Because you had a fair bit of time, although in various positions, dealing with labour relations, how would you describe labour relations in general over the time period?

NF: You have a collective agreement, and it can last anywhere from two years to three years to five years. During the honeymoon period, things move smoothly because everybody knows what the rules are. It is only when you get down to the few months before your collective agreement is going to expire, then you start having issues. We have seen it in the past where refusals to work overtime—I shouldn't say refusals to work overtime, not available to work overtime—things that start to affect your productivity in the plant or the ultimate throughput that you are capable of. You always run into those issues near the end of a collective agreement.

I think in the last few years though, the industry has done pretty well in getting a new collective agreement without too much disruption in productivity or too much disruption to the farmer, to the sales programs, to the exports. Earlier in my career, it seemed like every collective agreement in Thunder Bay, we had a work stoppage. Whether there was not enough money on the table or work rules, we did seem to have more labour disruptions 20 years ago than we have had in the last 10 years. We seem to be able to come up with a plan that worked for both parties easier than we use to be able to.

NP: Were the unions separate, the ones on the East Coast than on the West Coast, or Thunder Bay versus--?

NF: No in Thunder Bay they negotiate—the terminals that are unionized—negotiate as an association. It is one union, so the collective agreement is the same for all. In Vancouver, those terminals are part of the Vancouver Terminal Elevators Association, and they all sit at the table and negotiate one collective agreement. In Prince Rupert, while it is the same union as Vancouver, they negotiate independently of the Vancouver group. But it is the same union, so the agreements are pretty close to the same. There might be some things that are specific to Rupert versus Vancouver, where one or the other are different in terms of scheduling. The labour rates are a little bit different, but not significantly different.

NP: Any differences in ability to negotiate across the country, or is it pretty much the same situation wherever you are?

NF: Pretty much the same wherever you are. I guess it depends on the localized market, too, and the opportunity for employees. In Vancouver the last few years, the West Coast has been booming. The grain industry in some elevators is a 24-hour-7-day operation. If you can be an electrician and having to work on rotating shifts, and you have to work seven days a week and you have different weekends off, versus I can be an electrician and work wiring a condo 8:00 to 5:00, and I have weekends off, what would you choose? So I think in markets where there is a higher demand for skilled labour or just labour in general, it is typically a bit tougher.

NP: Railways, your interaction with them?

NF: You can shut that off now because you don't want vulgarity. [Laughs] Our challenges have moved from the CWB to the railways. Let me put it that way!

NP: I was at a conference seminar called "Fields on Wheels" late last year. Some people were expressing their concerns. As an elevator operator and as the terminal elevator VP in charge of terminal elevators, what kind of day-to-day connections did you have with the railways and what were the challenges there?

NF: From a terminal perspective, let's say Thunder Bay many years ago, there was grain pooling, and the cars were all interchanged. The railways spotted your elevators. I think things worked rather smoothly. Things have changed over the last 10 years, I think, particularly. There have been a lot of changes in the industry. The mandate of the CWB, the changing mandate of the CGC, and how the grain is all delivered--. If I originated at a country elevator, let's say, when I was at Viterra, it came to where we decided it would go. The challenges with the railway, a lot of those are dealt with the country division. Getting the car spotted when they are supposed to be spotted.

From the terminal side, we look at the delivery. We want cars delivered. We don't want to be out of cars at the terminal. I think the big shift to the West Coast, where you have a lot of cars going into an area of very high rail traffic to begin with—the container business and the potash business, the coal business, the sulfur business, the residents and the big population—the railways have to go through all the populated area to get to the waterfront, where they need to deliver everything: the coal, the potash, the containers, everything. You have the West Coast Express, which is a scheduled train service in Vancouver, a passenger train service, a daily commuter train, all that has to be worked around because it is scheduled. Grain is not a scheduled commodity. The challenges with the railway were to get reliable service on a daily basis. You came to work, or they spotted you at the same time every day, so you could actually plan your work regime. Over the past number of years, I would say the railways failed miserably being able to provide that service.

NP: Why do you think that was?

NF: Different priorities—priorities to their shareholders versus their customers. You might have heard that one already! I think that there was no accountability. They talk about it in this balanced accountability. There was not any of that. My job as an operator is to maximize my productivity, but I also have customers that are shipping me grain and customers that are putting ships there. I have to also keep those folks satisfied, or they will take their business to a different terminal, right, if I can't provide service. Once you build that country elevator on a railway line and once you build your terminal on a railway line, you are captive. Right now, I am the president of Prince Rupert Grain, and we are on a CN line. We are only serviced by CN in Prince

Rupert. If CN doesn't want to provide service to me, I can't get service any place else. It is a duopoly, versus the monopoly that we talked about with the CWB, doing things that we felt was not productive. Once you are on a railway line, it isn't really a duopoly. It is a monopoly again.

NP: When the cars are not delivered, what kind of impact does that have? You get a phone call saying, "Cars are not here." You spring into action?

NF: We have two folks here working in our office that we wouldn't have had in the past when we were not in control of the cars—when the CWB was in control of the cars. We have those individuals, and they do spring into action. We track every hour where every car that is destined to our terminal is. I can pull up a report right now, and it shows what track they are on in Edmonton, Prince George, Smither's, or if they are on a train that is in transit. Every hour we are updating our system to track the cars that are destined to Prince Rupert Grain. We try and we have daily conference calls with the railway operations groups in Prince George, because Prince George controls what gets delivered to the terminal. Cars are in transit from the country through Edmonton to here. We have daily communications with the railways, and we do meet regularly with the railway.

We do try to work more with the railway in terms of forward planning. I think a lot of that wasn't there in the past. When the CWB had the monopoly on 80 percent of the grain, how could you tell the railway what you were going to be doing say six months out? You didn't control the allocation systems, et cetera. But now I think we are better able to tell the railways, "You know what? We have committed our capacity at the terminal typically seven months out." We tell them what we are planning for the whole year. We have pretty firm commitments seven months out. We do have a lot better communications, and it is getting better. We have only been without the CWB for a couple of years now. It is getting better from a terminal operator perspective, but there is still frustration.

NP: What is the result of that glitch in the system? What is the ultimate impact?

NF: The ultimate impact is as the volumes increase to the West Coast, you don't have any recovery opportunity. If you lose eight hours today, when our plan was to have all of our time filled, and we were going to work a Saturday besides, now you lose eight hours because cars don't show up. How do you recover that? That could take you a week of trying to get an extra 20 cars a day. Well, that is five days before you have recovered.

NP: Is the ship sitting there already?

NF: You might have other commodities, and you are likely going to be able to fill the ship that is there. But what happens is that all of a sudden, it's like the pig in the python, or the guy that slows down to look at an accident on the interstate. Well, he slows down and then pretty soon, two miles back, the cars stop because everybody slows down a little bit more. The cars start to pile up behind that. Then everything stops and it becomes herky-jerky, and it doesn't move fluidly. The same thing can happen to us. If we have an equipment breakdown, and we can't unload for a shift, then the same thing can happen. Everybody has issues, but some are related to equipment failures, which we can understand. We have them. They have them. Others are related to maybe they just had a different priority that day. Maybe it was containers or a coal train.

NP: Do you see a solution to it? What solutions is the industry putting forward?

NF: I think communication is one. We are trying to work closer with the railways with what our requirements are further out. Prince Rupert Grain, prior to the CWB change and mandate, their average was maybe under 4.5 million tonnes or roughly 4.5 million tonnes a year. The first year post CWB, we were at 5.3. These last couple of years, we have been at 6 million tonnes. We just finished our fiscal year at the end of July, and we are at 6 million tonnes. So we have taken our capacity up 30 percent, I guess, and that is through cooperation with the railway. Every day we can have an argument with the railway over something, but I think we are trying to work closely with CN, our sole service provider. That has allowed us to bring our throughput through Rupert up.

Do we have issues with the railways? Yes, we do, weekly. And I am sure they will tell you they have issues with us weekly. It is a little bit like the CWB relationship. We needed each other then, but we always wanted to blame the other guy for our failures. I believe it is getting better. But until there is balanced accountability, you will always be at the mercy of the railway, when there is no financial penalty for them not to perform because there are a lot of financial penalties for us not to perform. If our equipment breaks down and the trains pile up, they can start charging us. If they fail to deliver, and then because we don't have the recovery capacity of their failure, and the cars back up, they charge us. Until you can find a fairer system, the operations group will always be reacting to the railway.

NP: The monopolistic nature, or duopoly nature, of Canada's rail industry, is that much different than in the United States? Is there much competition for rail service because certain companies own the line?

NF: I think in the US it is worse. When you think about North Dakota, and you hear about places there that are four weeks behind on shipping their cars. I think it is just the nature of the beast. With trucks you can always get a different trucker into that driveway, but with rail, again, once you have built on that line, you are captive. Not that this is to be about a railway discussion, but it is a challenge.

NP: No, it is a challenge. You are not alone in mentioning it. You moved to Viterra. Viterra was going through the whole co-op--. The collapse of the cooperative system. What comments do you have to say because that is a major change that took place in your time?

NF: The collapse of the cooperative system was really the collapse of the CWB. The CWB was a cooperative in itself. The averaging of prices for wheat.

NP: Farmer ownership and cooperatives. Until 2005 the farmer owned, so no longer farmer owned?

NF: I don't think that was that significant from a business perspective. I think it probably freed the farmer to say, "I am not part of that cooperative, and I am not obligated to deliver my grain there." It gave the farmer more options from a pricing perspective, from where he did his business. I think with the CWB probably made it clearer that the cooperatives had maybe served a purpose 50 years ago. But with the consolidation in the industry to where you have got very strong financial players now, you have good assets out there, and they are very competitive. I don't think there would be a significant loss to the farmer or to the industry.

NP: The other thing that changed along with the cooperatives, which were owned by Canadians in those cases, is the change in international ownership of grain companies in Canada. Any comments on that, any long-term implications negative or positive?

NF: You still have Richardson's who are as large a player as any of the multinationals—if you want to call them, Glencore, Viterra, multinational now. Richardson and Glencore are the same size in western Canada. In fact, I would venture to say that Richardson are larger, and they are probably very similar from a grain-handling asset perspective. But Viterra is no longer in the crop-input business.

You would look at it and say, yes, they are owned by a multinational—Viterra is—but will that change things? They have to be competitive just like everyone else. They have to compete for the farmer for their price and service. I guess if they can do that, because they have better efficiencies someplace, then their business will likely grow. Cargill have been in Canada for 50 years probably themselves. They are a multinational firm. The latest one, G3, I don't know how that is. They are starting from scratch, where they have got some assets that were assets of the former CWB, but they are starting from scratch. Time will tell I guess how that affects the marketplace. It is another competitor. It should be good for competition.

NP: What do they have in the way of prairie delivery points?

NF: I think the CWB had Prairie West Terminals, had in Prairie West they had the concrete, and there was Kindersley, and I don't know what all of the CWB assets. But the CWB are building four new terminals, or I think had four contracts. There is one just south of Winnipeg under construction, so they will have a few assets. Of course, they have the Thunder Bay terminal and a couple of lake vessels. They have the Three Rivers elevator. There is talk about them continuing to build assets. But all those assets will have to source grain competitively and those assets will also have a field attached to it. That guy is going to have to compete for that grain.

NP: The Prince Rupert operation, can you remind me about who owns the Prince Rupert grain elevator and what companies deliver out through it?

NF: The Prince Rupert Grain Terminal is owned by Viterra, Cargill, and Richardson's. That came about through consolidation. When the elevator was built, it was owned by Manitoba Pool, Saskatchewan Wheat Pool, United Grain Growers, Alberta Wheat Pool, Cargill, Sask Pool, and Richardson's. That was the consortium that owned it. There has not been anyone brought in from the outside. It has all been through consolidation. Obviously, Manitoba Pool, Sask Pool, United Grain Growers, and Alberta Wheat Pool are all now part of Viterra, and Cargill and Richardson are still there. Those are the current owners.

NP: As far as a supply of product to Prince Rupert, you then have a good pool of geographic primary points?

NF: Yes. The CWB, which was the primary shipper there until their mandate changed, is still a shipper through Prince Rupert Grain. There is capacity offered to third parties. The majority of the grain that we handle is from Viterra, Cargill and Richardson's, but we do have third-party shippers that have used the elevator. Dreyfus used it last year and the CWB used it last year. We do have stuff contracted with the CWB for this year, and then we have other small independents that are using it. We do offer capacity to third parties through there.

NP: Are there such things as producer cars anymore?

NF: There are producer cars. We don't arrange for producer cars. We contract our capacity out. We contract throughput capacity. If we contract let's say 50,000—or call it a Panamax-size vessel—so we will contract 55,000 for November, let's say, with a party. Just as they give us a vessel nomination, then we will say, "Okay, you can start shipping cars. You can ship so many this week and so many this week." Then it is up to them to get the grain. The cars are either going to come from Viterra, let's say, if it was a Viterra their own facilities. The CWB may have bought grain from Dreyfus or somebody or some of their own facilities.

But it is up to the person we have a contract with to get their cars. Some of those could be producer cars, but typically I would believe producer cars don't work very well because when you have a vessel ETA, the producer has to get the car and has to load the car and has to get the car there to that sale. We have seen a decline in shippers loading producer cars to their sales because, again, it could be that maybe they can't get the cars from the railway in a timely fashion. If they were just going to get the cars and deliver them into storage someplace, that is different. You can say, "When I get my car, I want to ship my 10 cars. I want to ship by 10." But ours are shipped to sales. We don't let cars come forward to Rupert without a confirmed sale and a vessel name.

NP: Is that pretty much standard in the industry would you say now?

NF: It is more standard, but if I was Viterra and I had my own elevator and nobody else shipping to me, I could bring in cars early. I could say, "I need some relief," and I will bring some cars in even though my sale is six weeks out because that place doesn't get serviced as often, and I have got space to do it. But at Rupert we don't have a lot of bins. Our bins are bigger. We are a throughput base. We can't bring grain in for storage. The storage is only there as a buffer to allow us to accumulate enough to load a vessel. It is very difficult for us to take producer cars.

NP: What are the most vivid memories about your work life? I think it is, "Wow, I remember that!" Or "Boy, I wish I didn't remember that!" It is more like little stories because these make the good snippets. [Laughs]

NF: It is interesting because it is a very mature industry. I don't think there are a lot of surprises. Clearly coming to work and have the locomotive run off the dock with a couple of rail cars is one. For my boss to say, "Nick, you have spent a lot of money. You have to move into operations to make that money back." It is like saying, "We don't think you spent the money right."

I will give you one. I grew up on a farm, and I worked in the grain industry. But my three sons, they never grew up on a farm. They grew up here in Winnipeg. My oldest son was going to university and wanted to be a lawyer. He took the LSAT, and he passed and did fairly well in it. But the timing was off, so he needed a couple of filler classes. So, he took a couple of Ag classes, and he says, "I really like Ag, and I think I am going to get my Ag degree." I said, "Casey, there is no future in agriculture. Don't do it." He went and got his agriculture degree, and now he has his master's degree. He has been very successful in agriculture. I think that is one thing that I keep thinking is that I tried to discourage him from going into agriculture, which became my livelihood. But 15 years ago, when he was starting university, I didn't really see a future for someone with a university education having a lot of opportunities to go into. Boy was I wrong! There are so many opportunities in agriculture today. When you think about it, people don't need to buy another colored TV, but they have to eat every day. One of the things that really surprises me is how, today, I see more value in agriculture than I ever did probably in the first 25 years I worked in it. It was a job. Now I say this is a very important industry for the world.

NP: What did he eventually end up doing?

NF: He is working in Ag lending now. He has had quite a lengthy career with all of the banks, consultants, but always on the agricultural lending side. Most recently he was in Ontario working with one of the largest greenhouses in North America—40 acres under one roof—a lot of agricultural lending in western Canada.

NP: I am sorry you didn't have a more exciting career! [Laughs]

NF: I am sorry, but I didn't. I was raising four children.

NP: That was good for you. All you needed was all kinds of crises to take you away from that important chore.

NF: I can tell you about more. When I was running Sorel Elevator, we had a strike there. It lasted about seven months. In about 4.5 months into the strike—and the Hells Angels Headquarters are in Sorel—the Hells Angels came onto the site and said to our manager, “Look I know you have been on strike for some time. We can get these guys back to work here by noon today.” We don't know what that was going to cost us, and we declined the offer. But they did come on and say, “We will have these guys back working by noon today if that is what you want?”

NP: They were going to send the bill?

NF: Yes, probably. We don't know what the bill would have been, but we declined.

NP: Smart move. When you look back on your career what have you been most proud of?

NF: I have been in the industry for a long time. There were a lot of challenges in the terminal operations side of it. Probably Murdoch McKay and myself have been in the terminal operations about as long as anyone here. I think we did accomplish--. Just the ability to bring the terminal group together on a lot of issues and make in-roads into changes at the CGC. Audits would be a good one. We don't have audits today. The CGC Act was changed because I think people finally recognized that if you are meeting your obligations, if people are shipping product to you and you are saying, “Here is what it is, and here is the quality, and here is the quantity,” and they are happy with that, then you are fulfilling obligation on the other side. What is the purpose of an audit, which sometimes would take a week and your terminal would be shut down for a week—hugely costly—let alone the fact

that the CGC charged you for doing an audit? Finally getting people to recognize that I have to treat this person fairly because if I don't, they can go someplace else too.

NP: Also you are getting your own product now, where before that was not the case?

NF: Yes, you are getting your own product. So what is your advantage? Also, at Prince Rupert we are handling for Viterra, Cargill, Richardson and third parties, so what incentive is there for us to treat somebody unfairly because it only means less business? If Viterra didn't like the grades and the quantities they were getting in Rupert, they have their own terminals that they can ship to in Vancouver. If the third parties don't like it, they will take their business someplace else. I think a lot of the arguments that we were able to put forward to say, "Don't be so distrustful, because it is not in our best interest to be dishonest." After 25 years, we have seen a number of changes.

I think we are seeing the growth in exports. I believe that the sky hasn't fallen with the changes in the CWB mandate or the changes in the CGC mandate. There were a lot of predictions that the sky would fall and that we would have a lot of complaints. We put mechanisms in place to deal with those complaints. The nice thing about it is we haven't needed to exercise any of those mechanisms, because the complaints are not there.

NP: A couple of last questions unless there is something you wanted to say related to the career that we have just focused on? Is there anything I didn't ask you that you wanted desperately to have a chance to put on tape?

NF: I have enjoyed my stint, which is probably nearing its end in the next few years, in the Canadian grain industry. I do have interesting discussions with my father who was a farmer all of his life in the US. I liked his comments when I would phone him up when I would see something about the Free Trade Agreement in agriculture in the United States, reneging on it, and I would phone him and say, "So how is this working?" He says, "Nick, you don't understand. We said Free Trade Agreement, we didn't say Fair Trade Agreement." [Laughs]

NP: That's true. You would bring that perspective to it, and Jim Leibfried—you would have come across him in your travels and, like you, was an American, and I think he was involved in some of those negotiations—he would agree with your comment. I can put the two of your snippets together on that.

NF: That's right. Free trade doesn't mean fair trade!

NP: This is where I go into the self-serving section of the questions. Friends of the Grain Elevators would like to have a national historic site in Thunder Bay, recognizing the development of Canada's international grain trade and the complex of all the grain elevators that were there. We have gotten one initial step: The National Historic Sites and Monuments Board has recognized the event of the establishment of what we have called the Grain Industry Nexus in Thunder Bay, as a nationally significant event. The other piece of that, that we are still waiting for an answer on, is to have a grain elevator designated as a national historic site, as a representative of the importance of terminal elevators, and the creation and Canada's part and having them built across the country and across the world actually. We are looking at those two things as a foundation for setting up a centre. But the centre now is more looking like just programming because we don't other than something quite small we have an elevator that we put forward, Western Grain 10, Maurice Mailhot's.

NF: Is he still operating?

NP: Yes, and that is the nice part of it. When you were talking about the scales earlier on, they are still using them. It is a museum. We don't have to build a museum because it is there. We are looking more at programming that we would be able to spread throughout Canada, which we can do now more electronically, and also to just keep fresh in Thunder Bay citizens' minds, that they are still an important part of this and that there is something important happening here. If we were to do that, what do you think, from your experience in Thunder Bay in particular, what kinds of things do you think should be featured, that you think are important for other Canadians to know?

NF: I think just the scope of what the grain industry did in Thunder Bay from the early 1900's. There were at one time 22--.

NP: 29.

NF: 29 different elevators in Thunder Bay. That is almost unfathomable. That would be more than there was at any port in the US ever. I have worked in the port in Galveston in Houston. There was never anything to come close to that. Look at the waterfront now and so much of it has gone. In terms of a programming perspective, to see how early it was in Canada's history that that became an important industry and how large it was in Thunder Bay and how many employees it probably was at the peak. I think those are things that are probably lost today.

Now all the grain is going to the West Coast, but on the West Coast the elevators are a small piece of the action. There are containers and coal, et cetera. We are just a small piece, and we are not as important on the West Coast as we were in Thunder Bay through the war years. The storage, the fact that a lot of the concrete that is down there was flat storage during the war years. Just

for people to see pictures of that because that storage is all gone today. How much grain was maybe stored there for the war efforts? To me, from a programming perspective, I think those things would be very interesting to say, what role it played.

NP: The sadder part of it is that we did put a display up at the new marina facilities.

NF: Yes, there was a little railway station there.

NP: No. I think we talked about this earlier, that you haven't been there. But you really should go. It is quite spectacular what they have done. People were walking through, and we had a little display of jars full of different grains with ribbons going to a world map to try to get to your point about who we are delivering it to. People were walking by, even though the sign said Where the Grain Goes, they were walking by and saying, "Oh here is where the grain comes from." They were thinking of shipping.

NF: They were thinking all those elevators, the grain is coming into the elevators?

NP: Most of them were thinking, "Oh, are those not all closed down?" That is in a city where they have it! You can imagine across the country how little people know about a pretty important part of Canada's economy.

NF: Yes, that is amazing.

NP: Do you have any memorabilia? Are you the kind of person that took pictures?

NF: All of this was Canada Ports Clearance. There is the Port of Thunder Bay. I think in terms of—and I don't know if you have talked to anyone at Richardson like Aaron Anderson, he was the last director of Canada's Ports Clearance—and when you talk about some things that they may have in storage. He would know if there is anything they have in storage. There is some artwork in the back that I can look through and probably send you some of that. There is some stuff that I could probably box up and send down there to you—different vessels and pictures of elevators. There was a book that I don't have, but I had it when I was at Richardson, but I left it there, that had a lot of pictures of the building of elevators in Thunder Bay, where they actually were conveying the concrete up belt conveyors to get it up to the top of some of these structures. It was an old book with the old red faded cover and a lot about the construction of elevators in Thunder Bay. I don't know where that is today. But I am not sure if you have anything like that?

NP: I have an old one of 1919 out of the States.

NF: This one had the building of the Richardson, which was over at Richardson. Doug Panting.

NP: No, these are new names for me.

NF: Doug Panting is the historian for the Richardson family, so he would have maybe access to stuff that they might probably consign it to you to use. Doug is a historian for the Richardson family, and of course, they were quite prominent. They had the first ship that sailed with grain out of Thunder Bay, I think. Doug might have something about the building.

NP: Is he at Richardson's?

NF: He is at their offices here in Winnipeg.

NP: Okay. It would be good just to talk with him.

NF: I see Doug once in awhile walking through. He is a historian for the family.

NP: Going back to your point about the material you might have here. I likely will be back in Winnipeg at least one more time in November. So maybe if you can take a look and maybe you want me to come in and take a look and see what there might be because I did mention to you that I had looked at it before and there were some things that were almost exclusively Thunder Bay pieces that nobody else would be particularly interested in.

NF: They had an office in Thunder Bay.

NP: Apparently this desk was from there.

NF: That long one is from there. There may be stuff that when they closed that office that they shipped back here and could be in storage.

NP: No. I went to that office and pitiful amount of things to show for 100 years.

NF: Which one was that, the one here in Winnipeg?

NP: No, the Canadian Ports Clearance in Thunder Bay. They had downsized over the years and at that time they had repatriated things here. Do you know what has happened to Sask Wheat Pool records?

NF: I don't. They never moved. They are in Regina. Their head office is still in the Saskatchewan Wheat Pool building.

NP: All their records are there. There is tons of this stuff that UGG's sent to either Brandon or the University of Manitoba. There is lots of stuff sitting dusty and unseen that we would like to make more readily available to Canadians and any other international travellers that might come. Or, now with online stuff, you can do so much that the story can be told. Heaven knows we need to look at some positive things that we can take pride in.

Thank you very much for your time. I have appreciated it and I have liked meeting you. We have a list of interested parties. They are essentially people who are watching with interest what, if anything, we manage to accomplish. If we could put your name on that list, that would be great.

NF: Yes, sure.

NP: Great! Thank you.

NF: I was thinking, and I think I mentioned to you, the writer Jake McDonald who is a writer and he was actually commissioned by, I believe, the *Globe and Mail* to write a fairly lengthy article about the grain trade. He interviewed me.

NP: Was this recently?

NF: Yes, just last spring.

NP: I read some of those.

NF: I never did see what Jake had written, but he writes.

NP: Is he from Winnipeg?

NF: Yes, Jake is from Winnipeg.

NP: You would have a contact number?

NF: Yes, if you Google Jake McDonald you will find him. He is an author.

End of part one.

Audio Part Two

Time, Speaker, Narrative

NP: We are adding to Nick Fox's stories. [Laughs] So this is file two, same day, same station.

NF: So the first trip I had to make to Thunder Bay in 1980, and I got to the site. I flew to the airport, got a rental car, I drive to the site, and there's a picket flag. There's a labour dispute going on. And I was in my mid-twenties, not very experienced, just working for this company, and there's this picket line, and they won't let me on the site. So I drive back to the coffee shop, a coffee shop there. I use the phone. I phone Jim Simpson, who was the manager, and I say, "Jim, Nick Fox." I'd never met him before. "I'm supposed to come down and look at the elevator, and there's a picket line." And he said, "You get in that car, and you drive into that parking lot." I said, "Well, they aren't going to let me in." He says, "You get in that car, and you drive into that parking lot." [Laughs] This is like--. I had only worked for Richardson's for a few weeks.

So I get back into the car, and I was scared as heck because, you know, these are big guys at the picket line. I drive up there. I say, "Guys--." They said, "What are you doing back here?" I said, "He told me to drive in that parking lot. You have to let me in." And they did. They let me in, but I said it scared the heck out of me. And I thought, "Man, if I don't go in there, I'm probably going to lose my job that I've only had for three weeks to begin with." But yeah, that's one thing I do remember. He said, "You get in that car." There might have been some other more colourful language when he told me to drive the car into the parking lot, but that's probably sufficient. [Laughing]

NP: Good.