Narrator: Dennis Johnson (DJ)

Company Affiliations: Thunder Bay Port Authority (Thunder Bay/Lakehead Harbour Commission)

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Interviewer: Nancy Perozzo (NP)

Recorder: Nancy Perozzo (NP)

Transcriber: Sarah Lorenowich (SL)

Summary: Retired CEO and harbour master of the Thunder Bay Port Authority Dennis Johnson describes the operations of the port of Thunder Bay and how the Port Authority's work fits in. He discusses the rise and fall of the package freight trade in the city and the Great Lakes as a whole, the history of the Port Authority/Harbour Commission when it was established with the opening of the St. Lawrence Seaway, and how he rose from a "waterfront brat" to the organization's top position. He details several threats to the Thunder Bay grain industry, including the Churchill terminal, marine services fees in the St. Lawrence Seaway, and pilotage fees in the Great Lakes. Johnson describes his responsibilities as a harbour master with both commercial and recreational vessels and his involvement in saving the *James Whalen* from being scrapped. He speaks to several changes in the Great Lakes shipping industry, including dredging without federal funding, climate change, the growing size of ships, invasive species, and changing export destinations. Other topics discussed include appointees to the Port Authority board, boating accidents, ownership and tax issues with defunct elevator properties, high taxes for Thunder Bay grain elevators, lack of city expenditure going back into industry, the Port Authority's interactions with the Canadian Wheat Board and Canadian Grain Commission, and the history behind the change from the Harbour Commission to the Port Authority.

Keywords: Thunder Bay Port Authority; Lakehead Harbour Commission/Thunder Bay Harbour Commission; Commercial ports; Grain transportation—ship; Package freighters; Bulk carriers; Lakers; Salties; Ocean-going vessels; Harbour commissions; Container shipping; Keefer Terminal; St. Lawrence Seaway; Grain transportation—rail; Canadian National Railway (CNR); Canadian Pacific Railway (CPR); Great Lakes trade routes; Lake pilotage; Dredging; Recreational boating; Boating accidents; *James Whalen*; Tug boats; Icebreakers; Climate change; Harbour police; Thunder Bay terminal grain elevators; Canada Steamship Lines (CSL); Kaministiquia River; Grain industry laws and legislation; Canadian Wheat Board; CPR Elevator D; MPE Pool 3; Canada Strach Works; Western Grain By-Products Elevator; MPE Pool 2; SWP Pool 4A & B; SWP Pool 7A & B; Richardson Main Elevator; UGG Elevator A; Invasive species; Canada Marine Act

Time, Speaker, Narrative

NP: It is February 25th, 2013, and I am interviewing my guest, although I'm his guest in his home. I'll have him introduce himself. This is in Thunder Bay.

DJ: I'm Dennis Johnson, retired CEO and harbour master of the Thunder Bay Port Authority. I retired in 2006, and I guess I can say I grew up on the--. I'm a waterfront brat kind of thing, but more from the boating side. Certainly not from the grain industry side.

NP: Okay. One of the things I like to do because to me it's quite fascinating how people from various backgrounds got into the industry or into an industry very closely related to the grain industry, which obviously the Harbour Commission is. So you said you grew up as a, I don't know if you said a river brat--.

DJ: A waterfront brat.

NP: Waterfront brat. [Laughs] We've had a few of those. So if you think back to the early days, can you recall when you first noticed there were elevators on the waterfront?

DJ: Well, as an 8-year-old, I had a fairly close association with Perry's Marine, and they're right next to Pool 2. So it's pretty hard to be at Perry's—which is now the Sea Cadet Naval Reserve boat yard next to Pool 2—so it's pretty hard to be down there for a long time without noticing the elevators.

NP: Was there any attraction to them? Lots of kids actually went and played around in them, which they shouldn't have been doing, but that's what kids do.

DJ: No, there were no elevators to play around in the '60s. They were all busy. My attraction was actually probably over at what is now the Marina because the package freighters were there. I was more interested in the ships than the elevators.

NP: Was the city oriented towards the harbour back in those days? Was it sort of more on the consciousness of people?

DJ: It was a little more than it is today. It was never on the consciences of the people in Thunder Bay as it was in Duluth. Duluth was a real exponent of the Seaway, and their thoughts have always been attuned to their harbour and what goes on. Our thoughts were a little more then. I mean, our papers used to print a Soo Passages column and vessel arrivals column. All that died in the '80s and '90s, and I really feel that Thunder Bay has forgotten the harbour.

NP: Did they die because somebody stopped writing them or they stopped being newsworthy?

DJ: I think a lot of this died with the big business takeover of the two local papers. Suddenly that didn't become much of interest. With the big business takeover of the *News Chronicle* and the *Chronicle Journal*, the reporting staff was cut down. We used to have a waterfront column written by Quentin Sneider. Or no, Quentin Sneider's father. There were a lot of things nautical, particularly in the Port Arthur paper, and I was probably conscious of that because I used to deliver papers. So as a kid I would see all of that.

NP: 1960s then, when you sort of--. How old did you say you were at that time?

DJ: I was 8. I was first down at Perry's in the mid-'50s. We lived in the neighbourhood, and I just gravitated towards the water. There were lots of goings on then. They were building boats there and large boats.

NP: So were those boats related to the grain industry at all, or were they--?

DJ: No, this was recreational boating.

NP: Oh, okay. Okay. What area did you grow up in then?

DJ: I grew up in Port Arthur.

NP: In Port Arthur, Current River or more of the central?

DJ: No, near St. James School.

NP: Oh, okay.

DJ: Court and Wolseley.

NP: Yeah. Any stories about the explosions that occurred that held on through to the '60s?

DJ: Yeah, I can remember vividly one of the Current River explosions as a 10- or 11-year-old because my uncle was working in one of the elevators. He was okay. But I can actually remember being at the old casino ground about Cumberland Street and seeing the smoke billowing out. That had to be, I don't know whether it was Pool 9 or 4, but again, I was a young kid. But yeah, I can remember those.

NP: Was your uncle working that day?

DJ: No, he had worked the shift before. You know, that's one thing that was on the conscience of lots of people. The ordinary commercial comings and goings of ships, it was reported on, but the elevator explosions and that was always a front-page story kind of thing.

NP: Mmhmm. Dangerous place in those days.

DJ: Dangerous place. Dangerous place.

NP: Anything else that you can recall of your early wanderings around the waterfront?

[0:05:04]

DJ: Well, like I say, Nancy, the package freight trade at the bottom of Arthur Street was the real attraction kind of thing. The comings and goings of the elevators were tough for a kid with a bike. You pretty well needed to arrive with a parent in a car, so 8-year-olds and 9-year-olds weren't well appreciated. [Laughing]

NP: "Get outta here, kid!"

DJ: "Get outta here, kid," yeah.

NP: Now the packet freighters, they were the ones that went from small community to small community?

DJ: The package freight trade was run by CSL [Canada Steamship Lines], and CSL had terminals in Oshawa, Toronto, Hamilton, Sarnia—which was Port Edward—and Thunder Bay. Actually, it was Port Arthur. It was at the foot of Arthur Street. But they also had a terminal--. There were two terminals on the Fort William side: One near the mouth of the Kam just down from the Empire Elevator, and they had Shed 6, which was right next to the Heritage Park, on the east end of the Heritage Park. Shed 6 was

also the Fort William destination of the *Assiniboine* and the *Keewatin*, which were also engaged in the package freight. But passengers in the summer, package freight in the fall. Those ships didn't take the usual package ship route. They ran from Port McNicoll where you'd get the boat train from Toronto with a stop in Port Arthur, and then the ultimate destination being Fort William. They were a grand sight. There's lots of--. Most of the association with those two ships is with Shed 6 next to the CPR [Canadian Pacific Railway] Station on the Kam. But the package freight trade itself in the '50s and '60s was centred mainly on the sheds at the bottom of Arthur Street where the Marina now sits.

NP: And what would they take on as cargo?

DJ: Soup-to-nuts. Soup-to-nuts. They would carry jams for Safeway's. Empress Jams all came from there. They would bring pop, bottled pop. They'd bring car batteries. They brought just about everything. They were actually an early form of transport truck, except the cargo arrived at a destination and was delivered there.

NP: So I recall someone in our interviews saying that they, in their early career, were loading sacks of flour at Robin Hood.

DJ: Yeah.

NP: So would that be something the packets would be taking?

DJ: No. Package freighters would take flour, and it was Robin Hood. And as a matter of fact, I have a picture of the Robin Hood facility. If you haven't seen it, I can dig that out for you.

NP: Great. I'll just make a note of that.

DJ: The Robin Hood facility was on the Kam across from Paterson's. I don't have the exact date, but that went on until the '70s and perhaps later. I can remember that being active. That was a tough job. Maurice Mailhot and Jean Mailhot, they actually had a bagging facility too. They used to bag peas. I'm not sure at Western, but certainly at Superior Grain he had a bagging facility.

NP: Yes, he had it at Western as well, and unfortunately, I guess they went out of the business, so he sold off his packaging equipment. But what he did have leftover were thousands of unused bags, some of which we used at our display last summer.

DJ: Okay. Are they plain bags or marked bags?

NP: No, some of them were marked, and they're quite lovely.

DJ: Yeah, yeah.

NP: So there's a story to be told there in just looking at the bags.

DJ: Well, later, peas and that--. Actually, peas that were used for regular consumption actually went to Cuba en masse, and they were bagged there.

NP: I'll just mention this while we're talking about old things that were operating on the river, the Starch Works.

DJ: The Edible Oils?

NP: And, I guess, Edible Oils. I think it may have started as Starch Works.

DJ: Canada Starch, yeah. That was on the river. I'm trying to think**.** That was on the river just east of BA which is now the Gulf terminal. You know, the first terminal you see.

NP: On the island?

DJ: On the Mission River on Mission Island, yeah. That facility has been used for all kinds of things. I mean, there was a starch plant there. At one time it was edible oils. They crushed for fuel oils. That's a many-faceted story, in fact. I think Mike Chorney's dead, but Mike was the last owner of that. His son may still have that. Oh, boy.

[0:10:11]

NP: Is that Chorny, C-H-O-R-N-Y?

DJ: Yeah. C-H-O-R-N-E-Y. Mike had Industrial Hardwoods. They had a strike. The built, Nancy, small--. They built wooden floors for trailers, and they did that. Like they supplied the wood. They didn't install them to trailers, but he was the last owner of that. Then what happened in the '90s, they established another plant in, I think, Red Wing, Minnesota, and then they had some union problems here. I think it just closed. But the name that I recollect mostly with that facility was KA Power from Winnipeg. Ken Powell owned that. I can remember--. Ken Powell also owned small freighters, which were engaged a little bit in the grain

trade there. They were very old ships. They were the *Star Bow* and the *Star Buck* and another one. They all had "Star" names. They used to winter there. I can remember going there as a kid—like a very young kid, 7 or 8 years old—because my mother, who was a nurse, had a friend that was married to one of the ship keepers. I can remember getting on one of those ships in January, and it was 30 below outside, and they had a wood stove and whatever. I thought, "Boy, this is a pretty cold, cold place to spend a winter on." Those ships wintered there. Ken Powell owned Edible Oils, but he also had a company called Powell Transportation, which was engaged with lake freighters, but small, old ships. They were--. At one time, Nancy, almost everything that floated could make money in the grain trade. It was very efficient and whatever, but it did create a lot of jobs.

NP: Now is it package freighter or packet freighter?

DJ: Package freighter.

NP: Package freighter.

DJ: Package freighter. They called them packaged goods.

NP: So the *Star Bell* and the *Star Buck*--.

DJ: No, no. They were--.

NP: They were different? They were bulk?

DJ: Yeah. They were small bulk. They would take soup-to-nuts. Package freighters were a unique ship. The package freight trade is almost unique to the Great Lakes, and all of these ships were side loaders. They had holes in their side--. Excuse me a minute.

[Audio pauses]

NP: Introduce--.

DJ: I'll just tell people that I'm back with some pictures. Pardon the interruption, Nancy, but I'm back with a couple of pictures. We were talking about the old package freight trade, and what I was going to say was Keefer Terminal is probably unique because it was--. Let me back up here. The package freight trade was unique to the Great Lakes, and it all involved side-loading ships. They were all owned by CSL, and we had talked about where they were running, but Keefer was the last of the package freight

terminals constructed, rather. This is a picture of Shed 2 as it was constructed, and you'll see, Nancy, there's some loading gates along the side. Those are gone now. They were in the way. They don't fit Keefer's present use. What they actually were, they were loading sheds that were transited by forklifts, and the forklifts came in and out of the side of the package freighters. The Keefer ones were unique because they adjusted. They could go up two or three feet to accommodate different sized package freighters. The early facilities didn't have that.

The early facilities were in Port Arthur, along with the CPR sheds on the Kam River. The Port Arthur facilities were serviced by CN [Canadian National Railway], and the Fort Willaim were CP. When Keefer was built, it was originally serviced by CN only, and then the Port Authority made a deal and CP came as well. But the package freight ships were all CSL, Canada Steamships, and that was almost a separate division. But the Fort William facilities were CPR. The Port Arthur were owned by CN, and the Port Arthur ones, they were on Piers 2 and 3. No. Yeah, 2 and 3 of the Marina. You can see them now.

The package freight trade lasted until 1979. That was a real tragedy because there were new ships, and they were paid for, and CSL--. I can remember talking to CSL people at the Marine Club. Just while I think of that. They were a small part of CSL, and they were almost unique because they were small, and they had their unique client base. I can remember the quote that "We were making $1 million a year on each of those ships, and then we got out of the business, and in a couple years, we weren't making $1 million a year on the whole grain fleet." That facility, when you think about, the last five ships were new. They were paid for. It was environmentally friendly. They employed people at all ends. The customers liked them, but in those days, bigger was better. That decision was made by Canada Steamships in 1979, and they just--.

[0:15:13]

I can remember they were working--. I wasn't involved in the Port Authority then, but their agreement with the Port Authority had come out, and it was being renegotiated. They had renegotiated the terms of the renewal, and it was just a matter of putting paper to ink. There was a delay, and two or three weeks later, the call in saying, "We're out of it. We're out of the business." The other thing with those CSL ships, some of the newer ones—the *Fort Henry*—the *Fort Henry* was the prettiest one. She looked like a conventional laker with her wheelhouse forward. The *Fort York*, the *Fort Chambly, English River, French River, Fort William*—they came out later. Now, some of those were tween-deckers, which meant they had a deck in between, and some of them were just open. But some of those ships actually took grain in the fall too on an incidental basis. The Great Lakes and Thunder Bay losing the package freight trade was a great--. Well, I'd like to say it was a disaster, but I'm exaggerating that. But it was actually a tragedy. It was very sad. There's no need that it had to go. In fact, I'd suffice it to say, with marine carriage being as reasonable as it was, that facility, that service could have carried on today, and people would call it green as compared to all the trucks on the highways and that.

NP: Is that what's replaced it is the trucks and the containers?

DJ: Yeah. Actually, when package freight went out, the railways made the decision that they didn't want to do it because they could do it on rail. So the railways killed that off, and then the trucks started making inroads with the railways, so then the railways said, "Well then, we're just going to do bulk." As a consequence, you'll see this tremendous proliferation of highway transport. But it just seems that everything we do is driven by absolute efficiency and the bottom line or whatever, but there are social, economic, and environmental consequences to some of those decisions. I'm not happy with some of the adverse social and economic and environmental consequences that have resulted.

NP: So, can you sort of enumerate what those consequence are?

DJ: Well, you have very crowded highways. You have pollution. Carriage of freight by water is very efficient, very clean.

NP: And the social, I guess, is very closely tied--.

DJ: Well, look at all the jobs lost with it. I mean, there were a whole cavalry of forklift operators employed in Thunder Bay. I mean, these were semi-skilled people that were very good at their jobs. So.

NP: Hm. Did any of the country do it differently, or it--?

DJ: No. The package freight trade with side loaders like this was almost unique to the Lakes. I'm sure, when the package freight trade on the Lakes was established far before my time, it was probably carried out all over the world. As an example, I think there was a fairly vibrant package freight trade from Seattle and Vancouver up to Skagway on the West Coast. I know the Yukon and White Pass Railway had ships. As a matter of fact, the Yukon and White Pass Railway—a lot of people don't realize that—but those were the people that they actually invented the container. One of the downfalls of the package freight trade was pilferage because the goods--. When I say package, they weren't--. You know, maybe a better description would have been "palletized" because all this stuff was on pallets. And in many cases, Nancy, you'll see loose boxes and crates of oranges and apples and whatever. It was carried on pallets. Well, pallets are pretty vulnerable, and when they're stored in a warehouse, they're pretty susceptible.

[0:20:10]

I can remember as a teenager in Thunder Bay in the '60s, there would be a proliferation of very good and very cheap stereos—stereo receivers and Sony and Pioneer. I'm not saying that everyone had one, but they were readily accessible, and I'm sure a lot of those were taken from pallets at Keefer Terminal. And that's why the Yukon and White Pass invented the container, and then the container took off from there. I think, Nancy, you'll find that the Yukon and White Pass shipping containers are a lot smaller than what they are today. They were 10-footers. I think that they first came about in the '50s. Now, those small containers never spread to the Lakes, and the reason why it was so attractive to the Yukon and White Pass is they would be loaded in Vancouver or Seattle, and then they would be taken to Skagway, Alaska, and put on a train to get to Whitehorse and that. Whereas the stuff that came to Thunder Bay would be taken to Keefer Terminal, as an example, and then delivered by truck, by freight forwarder, to Safeway's in the case of Empress Jams, or--. Really, what Keefer was, Keefer was a warehouse, and it was a delivery warehouse. It was a transit warehouse. The transit came from ship to the terminal to the merchant.

NP: I'm just going to steer us back into your career. We hadn't even really started with your career. All we did was talk about your early days and early interests. So I understand from your educational background that you didn't become a ship's captain, so do you just want to tell us what you--? [Laughs]

DJ: No, I'm actually a lawyer by training. My first love though, I have to tell you, has always been the water. I was involved in the Navy and Sea Cadets. Navy League Cadets and Sea Cadets, the Navy, the Naval Reserve. I guess in 1980 I was appointed to the Port Authority as a commissioner, and the Port Authority there was really in its infancy. They were working on, really, the first harbour master. I have to back up here. One of the things when the Port Authority was first started, they decided that a lot of the locals didn't have much knowledge of what port authorities did, so they tended to emulate what other port authorities did, and they started a harbour police, which was really an expense. It was costing $300-350,000 a year, and it was very much overkill for Thunder Bay because really all that was going on in terms of theft and that was centred at Keefer Terminal, and the Harbour Commission owned and operated Keefer Terminal. Why you needed a harbour police for the rest of the harbour--. Nancy, there's not many people that steal a sack of flour or a bushel of grain or a tonne of Bunker-C or 100 gallons out of a gasoline tank, which is in a secure facility.

So in any event, the harbour police eventually met their demise, and the Harbour Commission, being a beneficial employer, tried to find employment for most of these guys. One of the harbour policemen became the harbour master. I actually knew this individual from my days growing up on the waterfront, and as a lawyer—even before I became involved in the Harbour Commission—I would help him with correspondence and write letters and things like that for him, or just maybe provide some grammar and composing skills. I actually probably had more of a knowledge of the harbour than he did, so we always had a kind of—I'm reluctant to talk about this, Nancy—we had kind of a little agreement that when he retired, maybe I would apply for his job. He was planning on retiring at a much later age, but he got cancer, and he went early.

NP: Who was this person?

DJ: Dick Legros. Dick retired early. At the same time when I was practicing law, my partners had different pressure and whatever. I decided that I might be interested in this job, so I resigned from the Port Authority, and I eventually applied to the Harbour Commission for a job, and because of my legal background, I was hired as the new harbour master and director of operations. Then one thing led to another—and there are some things I can't talk about—and eventually the board at the time decided to offer me the job as the CEO. So I was the CEO, harbour master, and legal counsel of the Port Authority.

[0:25:43]

NP: Before we go on—and I have lots of questions about the information that you've just presented—how do you spell Legros?

DJ: L-E-G-R-O-S. He's dead, Nancy.

NP: Sometimes we do transcriptions, so to have the spelling is good. So I want to go back to--.

DJ: Nancy, that's something I'd just as soon not--. Like that's sort of personal. I don't really think it's germane to the grain trade. So if you could gloss over that, I mean that's--.

NP: No, we'll just.

DJ: I don't think posterity is really interested in how I got to be what I did or whatever. I think it's just--.

NP: Well, then let's not dwell on that. Let's just move on because I have some questions about port authorities because I don't know much about them.

DJ: Sure.

NP: Thunder Bay at one time—well, for a large part of the 1900s—was the world's largest grain port. It was a very, very busy place. Ships were smaller and--.

DJ: Ships were smaller.

NP: And there were a lot more elevators.

DJ: There were a lot more elevators. I mean, Nancy, we looked at that chart. There were 26 elevators. I can't remember 26 operating elevators, but certainly when that chart was compiled, which would have been '62 or '63, there would have been most of those elevators would have been going in one way or the other. I would hazard to guess that 24 or 25 of those elevators were operating. Some very occasionally being used as storage houses, particularly the ones up the river by the Great Lakes turning basin. They might get two or three ships a year.

NP: Yeah. I'll come back to those because I actually want to sort of go along the waterfront and just ask you about what you remember. But right now, I'm just interested in the inner workings of a harbour commission. So at what point did the Thunder Bay harbour require some kind of coordinating authority?

DJ: Really, what happened is prior to 1958, the Federal Harbour, as we call it, was administered by a marine sub-agent. It was Captain Forbes at the time. With the coming of the Seaway, a lot of focus was redrawn on waterfronts all over the Great Lakes, on both the American and the Canadian side. Canada built most of the Seaway and paid for most of the Seaway, but a lot of the pressures and a lot of the comings and goings was on the American side. I certainly wasn't privy to what people thought about it in Ottawa or wherever, but they thought that there certainly was more opportunity for local involvement in the harbours, and that vehicle was normally a harbour commission. The first harbour--. Oh, Nancy, there's a long history of harbour commissions in Canada that go back to the '20s and '30s, and the first main one was Toronto, but we also had a National Harbours Board. I could be sitting here for three hours talking to you about it. It's a very long convoluted history, but why don't we just summarize it all by saying that with the opening of the Seaway, the government of the time decided that Thunder Bay—Port Arthur and Fort William—should be joined into a new institution at the Lakehead Harbour Commission. That came--. Well, where's my little book, Nancy? **[Audio pauses]** Nancy, I'm just going to read a paragraph from--.

NP: Okay, well let's--. We stopped for a bit to get hold of a book. What is the title of that book, Dennis?

DJ: This is a little book by R. B. Chandler, dated *The St. Lawrence Seaway and the Lakehead Harbour*. R. B. Chandler was the vice-chairman and then the chairman of the Lakehead Harbour Commission. Really, Nancy, just for purposes of posterity, I'm going to read a paragraph from this book. I see there's some grammatical errors, but I'm going to read this verbatim. [Laughing] "The federal government—singular—were quick to foresee the necessity of a unified administration of the important harbours of Port Arthur and Fort William at the Canadian head of the Seaway. In 1958, an act was passed to incorporate the Lakehead Harbour Commissioners. This act was assented to on September 6th, 1958. It provided for the combining of the harbours of Port

Arthur and Fort William into one unit to be known as the Lakehead Harbour. It established new harbour limits, which incidentally take considerably more shoreline than was originally included in the two units and provides for future expansion. This act sets up a commission of five members to administer the act. Three of these members are appointed by the federal government, and one each by the corporations of Port Arthur and Fort William. The commissioners were duly appointed and took office in the spring of 1959." And I'll stop there.

[0:30:42]

NP: And when did the Seaway open?

DJ: '59.

NP: Now, the commissioners appointed by the federal government– Whenever you hear something "appointed by government" you think, "Hm." Were we fortunate to have people who were appointed who actually knew something about the industry?

DJ: I think we were, Nancy. I'm just going to read further in this book. "It is interesting to note the diversity of business experience represented on the Commission. Mr. Chandler, who became the chairman, is a retired consulting engineer with experience in waterfront development across Canada, Mr. Young has wide experience in rail transportation, Mr. McDougall is general manager of the Port Arthur Shipbuilding, and Mr. Black is a senior partner of F. H. Black & Son chartered accountants." Actually, I think in a lot of ways the original Harbour Commission probably reflected a pretty good--. It was probably close to being lily white, okay? The unfortunate reality now is that the present regime excludes users. So the present board is probably more politicized than the earlier one. There's been a degree of politicization with the choice of the appointees all along and depending how influential the local member is or how persuasive he is, there have been a lot of politics associated with Harbour Commission appointments.

NP: Are the appointments to--. First of all, what years were you with the Harbour Commission, even beginning with when you were on the board?

DJ: Yeah, I was on the board from 1979 to 1990, and then I was an employee from '92, and I retired in 2006.

NP: Okay. So over that length of time, were most of the appointees to the board local people, or do they come from across the country?

DJ: No, they were almost all local people.

NP: Okay. What does a harbour authority--? What are their main objectives?

DJ: It's responsible for all of the federal infrastructure in the area of the harbour. I mean, in a nutshell, they're charged with using the harbour to the best advantage and encouraging trade and whatever. Now, lately, it's really become more of enhancing its own assets and making money, but I guess that's certainly a legitimate part of their undertakings.

NP: Specifically, what kinds of things would they be doing?

DJ: The big thing now is they're responsible for dredging. They collect harbour dues, and they use that to offset the dredging costs and whatever. Over the years, there's always been a considerable resentment from the local grain industry centred on the Harbour Commission because the grain industry saw the dues that ships were paying. And at one time the federal government was paying for the dredging. That's no more. I mean, the federal government has--. You and I both know, Nancy, the governments have a tendency to download or offload whatever responsibilities they can to whoever they can, and the dredging responsibility now falls on the local Port Authority. But at one time, there was considerable resentment, I think, directed at the Harbour Commission, and I think part of that resentment was warranted because I always thought that some of these grain elevator managers—or certainly the industry in Winnipeg—should have been on our board. Finally, it has. Like you have--. Want to turn that off, Nancy?

[Audio pauses]

NP: Okay.

DJ: Finally, Nancy, we brought someone reflective of the grain industry, and Greg Arason was appointed to the board, but years and years, those appointments didn't exist. There was a lot of politicization in the selection process.

[0:35:09]

NP: Was there a reason for that? Because it would seem to make sense to have some users involved.

DJ: Right now, Nancy, the present legislation excludes users. You can't have an act of conflict, and quite frankly, there are so many rules about--. [Bell tolls]

[Audio pauses]

NP: Sorry, can we start that again?

DJ: Sure. Yeah. Right now, Nancy, active users are excluded. The unfortunate reality of it--. Most port authorities have been relatively clear and transparent in their decision-making process, and there are conflict guidelines. The federal government is rigorous about its conflict guidelines. So I always thought that the grain industry should be on the board, and it should control the board, and if there were conflicts involving a particular elevator or whatever, if a member was associated with that elevator company, he would excuse himself from voting and abide by the conflict of interest legislation. It took years and years, and finally Greg Arason's appointment came about. Those kinds of appointments should have happened all along. I feel really strongly about that. And because those appointments didn't happen, there was a lot of resentment on the part of the local grain industry centred on the Harbour Commission. And that's really unfortunate because instead of the Port Authority working with the grain companies, the grain companies didn't want to deal with the Port Authority. Bad for everybody.

NP: Mmhmm. Lack of communication usually creates that kind of--.

DJ: Yeah. Not lack of communication, but almost a resentment. It was almost an inherent resentment at a higher level we're talking.

NP: So one of the responsibilities of the Harbour Commission was dredging. What other things? Did they provide some kind of coordinated effort? Did they do lobbying? What--?

DJ: Oh, yeah. They did considerable lobbying. Everybody was always jealous of Thunder Bay's position. Like one of the threats that we have is Churchill, and Churchill never has been or never will be a major threat to Thunder Bay. However, when your annual totals collapse from 16 and 17 million tonnes per annum as we saw in 1982 and 1983 to 4 and 5 million tonnes, 4 or 5 or 600,000 tonnes of diverted grain cargos becomes a very big thing. If it's two or three percent of the total, it's not much, but if it's eight or ten percent of a diminished total, it becomes an irritant, and it becomes significant. One of the things that the--. The Grain Commission in Winnipeg always looked fondly at Churchill because it was a flag-waving thing. It was there in the eyes of the Saskatchewan and east-end Manitoba farmers, and to use it would be a good thing, but Churchill was terribly expensive–a very short season. The rail line into Churchill is built on permafrost, and because it was built on permafrost and because grain was being carried more and more in hopper cars, the government constructed a whole fleet of aluminum hopper cars. At several times,

each aluminum hopper cost eight or nine or ten times the cost of a regular hopper. So you had this whole fleet, and it was done with Churchill in mind. The rail line and everything was subsidized.

And don't forget, Churchill was owned by CN, and CN at the time was a government-owned railway. So a lot of resources were spent on keeping the Churchill line. And now, certainly, it's kind of ironic because what's happened with Churchill, global warming and the increased length of the arctic season has made Churchill much more viable. However, CN doesn't own the rail line anymore. It's operated by Omnitracs out of Denver. Now it's make-a-dollar kind of thing. And, most importantly for Churchill, the Wheat Board is gone, and the Wheat Board always was political in terms of the western farmers. So the Wheat Board's desire to keep Churchill active or expanding their activities at Churchill is probably gone now. And now, we've got the terminals and the terminal operators involved directly in who makes decisions. So I would think new economic realities and new decision making functions with the terminal owners in terms of the carriage and sale of grain will probably favour Thunder Bay over Churchill, but certainly, Nancy, for 15 years, 20 years—from the mid-'80s to the middle of the first decade of this century—Churchill was very big on our horizon.

[0:40:19]

The other thing is Churchill got free dredging, and the interesting thing, Churchill took a lot of icebreaking resources. Like the federal government spent hundreds of thousands if not millions escorting a handful of ships into Churchill, whereas what they did is they moved to cost recovery on the Great Lakes. The sad thing about that is Canadian ships servicing our elevators and taking grain to transshipment ports at Baie-Comeau and Port Cartier are charged a marine services fee. The same grain moving through Duluth, those ships aren't charged a marine services fee. So the Canadian government, in its zeal to recover costs from whoever would pay, has actually done some things that hurt Thunder Bay.

NP: Mmhmm.

DJ: And the other thing, Nancy, is the Seaway has become a very expensive place to operate, particularly the pilotage fees. One of the problems with the Seaway is that it's heavily unionized. Unions are job protectors, as we both know. The Seaway, as far as I'm concerned, the Seaway entity has not been able to rationalize its operations nearly as well as a lot of the individual components using the Seaway have.

NP: Does the Harbour Authority provide any kind of coordination efforts?

DJ: During the ‘80s and ‘90s, the Harbour Commission tried to engage in marketing, and it tried to do it in a way that would facilitate the movement of grain through this port. And unfortunately, because of past resentments and whatever, industry in Winnipeg didn’t really go with that. So what happened is the Harbour Commission’s marketing efforts really reduced themselves to showing the flag exercises at Western Canada agricultural exposition where--. What you did is the Harbour Commission would get its name out with individual farmers, but the efforts should have been a lot higher. But unfortunately, you know, maybe if that effort would have started in the ‘50s and the ‘60s, and if the Harbour Commission as it then was grew in concert with the grain industry, maybe it would have been better for everybody. But it certainly didn’t.

NP: When you became a member of the board, what were the issues that were front and centre at that time?

DJ: The big issue when I first got there, Nancy, was the package freight trade because what had--. [Telephone rings] Excuse me.

[Audio pauses]

NP: I’ll start up and say that when--. We were talking about what the issues were when you first became a member of the board, and you had mentioned the package--.

DJ: Yeah. The big issue, Nancy, was the demise of the CSL package freight, which was a very big issue for the Port Authority because they were the major tenant of Keefer Terminal, which, in reality, had largely been constructed for them. So the Port Authority was negotiating renewal arrangements with both Canada Steamship Lines, the operators of the ships, and the Canadian National Railways, who brought eastbound cargos in from the west. They were also talking to CP because CP formerly did their own freight sheds on the Kam River. Everything was a go. The renewals were going to be signed and whatever kind of thing, and then CSL, the operator of the ships, made a corporate decision that they were going to ban the package freight. So I got there in January 1980, and in December 1979, all the negotiations had been agreed to, agreements in principle, correspondence had been exchanged, and agreements had been drawn up. And suddenly, in January 1980—or actually in February or March 1980—all bets were off, and CSL was out. That was a major disaster for the Harbour Commission. It just went to our funding and everything. So that was the critical issue on the horizon then.

[0:45:13]

NP: Other than--. What can you do about something like that?

DJ: You can't do anything about it, Nancy. That decision was much larger than the harbour commissions. I mean, you can lobby the government saying, "This is a bad thing," but--. As an example, CN was very much involved in this decision, and CN is the government-owned railway. I'm sure if push came to shove, if it was an argument between an individual harbour commission—federally controlled—and the CNR railway, which was federally controlled, the railway would have been predominant. I mean, this was something that it wasn't on the horizon. It shattered the crystal ball, and no one knew what to do. It was back to square one. How are they going to survive?

One of the victims of that was the Thunder Bay harbour police force. Not immediately, but certainly within the decade. You know, the Thunder Bay harbour police force was probably part of the resentment of the grain industry towards the Harbour Commission because they saw police boats and police cars, and as I said before, Nancy, nobody to my knowledge has stolen a bushel of grain. I can't ever remember a robbery at one of the grain elevators nor a murder nor anything kind of thing. And I'm certain that if the grain industry sees harbour dues being paid and people running around in police cruisers and police boats and whatever, they probably said, "What for?" Again, that is part of the missing dialogue between the Port Authority as it then was and the grain industry. Maybe some of that is the result of the sudden birth of the Harbour Commission. Like there was nothing. There was a marine sub-agent in the post office who was invisible, okay? He had no presence.

NP: And what would he do?

DJ: Well, he coordinated dredging, okay?

NP: Okay. Essentially.

DJ: Suddenly you have a Harbour Commission coming along, and they set up a marine radio. The marine radio provided some good service and helped Lake Shippers. Lake Shippers is certainly a good organization. I mean, Lake Shippers did a lot of good, particularly in those days with smaller ships. The marine radio helped Lake Shippers, and that function was good. But suddenly, for a Harbour Commission to come along where nothing had been before, and a harbour police force, and a radio, and all this kind of stuff, I can just see it. I think, in a bigger, grander scheme of things, if somebody would have been more benevolent and if the grain industry were made an integral part of the Harbour Commission/Port Authority from the get-go, things would have been better. No question.

NP: Now, you had said something there--.

DJ: Nancy? Shut the machine off.

[Audio pauses]

NP: We're coming back to our discussion about the kinds of things that were on the table at the time that you were on the board, and you've mentioned it a couple of times, and that's the harbour master. Perhaps you can just mention what the harbour master does and what he—and I assume it's never been a she—relates to the Harbour Commission.

DJ: Yeah. We had a lot of vessels transversing the port at one time or another, like, up to 1,000 a year, and with that, Nancy, there would be frequent happenings, whether it's ships being aground or crew members defecting and whatever. You know, it's almost odds and sods. It's almost like the neighbourhood cop in the old days. You don't have the neighbourhood cop anymore, but there would always be incidents. One of things in later years, there would be more and more recreation use of the harbour, and while the recreational users really weren't a prime function of the harbour master, they took a lot of his time. I can remember--. I'm just looking for a couple of pictures--.

[Audio pauses]

NP: Need to go right back to the beginning again. So--. **[Audio pauses]** Operation. We had started to talk about the role of the harbour master, and you had said that the harbour master was especially important because of the number of ships that were in and out of the harbour.

DJ: Yeah. And then, Nancy, towards, I would say, the mid-'80s and '90s, more and more of his time was consumed with recreational boating activities–a surprising amount. The first year I was there, there was three collisions with pleasure crafts with the break wall, one which occurred at 11:00 in the morning on a bright July day. How someone could hit the breakwall on a perfectly clear day with no sun, no squinting, no anything at 25 miles an hour in a 25-foot boat and severely injure himself--. I think he ruptured his kidney. How that happened, Nancy, I just can't--.

[0:50:54]

I can remember the most serious of one of those accidents. Well, there was one fatality. A boat blew up at the Yacht Club. But certainly, the last of that accident, a real tragic accident, happened to a legal friend of mine. His son, who was a local medical professional, was going up the river and ran into a dock. No one knows how that happened, but his wife was critically injured and he himself was injured. His two children were injured. Actually, I have pictures of that boat, which I can't find. But there were more and more of that, Nancy. There were things like air shows and establishing safety zones, and certainly, the involvement with

visiting Naval vessels. I actually wore two hats with most of those because I was involved in the Griffin, so I would be coordinating them at night during my holidays with DND [Department of National Defense], and when a ship was here, I was actually involved with it from the Harbour Commission side.

NP: Now, I've heard that some grain ships have hit lighthouses and--.

DJ: There was one—I think it was the *Rimouski*—one grain ship just missed the main entrance going out of the Port Arthur entrance, and it did knock the main light off its concrete foundation. The interesting thing about that is that the lightkeeper at the time lived in a house right across from where I lived. So he told me that, you know, he saw this ship coming. He was on the second floor, and he actually bailed out of the lighthouse. His name was Leonard, and he went back to [inaudible] right after that. How that accident happened, well, it was wind, and I guess the wheelsman made a mistake.

But those things happen, and one of the last big items that our local shipyards did was to put a new bottom on the *Kinsman Enterprise*, and the *Kinsman Enterprise* was coming to Thunder Bay on a bright day in the summer. And it seems ironic, Nancy. We're talking about three or four marine casualties that all happened on bright clear days with perfect visibility. But anyway, this ship missed a turn and hit Isle Royale—and Isle Royale is a 45-mile-long island—and tore its bottom out. It made good work for the yard because she was a welded construction, and that was a new technology for the yard, but they put a new body in her. Some of the causes of those accidents are a mystery. I'll just mention—this didn't happen in Thunder Bay—but this *Queen of the North* a couple of years ago hitting an island in BC. This is the days with ECDIS [Electronic Chart Display and Information System] and radar and all this kind of stuff. I think, when you look at this, Nancy, the human factor is a big variable in a lot of these things.

NP: Right. When we were off record, you were talking about the *Whalen*. And one of the things about our project is we're taking quite a broad view of the grain industry because we realized that part of the fascinating aspects of it is all the tentacles, all of the things that needed to be in place in order for the grain industry to work. The tugboats are very important. The *Whalen* is special to the hearts of many Thunder Bayers, so tell me about your connection with it.

DJ: Well, the *Whalen* is very significant for Thunder Bay, not so much in terms of a ship assist. The *Whalen* really didn't do ship assists, but she was originally a rescue and salvage tug. But because of her construction, she was our icebreaker. And I can remember, Nancy—and I'll maybe dig these pictures up if your museum gets off the ground—but it used to be common practice for people to drive out on the ice in their automobiles and watch the *Whalen* taking run after run after run out of harbour ice, which I can remember being 42 inches thick. The *Whalen* would literally pound through that ice half a length at a time. The *Whalen* was 106 feet long. And she was, Nancy, like you say, she was near and dear to the hearts of many Lakeheaders, and quite

frankly, I think a lot of those people would identify more with the *Whalen* than with the Port Authority or maybe even the grain industry.

[0:55:33]

In any event, I can remember 25 years ago reading an article in the paper about the *Whalen* being scrapped. The *Whalen* left Thunder Bay to work for J. P. Porters, a dredging company, and she was modernized. She was given a new house and a diesel engine and whatever. It was essentially a new tug constructed on top of an old hull, and the new tug had a new power plant. Anyway, Porters took her to work on the Seaway, and she ended up in the Maritimes. Someone had written that she had been scrapped, and I knew that wasn't the case. So I was involved with the Naval Reserve at the time, and I was going to Halifax for a course or an exercise—I don't remember what—but I talked Clerk into giving me a train ticket instead of an airplane ticket, and I got off the train in Matane, Quebec. And Matane, Quebec, is the closest station to Les Méchins, and Les Méchins has got quite a nice little shipyard operated by the Verrault family. I knew the *Whalen*'s present name was *Denise V.* Denise Verrault happened to be the president of the railyard, and she was married to Richard Beaupre, who was a Paterson ship captain and an old tug captain for Thunder Bay.

So I gave him a call, and I said, "I'm coming down to look at your scrapped tug." And they both said, "No, the tug's not scrapped. She's here on the beach." And there she was laying on her side at a 30-degree angle. Her new diesel—it was actually a used diesel, but it was certainly new to the *Whalen* because she was constructed as a coal burner—but anyway, her diesel, the crank case had exploded, and there she was. Too old to fix and very neglected and probably destined for the scrap heap, and I just thought that that was an ignominious end to something which should have been in Thunder Bay all along. So I asked Denise what she was going to do with her, and she said, "We'll probably scrap it." I said, "Denise, you can't scrap that thing." She said, "You know what, Dennis? If you're going to look after her, if you can get a proper group together, we'll give her to you."

So there was a commitment from Verrault's—a very generous commitment from Verrault's—to give Thunder Bay or people in Thunder Bay the tug. It was easy to put together a group, but the real question was the cost of getting her here, primarily of towage but also lockage fees. Bringing her up through the Seaway is not cheap. So Thunder Bay Tug Company, which is no more—Gary Dawson now owns it—but originally it was Roger Hurst. Roger Hurst and Rolly Frayne bought a very fine tug on the East Coast, the *Point Valour*, and they were bringing her back to Thunder Bay. This was all at the time this was happening. So I prevailed upon them to bring her up, and they either did it--. I can't remember. I think they may have done it for a flat $20,000, or maybe they did it for less, but they agreed to bring her home at a very reduced cost. In addition to my Naval Reserve hat, which I used to find her, I was involved with the Port Authority—as we both know—and I phoned people in the Seaway, and they

waived all the Seaway fees. So as a consequence of that, the *Whalen* got home, and I think, Nancy, if the *Whalen* couldn't have been brought home cheap, she wouldn't have come.

Anyways, here she is, and her appearance is back to what her original appearance was. I hope she's here for many more years, and I would like to see her put to a little better use. I always thought that a home for her in the Marina area would have been more appropriate because that was her home base. She used to sit there at the end of the CNR dock, and it would be nice to see here there. But even if she can't be where she really should be, she is at least in Thunder Bay.

NP: Just, again, for spelling purposes, Denise Verrault, how is that spelled?

DJ: Verrault, V-E-R-R-A-U-L-T. And the *Whalen's* name was *Denise V.* It's Les Navigations Verrault in Les Méchins. Les, L-E-S. Méchins M-A-C-H-I-N-S Quebec [M-E-C-H-I-N-S].

NP: I-N-S?

DJ; Mmhmm.

NP: Les Méchins. Now, you were talking about one of the major responsibilities of the harbour being, even early on before the official Harbour Commission came in, was dredging. And dredging is a big issue related to the grain industry, and how it unfolded in Thunder Bay. Do you have some comments to make about that?

[1:00:20]

DJ: Well, dredging, Nancy, has become much more of an issue with global warming. Our summers are a lot longer, okay, and we have evaporation. One of the things that people don't think about with global warming is how much water vapour we lose during the winter months. It used to be we had significant ice cover. In fact, a couple of years in the '80s, Lake Superior froze. I can only remember that happening twice, but we had the whole lake frozen. Whereas now, 30 years later, we've had winters where very little of the surface of Lake Superior has frozen. And what happens is when the lake is not frozen, it gives off water vapour, and that vapour comes from the lake's surface. And if the lake's surface goes up in smoke—or goes up in vapour—the lake level is reduced. So it's actually a double barrelled whammy with the worst of the whammy not being from our much warmer summers but our much warmer winters and the lakes not freezing. So now that global warming is upon us, dredging is much more of an issue.

In the old days, dredging was a really easy issue because the federal government took responsibility for dredging. In the old days, Nancy, there was so much grain activity, and then government as a whole in the ‘50s and ‘60s was fairly flush. There certainly was a deep dredging pot. The MOT, the Ministry of Transport, purse for dredging on the lakes was large and generous, and so we got our dredging done. In fact, Public Works had an office on Syndicate Avenue, and they actually had a whole marine office. Public Works shared a boathouse with the Port Authority, and they had two boats down there and four or five staff. All those people did was they did quantity measurement for dredging soils. The federal government also built a dredging disposal site near Chippewa. The Port Authority was a fortunate recipient of some of this infrastructure. However, with later times, the federal government has offloaded the responsibility for dredging onto the local Port Authority. That is a significant and expensive responsibility.

Dredging, when it first was on the scene, it was carried out on an annual basis. I mean there were Porter dredges and McNamara dredges, Sector Dredging dredges. They were here all the time, and it would be one summer one company would bid low, and they would get the contract. The next summer, its competitor would get the contract. Those dredges were always busy. And the federal government picked up the expense. And it was easy then because we had cold winters. We didn’t have as warm summer. There was much less evaporation, and it was done. I think, Nancy, when the grain managers looked out of their offices and saw the dredging being done—and these guys weren’t stupid—they knew the dredging was done before the Port Authority came about, and they knew the dredging was done after the Port Authority was about. But when the Port Authority came in, their ships were assessed harbour dues, and those harbour dues were being paid locally. I’m sure these guys must have thought, “Look, federal tax dollars are providing for dredging, so where is our money going?” And this is part of the resentment that the local grain industry through their owners in Winnipeg towards the Port Authority which persisted through the ‘70s and ‘80s. That’s something that could have been defeated. It wouldn’t have happened if there had been proper representation.

NP: Now, the dredging. I don’t know if this had it’s--. It had probably already stopped on the Kam River by the time you got there.

DJ: Yeah. Dredging on the Kam River was minimal. Nancy, you’re going to excuse me. I haven’t eaten, and my stomach is starting to growl. So--.

[Audio pauses]

[1:05:09]

NP: The ones that used to be there and were no longer there.

DJ: Yeah. Those elevators, Nancy, really disappeared as a by-product of the loss of the canallers that used to serve the ports of Fort William and Port Arthur, and those ships disappeared after the Seaway came about. Suddenly, you had small ships of 4 or 5,000 tonnes that were 260 feet in length, and they were gone almost overnight. There was a whole new breed of maxi-sized ships that were 730 feet long. Those ships, with the addition of maybe one or two more crewmen could haul what 10 or 12 of those ships could haul. Not only that, the small ships were steam powered. The new ships were diesel. They were much more expensive to run. And suddenly, almost overnight by the end of the '60s, the large lakers ceased to go up the Kam. It just happened that way. I think I said earlier, Nancy, that the first casualty of the upper Kam--. And when I talk about the Kam, you really have to consider the Kam and the Mission Rivers as one river. It happens to be called the Mission below the Mission turning basin near the Jackknife Bridge, but it's the Kam, the upper stretches of the Kam. So the first casualty of that was the section between Great Lakes paper and the James Street swing bridge. There were two small elevators, and both of those elevators closed.

Great Lakes—and when I talk about Great Lakes, I'm talking about Great Lakes Paper, which has had several name changes and is now Resolute Paper—but they stopped shipping product, finished paper, by boat. At one time, it was interesting because the major papers around the lakes, and there are two major ones that I'm thinking of—and they were the *Chicago Tribune*, and they were the *Detroit Free Press*—and they actually had printing presses in downtown Chicago and in downtown Detroit. In downtown Chicago's case, it was right on the Chicago River, and they had a warehouse, and they would take paper directly from ship into the paper. So that paper was actually produced in Thunder Bay, and it was produced in Red Rock, and it was produced at Mission Mill, and it was produced at Thunder Bay Mill, and it would be loaded directly on a ship at one of those paper mills and taken to the end user and tied up right at the newspaper. It went from mill to shop, then it went from ship to newspaper. And all that infrastructure is gone. In some cases, the papers moved to a new modern press away from the thing, but the docks are gone, the warehouses are gone, the ships are gone. That transformation almost happened overnight once the Seaway came.

It remained on a declining level into the '80s, and Pat Doherty would be a good person for you to talk about, but it went, Nancy. In fact, vessel traffic on the upper Kam ceased, and it was almost like grapes withering on a vine. You saw the facilities go and go. The ships went, and then the facilities closed. Now we're at a stage where meaningful navigation on the Kam, frequent navigation on the Kam really ends at the Petro Canada terminal, which is at the end of the Mission right next to the Mission River turning basin. Ships don't come there. Now, there's an occasion Superior Grain and now Western Grain, which are two successor elevators, actually—they're former Pool 5 and Pool 10—but they do saltie traffic, but lots of that traffic involves an empty saltie going up, and they're loading one hold of it. Then the ship goes downriver and finishes off somewhere else.

NP: Speaking of that—and well, a couple of things I'll just mention related to the Chicago newspapers—interesting that you should say that because in the Paterson collection of photographs, they have one of the Paterson ships, probably maybe even the

inaugural one, leaving the Kam River with banners flying, taking Great Lakes papers and then showing it in Chicago on the waterfront.

DJ: Yeah, yeah.

NP: But I didn't realize that they sort of unloaded right into the--.

DJ: They would take papers from more than one customer, okay? But certainly, in the case of the *Detroit Free Press* and the *Chicago Tribune*--. The P&O fleet. P&O fleet? Just a minute. Ontario Paper, they also did carriage of newsprint by water, and one of their ships was called the *New York News*, and the other ship was called--. There were two other ships. One of them was called the *Chicago Tribune*, and the other one was the *Colonel Robert McCormack*. Robert McCormack was the guy that started the *Chicago Tribune*. So that's how close the marine industry and the paper industry and the newspaper industry were married. They were intertwined. It was like a seamless entity. It went from trees in the Ontario northwest and in Quebec because there was also newsprint moving down from Quebec into the Seaway. And don't forget, that carriage by water came before the Seaway. It was done on small ships. It was done on 250-footers.

[1:10:55]

NP: When you talk about the size of the ships in relation to the Seaway—and I don't know if your history goes back that far—but it seems to me--.

DJ: Is that on, Nancy?

NP: Yeah. It seems to me from what you said that a lot of unintended consequences resulted from the building of the Seaway.

DJ: Yeah. In many cases, Nancy, the consequences were good, but there were some unintended negative consequences. And one of the ones that you may not have considered are invasive species. The zebra mussel and the goby and things like that. And so often, ships would pick up invasive organisms which were totally alien to the Great Lakes and bring that in, discharge their ballast. And one of the things that's now happening, there are pretty strict ballast controls on ships on the ocean and things like that. However, Lake Superior has remained relatively pristine, except for maybe the waters of St. Louis Bay, which are quite shallow. St. Louis Bay as compared to the Kam estuary, St. Louis Bay is a lot bigger.

NP: Where is it?

DJ: Duluth. Duluth-Superior. So its area and its shallowness are very much conducive to invasive species. [Bell tolls]

[Audio pauses]

NP: Okay.

DJ: So some of those invasive species, Nancy, came to Thunder Bay from Duluth by the *Ican Superior*, which used to be our railcar ferry. Now fortunately, Thunder Bay's harbour is much smaller and relatively colder, so they haven't really established themselves here. But even though there are pretty strict ballast controls on ships coming into the Seaway, a lot of those invasive species established themselves fairly well in Lake Erie. Lake Erie is shallow and warm, and there's a fairly significant ore trade between Lake Erie and the upper lakes on the American side. That's how they got into Duluth. Not so much from ocean ships, but from--. Ocean ships brought them into Lake Erie, they established themselves on Lake Erie, and then lakers, actually, brought some of those from Lake Erie ports—Conneaut, Ashtabula—and brought them back to Duluth.

NP: Does the harbour authority have anything to do with the water quality of the harbour?

DJ: Not the water quality per se, but the Port Authority is a very good corporate citizen. Nobody wants to see Lake Superior spoil. When I was the harbour master, Nancy, I was very concerned about invasive species, and we examined a fair number of docks and grain terminals and whatever, found some zebra mussels, but they were contained. It wasn't a huge problem. The interesting thing is the zebra mussels haven't really established themselves with the recreational boat community, and those are the boats that you notice all the time because they get hauled out and whatever. The Thunder Bay problem isn't great. But certainly, I was involved with various working groups involved with ballast water management and things like that. Yeah.

NP: You mentioned that you examined docks. Was there a special group with the Harbour Commission that looked at those kinds of things?

DJ: No, no. We did it with some dock owners. I mean, everyone was concerned that their facility might be impacted because the concern with zebra mussels on steel sheet piling is perhaps you're going to deteriorate the sheet piling, and nobody wants to see their elevator collapse in the water, which has happened before, by the way.

NP: Yes. Anything you'd like to say about that, the UGG [United Grain Growers]?

DJ: Well, the interesting thing about UGG—and I guess this is my waterfront hat—I was actually working at Provincial Paper that morning, and there was a big wall of water that came into Provincial Paper as a result. Nancy, the day before you go and there the elevator is, and you come back the next day half the elevator is missing. It's in the lake. That was pretty significant.

[1:15:22]

NP: The Harbour Commission, do they own the harbour?

DJ: No, they administer the federal property on behalf of the crown. Her Majesty the Queen owns the water, okay? So really, Nancy, if you wanted to reduce that, it probably belongs to us as Canadians.

NP: Just the water?

DJ: The water and the water lots.

NP: So--.

DJ: Some of the water lots are leased.

NP: From or to--?

DJ: To individual owners. Some of them are leased. As an example, one of the paper mills has leased property from Her Majesty, the DND boatyard property is leased, but the elevator facilities aren't on leased land. They're on owned land belonging to the terminals.

NP: And what happens when the terminals disappear, which they have? What happens to the land then?

DJ: Lots of times the taxes aren't--. Like this is freehold land**.** So now, it will be a lot on a plan of subdivision. It has a registered owner. So let's say Thunder Bay Elevator Company owns it. So what happens? Two things can happen. Number one, if the municipal taxes are paid but the corporate taxes aren't paid, what happens with property like that, it escheats. E-S-C-H-E-A-T. I think it's a Latin--. E-S-C-H-E-A-T.

NP: E-A-T-S. Yes. Yeah.

DJ: It escheats to the crown. That's what happened in the case of Pool 8—the elevator that you were at one time looking to establish your museum in. That was an interesting one, Nancy, because I was the harbour master then when that fire broke out. It was a mess. You and I both know it was a mess. I did a little bit of investigation, and I found out that the Ontario corporate taxes hadn't been paid, and that property escheated to the Province of Ontario. Because of that, I went after the Province of Ontario to go clean it up. I'm happy to say I was successful in that, and the province did in fact clean it up. But I'm told—and I've retired since I've been told—I've been told that the Corporate Tax Act, the Ontario Corporations Tax Act, has now been changed so that the property will continue to escheat to the provincial crown if corporate taxes aren't paid, but the provincial crown is no longer responsible for the clean up. I guess I won one, but they've taken steps to make sure that my successor doesn't win another.

NP: Hm!

DJ: Now, in the case of what happens with lots of these elevators, though, prior to that the companies go defunct, and they don't pay their municipal taxes. And if You don't pay your municipal taxes, the city takes it over. Now, unfortunately, when this usually happens, there's usually an elevator sitting on there, and it's expensive to pull down. I think one of the things you might want to do is talk to Rob Colqhoun, C-O-L-Q-H-O-U-N. Rob is the tax guy that would probably know best the ownership of some of these elevators. It would be interesting, Nancy, just maybe for the edges of your study to find out how many ex elevators the City of Thunder Bay actually owns as a result of non-payment of municipal taxes.

NP: Now, do they actually have to take over the property, or it just automatically from lack--? Like you could say, "You owe me taxes, but I'm not going to do anything about it."

DJ: Yeah, what happens is--. I'm not an expert on municipal taxation. I never have been and whatever. Al McKitrick would probably be the resident local expert of that. But what happens, Nancy, is when you don't pay your taxes, if the taxes are delinquent for a year, the city can post a tax certificate. If it remains delinquent for a year after that, the city can put itself in a position to sell it. You've seen these ads in the paper, and that's what they're doing. They're trying to sell properties where the taxes have been delinquent for more than a year. I would say in the case of most elevators nothing happens. The city certainly isn't forced to take it over and probably is very reluctant to take it over.

[1:20:00]

NP: So limbo is what--.

DJ: Limbo. Waterfront limbo.

NP: Hm! So I have a question about Westland D then, which initially was a CPR property.

DJ: Was a CPR elevator.

NP: And then it was taken over by Saskatchewan?

DJ: It was Saskatchewan Pool 11.

NP: 11?

DJ: Yeah.

NP: Okay. So when that happened then, would CPR, do you think, have kept the land?

DJ: I actually think the CPR was a good corporate citizen, and I think they paid for the demolition, which is very much an act of a good corporate citizen because it's expensive. But there was another use of that property by a cement company called Terracrete, and I know a little bit about Terracrete. I don't want to get into the names of the individuals involved with it, but I suspect somebody may have bought it from CPR and used it for whatever they could and then not paid their taxes.

NP: Okay.

DJ: And certainly, Nancy, that's something you should know about what the elevators companies have done. Don't forget, in the case of Manitoba Pool when they abandoned Pool 3, they had other elevators in Thunder Bay. So on a corporate basis, you certainly don't want to be a bad, delinquent taxpayer because you've got other properties, and you want to fly the flag and whatever and appear to be in everybody's good books. So you sell the elevator to somebody in between. That somebody in between sees the value of the elevator and the value's in the salvage, so that person precedes to take the salvage out of it, and they know they've got a year or two window because when they get the elevator, invariably the taxes are up to date. So they have a window. It usually takes a year, a year and a half to get this stuff out, and by the time the stuff is out, the taxes are in arrears and away we go. That was the very unfortunate reality in the case of Pool 3.

Now Pool 3 was a little bit unique because my understanding is that Pool 3 was bought by the Buchanan Group. Now what's happened to it with Buchanan? The Buchanan Group is through with Northern Wood Preservers. I mean, that mill is no more, and it's been stripped and whatever kind of thing. What has happened to that since? I don't know.

NP: It's been sold to another group.

DJ: Yeah.

NP: Along with the Northern and--.

DJ: Yeah. And Pool--.

NP: And Pool 4 would have been the same situation.

DJ: Yeah. Pool 4A and B. But Pool 3, that was a sad situation because that was a good elevator. That elevator had lots of life and lots of capacity and whatever kind of thing, as did Pool 1. Okay, now Pool 1 is actually one of the most modern of the new elevators, but it's really two elevators. It has two workhouses, and both those workhouses--. Like most elevators have one workhouse, but both those workhouses had individual hydro meters. And the hydro power to an elevator, particularly this, is significant. That's a significant cost. One of the biggest factors relating to the present--. The demise of our grain industry is a result of the collapse of the former Soviet Union and shifting grain sales and all kinds of other things, but a big factor is municipal taxation. A new and emerging factor is the high cost of hydro. As an example, there is a prominent US midwestern firm that owns an elevator in Thunder Bay, and they also own an elevator in Duluth. They don't own that elevator in Duluth—they've since sold it to a conglomerate—but they built the new elevator, and they built the elevator, I think, in the '80s. I don't want to mention the name of this firm, but if you looked at a midwestern US firm that owned an elevator in Duluth and an elevator in Thunder Bay, you could probably readily do so.

NP: Let me think. Cargill? But you don't--. No.

DJ: I don't want to say Cargill, Nancy.

NP: Yes, you don't want to say Cargill, but it's pretty limited. [Laughs]

DJ: But Cargill did own facilities like that. I was told, Nancy, that the firm that owns the Thunder Bay elevator, which is an older elevator, but it's been kept up, and it works, and it's well-staffed and well-run, and it's in good shape. I mean, it's nothing to be ashamed of. It is a good house. But I was told that the municipal taxes were in the order of $1.5 million a year. The Duluth facility is brand new. All the bells and--. Brand new. It's 25 years old, but that is new in the age of an elevator. That facility, that was purpose designed as an elevator, and it's the way you build an elevator. It has a loop track, so you just go in and out, and everything works. I was told, Nancy, that the taxes on the Thunder Bay facility are $1.5 million, and that the taxes on the Duluth facility are $160,000. And the Duluth facility has three times the capacity.

[1:25:20]

NP: Um--.

DJ: With—excuse me, Nancy—three times the capacity and a third of the workforce.

NP: How did Thunder Bay, do you think, how did they become so uncompetitive in the way of property taxes? Are we looking at--. Instead of comparing Thunder Bay to Duluth, we're comparing Thunder Bay to Vancouver or Prince Rupert or Montreal.

DJ: Well, Montreal and particularly Halifax, some of the other jurisdictions tax elevators on their throughput. In other words, if you ship 500,000 tonnes of grain, you pay for each tonne in the 500,000-tonne total. Whereas we don't. To me, Nancy, we have a very primitive and backward way of taxation. They assess it on market value. One of the only ways of getting any relief under the present tax regime is to render the elevator inoperative. As an example, Sask Pool, which is no more, but they had 7A and 7B, and they would physically take the track lead out to 7B. In other words, you couldn't use the elevator. I'm sure you can take that track lead out for a few thousand bucks and replace it for a few thousand dollars. So as a result of satisfying the municipal assessment commission that the elevator was inoperative that year, the taxes would be reduced. That's a crazy way of doing it though.

NP: Is this Ontario's--.

DJ: It's Ontario.

NP: Ontario's. As you mentioned, other harbours would be working on a throughput basis.

DJ: Yeah. Other jurisdictions, yeah. Taxed on a throughput basis.

NP: Well, that's unfortunate.

DJ: It's very unfortunate.

NP: Yeah.

DJ: The other thing that's happened, Nancy, is grain sales have shifted. Like we used to ship grain to Europe, okay? I find this hard to believe, but I've seen it. France, with the Common Market, instead of the European countries all competing with each other, a lot of those countries decided that they were going to do one crop. Or instead of fifty crops, they would do ten crops. The French actually sell a fair amount of grain, and one of the big consumers of grain are the North African countries. They like grain. So they buy their grain from France and some other countries. I mean, the Soviet Union used to be a big, well, it was a user of grain, but now things are on the up and up. The Ukraine is a tremendous grain growing area. One of the problems with the Ukraine are logistics. They often have problems harvesting and transporting their crops, but no more. And really, this is reality. I mean, if our new grain market is in China, it probably makes more sense to serve most of that market through Vancuver than it does through the Lakes.

The lakes, the Great Lakes system, has become a very expensive way of shipping. A saltie coming to Thunder Bay—I don't have the current figures—but a saltie coming to Thunder Bay was paying a couple hundred thousand dollars in pilotage fees. When you think about it, Nancy, in these days, we have electronic navigation. We have ECDIS. I mean, ships don't rely on compasses and a helmsman anymore. They're navigated to very precise standards and limits, and we still have a compulsory pilotage. I mean, I can see pilotage in the port, but many--. I mean, Lake Superior, you don't need a pilot to cross Lake Superior. The ship captains like them because the captain can stay in his cabin and relax.

NP: So what is in the way of making those changes?

DJ: Of change? Layers and layers of government, Nancy, and people that accept the status quo. Like I really think that a lot of this has to be driven by our own politicians, and they don't. One of the best voices of the lakes was Jim Oberstar in Duluth, and he recently lost his seat just for American--. Don't ask me what they were, but the reasons have nothing to do with the Seaway. Actually, Nancy--.

[Audio pauses]

[1:30:07]

NP: I'm going to ask a question about a point that you made just a little earlier, and that was the Seaway is a very expensive operation for shippers.

DJ: Very expensive, yeah.

NP: My understanding is that with the West Coast, although it doesn't have the Seaway problem, it has a real problem with backup, of ships having to delay their business in port just because they are just over capacity.

DJ: Right.

NP: So how do those two things balance, or do they? Does that sort of balance off the cost of the Seaway so it's--?

DJ: Yeah. The West Coast is simply better management, and one of the problems here is there's too much congestion in the port of Vancouver. You can defeat some of that by better using Prince Rupert and whatever kind of thing. You can help it a little bit by using bigger ships and whatever, but there will always be congestion. But it isn't--. Like a 250,000-tonne bulker still has a crew of 25. Our ships are a tenth that size, and they have a crew of 25. So I guess, Nancy, I'm suggesting that to keep a ship with a crew of 25 idle for five or six days is probably a lot less expensive than that ship having to pay a couple hundred thousand dollars in pilotage fees. One of the factors—one of the huge factors—in our demise are the railways. The cheapest way of sending grain east is to put it on a unit train. And in the case of loading it--. As an example, Dreyfus has got a facility in Quebec City, and you can load the product in a unit train on the Prairies and send it directly to deep water. Don't forget, we're loading it in 40 feet. So you can load it on a comparatively big ship—80,000 tonnes, 100,000 tonnes—in Quebec City, and that ship can go down the lakes.

Whereas what we're doing here, first of all, we're not making—as far as I'm concerned—good use of unit trains, and one of the problems is our facilities are old. We talked about a US elevator in Duluth, a new one. It has a loop track. At one time, the Port Authority in the '70s—and I'll find you a copy of it, or the Port Authority certainly can give you a copy of it—they had a master plan. Now, it was perhaps pie in the sky, and again it was arrived at without a lot of interaction with industry in Winnipeg. So, Nancy, if you do a grand plan doing a loop track around the Intercity elevators and come up with it, it may be a good theoretical concept. But if you do it in isolation from the people that own the elevators, you're not going to get a cooperative spirit. You're going to get resentment and antagonism and, "Why are you doing this?" So we did something like that, and it was a good exercise for the Port Authority, but it came to nothing. So if the Port Authority has a copy of that master plan--. They had hundreds of copies, and it never went anywhere.

But someone in the ‘80s—and we talked about the period from ’81 to ’83 where we shipped almost 17 million tonnes, and then 17.6 in ’82, and then 17 in ’83—during that period, people came to the maybe pie in the sky prediction that we were going to be shipping 25 million or 30 million tonnes. It never materialized, but they did this grandiose plan. But one of the things--. Like that plan was never enacted. Thunder Bay has been slow to embrace change. We still have elevators where two elevators are side by side, one is served by one railway, and the other one is served by the other railway. That makes no sense. One of the things that I tried—not very successfully, but I tried—I tried to implement the concept of a port railway in Thunder Bay where you would have one company--. I was actually thinking of using Omnitracs from Denver, Colorado, who are a skilled short line operator. And they are actually the folks that service Churchill. They know what they’re doing, and they do it efficiently, and their service is great. I was thinking that Thunder Bay would be better served by having one operator and not competing with one another. In fact, the same engine could service two elevators, and just it would be a lot less traffic. It would also be a lot less traffic from the city standpoint. But if we would do things like that--. But the railways are established in Thunder Bay. CN and CP, they’ve been here for 100 years and whatever kind of thing, and they’re a lot older than the Port Authority, and it’s hard to get people to change.

[1:35:25]

NP: I thought I heard something about Omnitracs’ operation.

DJ: Omnitracs, I think, are operating in the port of Montreal. Well, I shouldn’t say that. Montreal has always operated a short line port railway.

NP: Yeah.

DJ: And I think they may be looking at a rail operator. Omnitracs are all over the place doing this stuff. But, Nancy, I can’t speak for the Port Authority, and I can’t speak for the last five years since I’ve been gone from there. I don’t know the current--. Maybe something is happening.

NP: I think Rod Medwick is working on something like that.

DJ: But certainly, during my tenure, I tried to encourage that, and all I can say is I wasn’t really encouraged as a result of my efforts.

NP: As someone said to me, “Nancy, to get what you want, you’re going to have to live a lot longer.” [Laughs]

DJ: Yeah. The most economical way of moving grain is with a block of cars. If you can take a block of 100 cars or 120 or 160 cars from the west to deep water in Quebec City, that's a significant, significant saving, and that's happening. And quite frankly, grain is like water. It will go to its natural point. Instead of fast, it's probably cheap, whatever kind of thing. That will take care of itself. Thunder Bay better take care of itself before the economics of grain movements take care of Thunder Bay.

NP: So that leads into my question. It doesn't sound like you're that optimistic about the future of the grain industry in Thunder Bay without changes. I mean, there have been major changes now anyway.

DJ: I think the demise of the Wheat Board—and there were good people at the Wheat Board—but I think the fact that the terminal operators, I think their assumption of responsibility for sales and marketing of their own grain is good for Thunder Bay. So I think that is good. I think further rationalization of the grain industry is good for Thunder Bay. Having said that, there are some key elevators--. As an example, Grain Growers A closed. Now it's reopened, and I'm very glad it's reopened because that section of the harbour is rock. So you have very little dredging. If you look at Grain Growers—and that's the example I'm using because it's there and it could be such a good example—for a ship, it's straight in and straight out. So Grain Growers, like to utilize that elevator--. And now Richardson's own both elevators--. One of my great frustrations is the amount of money that's been spent on our waterfront, but not on the grain waterfront. Like I see all these derelict elevators, and I see the money that the city spent on the Marina, which there used to be a pretty nice marina. It wasn't broken. I mean, they've made it nicer, but at great expense.

As and example, I just think of what could be done in Current River if 4A and 4B weren't there, and if the slips between those two abandoned elevators were filled in, and if a unit track was constructed. If Richardson's could do--. If somebody could wave its magic wand and Richardson's elevators and UGG, I mean, that area--. And it's got a rock bottom. There are dredging concerns at the Richardson's end, but there's no dredging concern--. I shouldn't say that. There's always dredging concerns, but there are a lot less concerns at the UGG end. What you could do with those two elevators if properly used. I just wish--. You know what, Nancy? The city of Thunder Bay has taken millions and millions and millions out of the grain industry over the years, and really, from my perspective, all they've done is supply them with fire protection. And yes, fire protection, particularly in the '50s, it was meaningful, and I don't think that industry would be resentful for paying for fire protection. They're getting something. But police protection they don't need. Sky-high taxes they don't need. I'm thinking of the millions that the city has taken in and not returned. They've done nothing, Nancy.

NP: But if you're doing market value, does the city really have any control over what the value is? Because that's set provincially, right?

[1:40:06]

DJ: But, Nancy, that's not what I'm saying.

NP: Mmhmm.

DJ: What I'm saying is the city has taken millions from the grain trade, and they have spent millions on the waterfront, but they spend it at the Marina, which wasn't broken.

NP: And what could Thunder Bay have spent money on?

DJ: As an example, you could take all the derelict structures down, but that's a very cost prohibitive undertaking. But take the derelict structures down that might be an impediment--. [Bell tolls]

[Audio pauses]

DJ: I'll give you an example, Nancy. I think it costs about $5 million to develop the envelope for those two condominiums and the hotel at the Marina. At the time, the Marina—I'm digressing, Nancy—but at the time that that whole development was talked about, I talked to the consultants, and I was still working, and I gave the consultants Ken Buchanan's business card and his home phone number, and Rush [Ork's] home phone number, and their cell phone numbers. And I said, "Before you get going on this, I want you to call these people because they have 60 acres and a mill yard, which is not going to be used for long, and there's an old elevator there. If you make some kind of a deal, take that elevator down, you have 60--." And there was water down there. "You have 60 acres." It's not in the middle of the Marina, but it's adjacent to the Marina.

When you think about it, Nancy, there's a Howe Street overpass. So you take the Howe Street overpass, and you turn right into the Marina. You turn left into Great West Timber. Now one of the things the city is thinking about, "Well, if we really develop the Marina area, we have to build another overpass because we've developed it at the south end. So we need an overpass at the south end." Guess what folks? There was 20 times the land area at the north end, and there was already an overpass there that didn't have to be built. It was built. So I'm just thinking of what the city could have got with a lot less money, and that would've taken down Pool 2. But as an example, take down 4A and 4B. Create an area between Richardson's, which is a very dynamic elevator--. Richardson's, I have to tell you, is a very well-run company with deep, old roots to Thunder Bay. They are a wonderful friend of Thunder Bay, and that's an enterprise which I think should get all of our support. I'm not saying that to the exclusion of everything else, but I know the people at Richardson's well, and I know how that corporation runs, and I know what they've done

for Thunder Bay. They're good people. But take down 4A and 4B and give them Grain Growers and maximize the Current River asset. You could really do something with it. Something wonderful. Even at Intercity, I mean--.

NP: Should that not be something that the grain industry initiates?

DJ: You know what, Nancy? When I was on the Port Authority, we did that. We had constant discussions about that. I would like to think that those discussions remain on the rail, but I'm almost certain that they aren't. I think it's off the table. We talked about roles for the Port Authority. We were all involved with rail rationalization and rail relocation, and that was a defensive measure because at one time, the city wanted to get rid of that crosstown rail link by the intercity plaza without regard for the elevators. So in those cases, I probably was reactive, but I was there trying to protect the grain industry. But I think that the city, if they have millions and millions and millions of taxpayers' dollars to spend, I think that they should be spending some of that money on helping the grain industry, which has given them a lot of those millions and millions and millions of dollars. I think there are far better usewcof taxpayers' dollars than what they've done at the Marina. I'm not saying it's not a pretty result, but I'm telling you it was a pretty expensive result.

NP: Mmhmm. You've talked about the demise of some of the elevators on the Kam River. What are your thoughts on the demise of the Saskatchewan Wheat Pool, Manitoba Wheat Pool, Alberta Wheat Pool. What, from your perspective--.

[1:44:57]

DJ: Well, that, Nancy, was going to happen. Really, to look at it on a Thunder Bay perspective, I look at 7A and 7B. Those elevators have an annual potential capacity of 3 or 4 million tonnes. Now, you supplied me with earlier figures and reminded me that the port used to do about 17 million tonnes per annum for a three-year period in the early '80s. Since then, there have been times when all of the facilities in the port have done barely more than 4 million tonnes, maybe 5 million tonnes. When you think that there are two elevators in intercity with the potential for 3 or 4 million tonnes just for those facilities, and certainly Richardson's and UGG combined have the same kind of facility. If you had two facilities that could each do 3 or 4 million efficiently and with reasonable, I mean, I think this port could go back to 8 or 10 million tonnes. It's there. All we have to do is be smarter.

Now, I know that the industry is smarter than me—they'll recognize this—but sometimes that investment is very expensive, and it's hard to justify, and it's hard to get a board to approve of a project because the return is not there. All I'm saying, if the city of Thunder Bay, which--. how much has it put in Re-gen Med**?** Like in the last year, is it $1 million. Well, certainly, they've lent them, like 500--. And that's for ten jobs. I mean, if they have $1 million for Re-gen Med, they have $22 million for the marina,

why not go and help industry take a couple of elevators down? Say, "What do you need? Here, take this land. We can't bonus it, but we'll lease it to you. We'll lease it based on its current value, which is almost nothing. Do something with it." I feel that if Nero could have recorded his thoughts when Rome was burning--. [Laughs] I'm not Nero, but I see this, and I just see opportunities going by every month. I don't know. I see our city council more concerned with the conservatory and some panes of glass and replacing some greenhouses and whatever. How about the big picture?

NP: The economic development group, would that not be something for their bailiwick?

DJ: I don't know.

NP: Yeah.

DJ: I mean, you know what though? This is an area that the--. There's nobody spearheading it. Nobody has got the torch. The need is there. I see the need. I'm sure you appreciate the need. Somebody has to be a leader. Where's the Port Authority? I don't know. Where's somebody?

NP: Mmhmm. You've talked about your connection with the carriers, just very briefly the Wheat Board.

DJ: What do you mean--.

NP: The railways and the ships.

DJ: Okay.

NP: The Wheat Board, did the Harbour Commission have any connection with the Wheat Board?

DJ: Yeah, we did, but the Wheat Board is an entity to itself. The Wheat Board, it was committed to Thunder Bay–not having this avenue dry up, but from an outsider's standpoint--. And unfortunately the CEO of the Port Authority shouldn't have been an outsider, but they were treated like that. But maybe deservingly so because maybe previous harbour commissions had been an entity unto themselves, and sometimes entities unto themselves produce entities unto themselves. But the Wheat Board said, "This is what we're doing, and we'll do it. Thank you very much." We tried cooperative--. I offered to, "Here, do you want 50,000? Do you want 100,000? Let's do marketing together," and whatever. They rebuffed those things. The Wheat Board always had a commitment to Churchill. They always had a commitment to the eastern movement, but as an example--.

Now, I have to be careful in saying this, but I think the Wheat Board and our major players weren't always on the best of terms. I know some of the major players resented the Wheat Board's support of a newer player on the scene. I don't know. I didn't see that as being good for Thunder Bay. It might have been good for the new player on the scene, but maybe for it as a whole--. I'm not sure if the Wheat Board has been a great friend of Thunder Bay. I know they've been a great friend of Churchill. I'm convinced there's more potential in the present regime with the terminal owners being responsible for the decisions involved with their marketing and things like that. I'm very hopeful that that's probably going to be better for Thunder Bay in the long run.

[1:50:47]

NP: Why would, in light of what you said previously—and with the now no Canadian Wheat Board [CWB]—why wouldn't western shippers just bypass Thunder Bay altogether?

DJ: But, Nancy, the people responsible for sales and marketing of the grain own the elevators here.

NP: So it's just so that they--.

DJ: Yeah. Now, Nancy--.

NP: So are they making money from it or--?

DJ: Yeah, they're making money from their own houses. But your point is a good one, and that's something that the Port Authority and the city and everybody involved in the eastern movement should be aware of. There's real potential, and there has been for the last 10 or 15 years. I mean, unit trains go by here all the time. You can go down and stand on the CPR tracks. I'm not saying today. I'm not saying in the hour, but sometime in the next couple of days, you'll see a unit train going to Quebec City. That threat continues, okay? But Nancy, we talked about those two elevators at intercity, and we talked about those two elevators in Current River, and we talked about the fact that Thunder Bay really hasn't adapted well to the new things, to the new realities of economic rail transportation through unit trains. What I'm saying is we should be doing that. Somebody should say, "Look, somewhere--."

Like a port railway. Instead of having CP and CN compete with one another--. I know a port railway is a baby step, but at least you've got--. The guys from the CP crews think they're God. The guys from the CN crews think they're--. You know what? If Omnitracs or RailTech or somebody was here, those guys are new players. "Thank you very much for the opportunity. Thank you

very much for the business, and we don't think we're God, okay?" I mean, a single rail operator would have been a baby step. But a single--.

NP: Does a single rail operator, though, require that CN and CP cooperate with them?

DJ: Oh, yeah.

NP: Because they don't own the--. Yeah.

DJ: Oh, sure. If they don't want to let go, yeah. But all I'm saying is if you have one--. Does it make sense to have one engine pulling 40 cars to an elevator then two engines pulling 20 cars to an elevator? I mean, both of the engines with a 20-car spot have operating crews and they've got overhead and things like that. But if we had one rail operator and if--. I don't know whether the Current River elevators are conducive to a loop track. I know the intercity one--. I mean, I can show you. If you go look at the Harbour Commissions' master plan of 1980--.

NP: I've seen it.

DJ: Coincidentally, it coincides with the years of those great movements, but if you go--. Somebody thought—and there was some engineering involved in that—somebody thought that those elevators could be adapted. But to me, that was sort of a stillborn concept because it wasn't then in total concert with industry.

NP: Just backing up a bit to the Canadian Wheat Board. Did you have an annual meeting with them? Was that usual?

DJ: Well, we didn't, but I encouraged them to come down and talk to the board—our board, the Port Authority's board—at the beginning of the year. For two or three years they did that. And what's happened since, I don't know. You'd have to ask if there's still--. Well, the Wheat Board's gone, so the question is moot now.

NP: Yeah. That's right. I think you've answered--. And this regularly happens as people talk about their careers and what they did. You discussed what the major changes that occurred over that time. So I think you probably--.

DJ: I think I've rambled on, but I don't know if I've given you the answers you wanted. [Laughs]

NP: Well, have you talked about the changes?

DJ: Yeah. Okay, yeah.

NP: I think so. You've definitely talked about what caused those changes. You've definitely talked about how the industry has changed over the years. Yeah. What would you say were the major challenges of your job with the Port Authority? What were the major challenges?

[1:55:27]

DJ: Turn that off, Nancy.

[Audio pauses]

NP: I'm going to say something before you start, though.

DJ: Okay.

NP: Because I'm going to say we have had an interesting discussion offline, but at Dennis' request, the major challenges he prefers to keep them to himself at this point. So yes, now you'd like to add something.

DJ: Nancy, one small snippet. We talked about this very briefly, but the impact of the marine services fee. In other words, a Canadian laker going from Thunder Bay to Baie-Comeau gets assessed a significant cost. At one time it was $20,000 per voyage. I don't know what it is now. I don't know whether it's annual. This was all in its infancy, and that cloud may have gone away or that storm may have gotten worse. But that same ship carrying Canadian grain that ends up in Duluth on essentially the CN, which now owns the DM&IR [The Duluth, Missabe and Iron Range Railway], that same ship being loaded onto an American laker that goes to Baie-Comeau or Port Cartier with the same Canadian grain, no marine services fee. That's just a little cost, but it's an irritant. It's a small component, but lots of times in the marine industry or in bulk movement generally, small things add up. Literally you can lose a trade for pennies a tonne. Not dollars but pennies. It comes down to that.

NP: I'm interested in that because another issue that comes up in discussions of the changes in Canadian grain shipments is, of course, the whole international tariff issues, and the protectionist policies of customers. I wonder about this marine fee.

DJ: Marine services fee, Nancy.

NP: Marine services fee--.

DJ: And that's a fee imposed by the Government of Canada on the Great Lakes vessel owners, and it's intended to recover the cost of navigation services and icebreaking. The significant thing about that is the cost of icebreaking in the north for Churchill, many, many times the cost of this, and with a lot less ships to bear the cost. The ships using Churchill are assessed no marine services fee.

NP: Mmhmm. And is there a cost to those ships that come out of Duluth?

DJ: No.

NP: And they are just not charged it?

DJ: There is no marine--. The marine services fee is–if you want to call it–a tax. It's a charge levied by Ottawa on Canadian ships. They don't--.

NP: To--? What I'm getting at here then, is this an actual cost or--?

DJ: Yeah, it's an annual cost.

NP: No. But I'm not talking about a tax. I'm saying is there a cost to helping those ships through the Seaway?

DJ: It's a cost on ships transiting Canadian waters, and it's an annual cost, and the companies are assessed a marine services fee on an annual basis for each and every ship. But if that ship were exclusively engaged in commerce between Duluth-Superior and, say, Baie-Comeau and Port Cartier, there's no marine services fee, even though that ship is carrying Canadian grain.

NP: No, I understand that. What I'm trying to get at here is Canada's philosophy in a lot of issues--.

DJ: Cost recovery.

NP: Has cost recovery. So the question I'm asking is, is there a genuine cost that's being recovered?

DJ: Oh, yeah. There's--.

NP: Okay. So is the States, then, unfairly subsidizing its shipping by not charging that fee? That's my issue.

DJ: They have a harbours tax, a harbours maintenance tax, and they levy a tax on ships using the harbour. It's a [inaudible] tax. That tax is ostensibly to cover the cost of dredging, but the American shippers complained that Washington takes these funds and then doesn't dredge very often or will take the funds from a commercial ship and spend a lot of money dredging recreational harbours. So there are complaints down there as well.

NP: But it is quite possible that Canada, in its philosophy of user pay, essentially, is giving it an advantage to the States where they're not doing user pay.

[2:00:05]

DJ: Yes.

NP: Not that--.

DJ: And the advantage is even more. This is particularly important to Thunder Bay because Churchill is still a competitor, even though it doesn't make sense. It will be much less a competitor, I think, in the new regime, but foreign ships using Churchill get a lot of icebreaking assistance, much more than what– because that icebreaking assistance is there for six months a year, and there's no marine services fee. So there's no marine services fee in the high arctic.

NP: So there's some discrepancies unfavourable to Thunder Bay or to Canada for that matter in that case.

DJ: Well, certainly to Thunder Bay. I mean, the folks in Churchill wouldn't say it's unfair, but I would.

NP: The current situation with Churchill, I understand—and your comments on this are welcome—is that over a five-year period, they are given a bonus or a reduction in fee for delivery of grain there for a five-year period in order to ease the transition.

DJ: Nancy, I don't know, but I do know that Churchill's great friend and ally has always been the Canadian Wheat Board, and I think with the Wheat Board's demise, Churchill will lose some of those. Some of the stuff was skewed unfairly towards Churchill, and I think some of that will disappear.

NP: No, and there's a definite—right now—there's a definite plan as part of the--. As part of the easing in of the changes as a result of the demise of the Wheat Board that there will be, I don't know if it's a subsidization or however it works. It works out to a certain amount per tonne of deliveries through Churchill to help them make the transition, but that will end in a certain period of time. So whether they've done the same thing with ice breaking services in order to--.

DJ: Nancy, I'm not current so I shouldn't comment, but I'm telling you what my experiences were.

NP: Moving on to self-serving questions on my part. [Laughs] No, actually, I won't. I'm going to ask a couple of questions of you about your career.

DJ: I don't really want to talk about me, Nancy.

NP: Now, finished with that, Dennis. [Laughs] When you look back on your career related to the Grain Commission—or not the Grain Commission—to the Harbour Commission, what are you most proud of?

DJ: Actually, it's got nothing to do with the grain industry, but all of that development on Main Street, all of those buildings. That area around Keefer Terminal was owned by the government, and it was lying fallow. We were able to persuade the government--. We bought that property, and the government was going to take us--. When the transition between Thunder Bay Harbour Commission to Thunder Bay Port Authority came, they were going to take that ground back. We kept it, and every one of those leases, I found the client. I negotiated the deal and whatever kind of thing. So that string of buildings I did all by myself. We were going to have a Costco store, but that fell through. But I look at what I did, and I'm talking about soup-to-nuts. I'm talking about prospecting the tenant, negotiating the deal, doing the paperwork, and signing the final document. I look--. The city's got a realty department with eight or nine people, and it's got the economic development commission and whatever. I look at what all the city's horses in play are sitting down in Innova Park—which is like two tenants—with way more resources and whatever kind of thing. So I feel pretty good about that.

NP: You mentioned when the Harbour Authority switched over to the Port Authority. What was that change?

DJ: Well, that was the Canada Marine Act. So the Harbour Commission used to be under the Harbour Commissions Act, which the government abolished and replaced with the Canadian Marine Act. So prior to that it used to have two port regimes: You had the National Harbours Board [NHB] of Ports, and you used to have the harbour commissions. The differences in the history and what happened and whatever we could talk about for three days. So suffice it to say there were two systems, and the government

finally woke up and realized there were two systems and decided to make it one. From the government's perspective, that was the right thing to do. However, the harbour commissions probably lost some autonomy. The National Harbours Board's ports—Vancouver and Montreal and St. John's—they came out better because they got more control, more local control, more autonomy. The harbour commissions all lost. We ended up with a little less. But I guess Canada--.

[2:05:18]

NP: What did it mean? What little less did you end up--?

DJ: Well, all of a sudden, we had borrowing limits. We had this--. There were things that weren't a factor before. And not only that, we reported to a very small department. There was a Harbours Ports secretary in Transport that we reported to, and the decision making was quicker. There was a director general. I could pick up the phone and get to him right away, things like that. All of a sudden, we actually had more government control. There was more regulations. Whereas the NHB ports thought it was great because they got less.

NP: It's my contention that all of the players that are essential to getting Canadian grain from the Prairies to customers play a role in doing that. So Canada is an internationally renowned grain trader, which in my mind, given what we started with—being our geography, our small population—is quite fantastic what we've accomplished. What part do you think that your work with the Harbour Commission played in helping Canada be a world player?

DJ: Not a lot. I mean, that is a lot bigger than the Harbour Commission. And you know what? We talked about some of my frustrations, and I think if the Harbour Commission could have been as it should have been, it would have contributed to that. I mean, if from the get-go, if, as an example, the government would have recognized the fact that the Grain Commission [*Note: See later on in the interview where Mr. Johnson corrects his comments. He meant the Canadian Wheat Board, not the CGC in this section of the interview. NP.*] was such a big player in Thunder Bay's port history and had put a grain board representative--. When the Harbour Commission was created in 1958, there should have been a seat given to the Grain Commission as was finally done with Vancouver like 40 years later. But we should have had that from the get-go. And the Harbour Commission should have worked hand in glove with the grain industry in Winnipeg, and it didn't. And because the powers that be at times didn't recognize that and decided, "Well, let's just be what other authorities are going to be." They did things like harbour police forces and getting into school programs. Like things that were maybe nice and okay or whatever, but they weren't the things that needed to be done.

NP: You mentioned the Grain Commission, and I skipped over the Grain Commission because I didn't think there'd be much of a connection. So tell me about the Harbour Commission and its connection to the Grain Commission.

DJ: Well, I told you, they weren't much because the Grain Commission from Thunder Bay's perspective was a thing unto itself. They regarded themselves as much bigger than the Port Authority, and maybe rightly so. Now, before I left, we tried to build bridges to the Grain Commission, and I think we were successful in a very small way with that. We would have an annual meeting in January or February before the season started, and the Wheat Board would--. Not the Grain Commission. I'm talking about the Wheat Board.

NP: Oh, okay. You've been using Grain Commission.

DJ: Sorry. No, no, no, Sorry, Nancy. No, no. Wheat Board. No, they were the inspection agency, Nancy. Very little. Very little. None.

NP: Very little.

DJ: I mean, I knew who they were, but no.

NP: They didn't impact on your work or yours on theirs?

DJ: No. The closest thing that we came to a real involvement with the Grain Commission is that the previous management at the Port Authority decided they were going to build a seven-storey building down where the office is now. They were going to get as their prime client the Grain Commission. I think it was Ed Manchel with the Grain Commission. He and I as a board member both thought that idea was nuts. The costs were going to be three times what they were paying. I did my best and--. This was pie in the sky, and this was empire building. And I think between Ed and I, the idea died. It didn't make any sense.

[2:10:17]

NP: I'm sure it was heady days during the '80s when things looked well.

DJ: Yeah. When those decisions were being talked about, we were going to be shipping 30 million tonnes of grain, and the Port Authority needed an eight floor office to look out over the new buildings that were going to be rising on the waterfront and whatever. And this was going to come at a very significant cost. And I just thought to myself, "What are the users going to think about this? Why do we need this?" So we built a very modest little building down there, which is all that was needed. And

actually, in perspective with the way things had gone, we would have had a very large, empty building had that happened. So it was the right decision.

NP: You know that we're working on a project—"we" being Friends of Grain Elevators—to try to preserve not just the history of Thunder Bay's place in the grain trade, but also its current operation because, as the owners of the elevators say, we're not a has-been industry. We are a vibrant industry. So I'm fully in agreement there. But it's harder to keep the historical stuff just because it disappears into the landfill.

DJ: Yeah. It's changed, yeah.

NP: So if we are successful in getting a centre established, what do you think we should do there? I'm leaving it very broad.

DJ: Well, I think you could get tours and that, but one of your real problems—and you alluded to this at the very beginning of our discussions—Thunder Bay takes its waterfront for granted. In the old days, when you would have 1,500 or 1,800 people working on the waterfront, there were a lot of homes that depended on the waterfront to pay their groceries, to pay their rent, to pay their taxes and whatever. That's gone. Thunder Bay has allowed its appreciation for the waterfront to decline. I would encourage you to do what you're doing. When we first met, you were talking about doing something in Pool 8, and I just thought that was such a huge--. Like I was skeptical. It seemed pie in the sky and whatever kind of thing. This new elevator on the upper Kam, like, I think that's a splendid opportunity for you and a great thing to do. I'd just be a little concerned about the magnitude of that and attracting enough people.

When I first went to the Port Authority, it was the JCs, the Junior Chamber of Commerce, and they would have goodwill ambassadors, and they worked out of the Pagoda. They hired a bunch of perky young high school graduates and pretty girls who were smart and on their way to university, and they gave them summer jobs. And one of the elevators that cooperated with this—and we talked about Richardson's corporate spirit before—but Richardson's offered them the opportunity to have tours through there. I know one of the girls that did that tour. And I think they had a papermill tour and an elevator tour, and they took people down to the ore docks. There wasn't much going on at the ore docks. They abandoned that tour. But they told me that the elevator tour was the one that most people signed up for, but the papermill tour was the most appreciated tour because they actually saw paper being manufactured, and you really don't--. Unless a ship is loading grain, you really don't see a lot. Eventually they tried to tour those--. They tried to curtail those trips and do it when ships were loading grain, and that wasn't that hard an undertaking in the '70s and that because there'd be a ship at Richardson's, as an example, three days a week. Maybe you don't have the Monday tour or whatever kind of thing.

That was a very popular tour. Everyday they would take 60 or 80 tourists to that. There were more people taking that tour than took the Welcome Ship. Yeah. I thought it was a great thing. And that was allowed to die. Don't ask me why that--. Certainly, from a liability standpoint and things like that, I'm sure if Richardson's disclosed to their insurer that there were groups going through, that would be a problem. But I'd just be a little bit concerned. It seems to me that American tourism is sort of drying up. You know what? There seems to be less of an interest in things that are important now. I mean, if you had a rock and roll--. Cleveland has a Rock and Roll Hall of Fame that is people from all over, but if they had a waterfront tour, I don't know. I wish you well, and I think your goals are realistic. But I just hope you can keep the lights on because those things are expensive to maintain. It's a good cause.

[2:15:50]

NP: So back to the question then, if it were to come about—and I've always used the word "if"—if it were to come about, what do you think, let's say, from the Harbour Commission's perspective, what part of their history do you think would be important to--?

DJ: Oh, one of the stories not told is the package freight trade. It's a big deal. I was on the Museum board at the time, and I had lots of discussions with the city's consultant, and they--. As an example, in Montreal, there's a nice walking tour with plaques. It's a self-guided walking tour. There's a real history down at the--. This guy told me, "Yeah, it would be respected." They even talked about a mini museum, and I was on the board, and I made sure that this Museum would staff it and run it and find it and whatever. But it's completely--. It's done. I think, Nancy, there's a bigger story to be told than just the grain industry. That's the most important chapter, but it's not the only chapter. One of the chapters is shipbuilding in Thunder Bay. That's a pretty big chapter. Ship repair in Thunder Bay, that's almost another chapter. Canada Car's building ships in Thunder Bay, that's kind of a unique chapter. The package freight trade is a unique--.

I'm really thinking the Port Authority used to spend a couple hundred thousand dollars a year on public relations, and I would encourage you to maybe have--. If you want to have an elevator museum but have a harbour component of it and go to the Port Authority. You'd have to do this at the commissioners level. You have to lean on people and twist their arms. Iain Angus has got--. The city's got an appointee and things like that, and you have to save up. "You guys used to spend $200,000 on that. We're not asking for $200,000, but give us $40,000 a year." And that's a small--. I mean, that's not even one whole salary kind of thing, but if you did that--. The Chamber of Commerce used to spend $20 or 25,000 on their--. Now, this was through them and the JCs. Maybe you can get $10,000 from the Chamber. I don't know. Maybe, you go to the Chamber of Commerce and say, "Look, you used to staff this with young high school graduates on the way to university, and you'd give them a job for maybe two summers and then there'd be another crop." Maybe you can say, "Look, here's a chance--." Because summer jobs are hard to get, and

university kids need help. They come out with big debt. So maybe you do that, and maybe you go to Manpower or Summer Youth Employment saying, "Okay, we've got $40,000 from the Harbour Commission and we've got $15,000 from the JCs, and you give us $80,000 because we're going to employ ten kids, and we're going to give them each $8,000, or 12 kids at $6,000."

So you assemble all those things, and then maybe at the end of the day you've got $110,000, and that's enough money to do something with. Then you have to concentrate on getting some people in there so that you can say, "Yeah, yeah. We did this, and for $110,000 we got 1,900 visitors." Because that's going to be the challenge. And then maintaining that because lots of people in Thunder Bay will come once. That's what happened to the Welcome Ship. Everybody took one ride, and then they'd have out-of-town guests. And the Welcome Ship, it reacted and had sort of a dinner cruise. So they'd take their out-of-town guests and whatever kind of thing. But after a couple of rides, it was done. Like it went away. That was really sad because I think there was a--.

Duluth has been able to tell its harbour story. Did you know that the most widely visited--. Where is the most widely visited museum in the Untied States? The Duluth Maritime Museum, done by the Corps of Engineers. It's free, it's of interest, and you've got all these people driving to Duluth. It's mostly in June, July, and August. Here's this really neat little museum. It's a little museum. Have you been in it? Yeah? It's a wonderful museum, but it's free, and there's a lot of people there. The museum happens to be located right where the people are, so it's--. And year after year--. Do you know what the most visited historic site in the United States is? Split Rock Light–the lighthouse. Lots of people driving, and they see it, and they all go in. There's a lighthouse. Most people going in it have never been in a lighthouse. So I don't know.

[2:20:43]

NP: Yeah. No, it's interesting, and I appreciate your comments.

DJ: You've got a challenge, but it's not insurmountable.

NP: [Laughs] So--.

DJ: I'm just thinking of this Summer Youth Employment. I don't know what they call it, but the government spends lots of money on getting kids summer jobs.

NP: Yeah. That has changed a fair bit too.

DJ: Has it?

NP: But you know I should do is I should probably say my official thank yous and close off our official--.

DJ: Our ramblings.

NP: Ramblings here. Thank you very much. It's been enlightening.

End of interview.