

Narrator: Greg Arason (GA)

Company Affiliations: Manitoba Pool Elevators (MPE), Canadian Wheat Board (CWB)

Interview Date: 2 February 2012

Interviewer: Nancy Perozzo (NP)

Recorder: Nancy Perozzo (NP)

Transcriber: Rebecca Tulonen (RT)

Summary: In his first interview, former CEO of Manitoba Pool Elevators Greg Arason discusses his early career within the cooperative organization. He begins by sharing his family's history in Manitoba, their hardships during the World Wars and the Depression, and his grandfather and father's involvement in the formation of the Pool. He explains why the Pools were formed, their switch to a centralized organization, and their rapid growth in the grain industry. He discusses his schooling in agricultural economics, brief jobs in other organizations, and his first role in the Pool as a field representative. Arason describes attending farmer meetings and his involvement in debates around the Crow Rate, rail line rationalization, country elevator closures, and the building of inland terminals. As a field rep, Arason also describes developing tours for farmers to the port cities to expand their knowledge of the grain industry. He discusses changes during this period of time—like shifting markets and mechanization of farming—as well as his advancement through the Pool to the role of CEO. Other topics discussed include his first exposure to terminal elevators in Thunder Bay, the formation of XCAN Grain to market the Pools' specialty grains, the Pools' support for the Canadian Wheat Board, and the effects of industry changes on western Canadian farmers.

Keywords: Manitoba Pool Elevators; Canadian Wheat Board (CWB); Farmer cooperatives; Grain farmers/producers; Prairie Provinces—History; Federal Grain Ltd.; Country grain elevators; Field representatives; Farmer meetings; Agricultural policy; Terminal grain elevators—Thunder Bay; Canadian Grain Commission (CGC); Agricultural economics; Grain trade—Laws and legislation; Department of Agriculture; Grain prices; Farming—Equipment and supplies; Crows Nest Pass freight rate; Rail line rationalization; Western Grain Transportation Act; Inland grain terminals; Labour relations; Grain transportation—rail; XCAN Grain Ltd.; Grain marketing; United Grain Growers; Saskatchewan Wheat Pool; Alberta Wheat Pool; Grain shipping logistics; MPE Pool 1 Elevator; MPE Pool 3 Elevator; First World War; The Great Depression

| |
|--------------------------|
| Time, Speaker, Narrative |
|--------------------------|

GA: Good morning, my name is Greg Arason.

NP: And you had started to say earlier generally what your experience was, naming the positions to get us started, and we will certainly go into more detail a bit later.

GA: Well I grew up on a farm in rural Manitoba, but spent my career working in the grain industry. First with Manitoba Pool Elevators from 1971 to 1998, and then with the Canadian Wheat Board [CWB] during the period of 1998 to 2002, and again with the Wheat Board in 2006 to 2008.

NP: Great. Thanks very much for the years. That is something important when we are doing something like this.

NP: Can we have your birthdate too.

GA: I was born on September 27, 1946, a baby boomer.

NP: Yes on the leading edge. We are going to delve into all of the positions that you just talked about and I would like to start with your early history because obviously when we are talking about the Voices of the Grain Trade, although we are not focusing on the farmers, without them the trade is nothing. So how far back does your family go in the grain business, and where were they farming?

GA: Well on my father's side my great grandfather was one of the original Icelandic pioneers that moved to Canada initially in 1874. His group arrived in Ontario having come across with a British liner from overseas, and then some of that group ultimately ended up in Gimli, Manitoba, and were the Icelandic pioneers that settled in the Gimli area in the period of 1875-1876.

NP: Do you know which route they took up from where they landed in Southern Ontario and what route they took up to Manitoba?

GA: They initially went to Kinmount, Ontario, and spent one year there and decided that conditions were not right for farming. They thought it was too difficult to clear the land. It was too forested and too stoney, so they decided they would look for other opportunities and ultimately with the help of some people from the Canadian Government they ended up in Winnipeg and out to Gimli.

NP: Good. What was your grandfather's name?

GA: My grandfather's name was Scafti Arason, and he was born in 1850 in Iceland and he left there as we said in 1874, which happened to be the thousandth anniversary of the year of founding of Iceland. So the group that he was with moved to Gimli, and they thought that they could make a living there fishing and farming, and found out that the land was not nearly as hospitable as they had hoped. They had a lot of adversity, first being they had no money, second being they had very little in the way of equipment, and ultimately they were subjected to an epidemic of smallpox and were quarantined in the area. Many of them died. So they had a very difficult beginning in Gimli. However, Gimli still is known as the New Iceland to a lot of people in North America and in fact a large colony did remain there.

My great grandfather along with a number of others decided that they would look for better opportunities, so they looked at a number of areas and again with the help of some government people and people they had met, they ended up in southwestern Manitoba in what became known as the Argyle Settlement. Scots homesteaded that property, actually the northwest corner of 24-614, which was the original homestead, in 1880 and moved there shortly thereafter. So they had a very treacherous journey across the prairies to their new homestead in the spring of the year following the filing of their claim. He described a lot of this in a diary, which he wrote prior to his death in 1903, which was translated by my grandfather Ole Arason, who was his son. My aunt, my dad's sister, helped with the translation, and we now have that as part of our family history.

NP: And that is something that we can have for our records to attach to your file?

GA: That is something that I will leave for the record. I will say that the people that the Icelanders, they were a very hardy and industrious group. They came from adversity in Iceland. I think they thought things would be a lot better when they moved to Canada. Ultimately it was, but they did, as we said, go through a lot of hardship, and I know in the descriptions that he left for us, he talks about people taking shelter in his small prairie home, 28 people one night in a 10 x 14, as he called a shack that they were living in, and this was in the 1880s. When he died in 1903, he was probably one of the most prosperous men in the area. Three of his sons had been established on their own farms. My grandfather took over the homestead farm. He owned a series of retail properties in the village of Glenboro, and that property also went to his family. In a period of 20 years, he certainly became a pillar of the community and a very successful farmer. Interestingly enough, there is a lot of description in his diary about having to haul grain 40 miles with a team of oxen, and later on horses, to get to Assiniboine river where there was a mill, and where the grain could be sold and loaded onto paddle wheels that were travelling the Assiniboine at that time. There was no road in the area until the mid 1880s when the railroad came through Glenboro. So when they started out, they really struggled to make farming work. But they succeeded.

NP: Tough times. He would have been living through the times when they were starting very early farmers cooperative movements. Was he involved in that at all?

GA: Scaftie was not. My grandfather Ole was one of the original founders of Manitoba Pool Elevators at the local level. A group of farmers, when the Pool movement started in the mid '20s, they were all local associations that were put together by farmers in the area, and there was an association established at Glenboro. They built an elevator and became part of the Manitoba Wheat Pool, at that time, network. My grandfather Ole was on the first board of directors of that organization, and he stayed on as a director until 1945 when my dad returned from the war and took up running the farm. My dad went on the board in 1945. My dad stayed involved with Manitoba Pool Elevators either on the local board or as a delegate until well into the 1980s. By that time, I was working with Manitoba Pool Elevators having started in 1971. So in reality there was an Arason involved with Manitoba Pool Elevators from its beginning in 1926 until its windup in 1998.

NP: In spite of the hardship that your early relatives experience, would you consider them happy farmers or content maybe?

GA: Certainly, the period through to the late '20s when the Depression hit, the period up until then from everything that my dad and my grandfather told me, and from what I learned from my great grandfather's writings, things were relatively prosperous. I know that my great-grandfather said that when he first came there, where he lived you could not see anything or any other neighbours, and within a few years he could see 200 homes from where he was living. So the land was settled very quickly. It was pretty good farmland in that area and was well suited to mixed farming, so most people had cattle and of course horses were the horsepower of the day. Mechanization had not arrived, but things did prosper. Certainly the First World War took its toll on manpower and a lot of families lost members of their families during the war. But then through the '20s and until the time of the Depression, things prospered.

The '30s were another issue, and my dad having being born in 1919, the year following the First World War, had vivid recollections of growing up as a young boy in the '30s when times were tough. He went to a one-room school until the time when he went to high school, and he went to Glenboro. But during that period it was very difficult for all of the farmers. They basically lived off the land because their grain was worth nothing and cattle were not worth much more. So they lived off what they could grow. I know my dad said that my grandfather kept a lot of family members and members of the community going through that period. People who did not have farms, relied on basically the generosity of the farmers in the area to feed them and provide them with meat and the basic necessities of life. So it was a difficult period.

NP: Is the farm still in the family?

GA: My dad farmed there until 1982, so the farm was in the family for over 100 years. It's a Manitoba Century farm, but at a point my dad decided it was time to retire, and I had by then established my career in the grain industry, and I was determined that I was not going back to the farm. I had two sisters and neither one of them was interested or in a position to take over, so the farm was sold to a family that emigrated from Germany, so pioneers of another era. That family is still on the farm, not the original house, but the farmhouse that was built there probably in the late 1900s when that house was built, is still standing.

NP: You mention that your grandfather or great-grandfather could look around after he had moved and seen 200 houses. If you were to look around the area today, how many of those houses would be there?

GA: Well looking just and thinking of the area where I grew up, virtually every mile there was a farm family when I grew up. I can see every one of them down the road. For the two miles west of us, there were actually four farm families in that two-mile stretch. Now those farms sites, most of them are gone. As I mentioned, the one where I grew up is still there, but basically all of the farms around there are all gone. Large tracts of land are being farmed by many fewer farm operators. A lot of the land is either rented out or leased out or has been acquired. So yes, it is almost come full circle. The de-population of the rural area has certainly taken place over the last 30 or 40 years.

NP: Now you mentioned that your grandfather or great grandfather that was involved in the early days of the formation of the Manitoba Pool.

GA: It was my grandfather.

NP: It was your grandfather? Did you ever hear stories of about what it was like to begin an organization like that back in those days? Why it came about, why he was committed to it, obviously, and what he hoped it would accomplish for them, and whether it did?

GA: Well there were competing elevators in the community, but I think the story of the Pool has been well recognized, in that farmers at that time decided that the system as it existed was a disadvantage to them in that they had no say in the business. They had no ownership in the business, and if they did not like the price that was given to them, they did not have many alternatives. Once you brought your grain to town in a wagon, it was pretty hard to take it home if you did not like the price. So, there was a lot of mistrust of the grain companies that existed at that time--some of it justified, some of it probably not. But in the end, the Pools, and United Grain Growers [UGG] earlier on, were formed and that was the reaction of the farmers to wanting to have more control over their own destiny and try to improve their place and their bargaining position in the industry.

NP: Did it accomplish all they hoped it would accomplish from talking to your dad who continued in it, and you?

GA: Ultimately it did. I think it accomplished a lot of what they had hoped. It did give them a better access to the system. It did give them a share of the earning of their grain after it entered the elevator. Of course, there were tough times for the Wheat Pools through the Depression. In effect, they went bankrupt, and I know of the case of Manitoba Pool Elevators it was bailed out by the Manitoba government with a series of loans. Manitoba Pool Elevators was created following the bankruptcy of the Wheat Pool. I know that the Pools themselves, and in particular I know that Manitoba Pool struggled a lot during that period, but ultimately paid back all of the money that was loaned to them by the government and became a very successful organization.

The Pools through the period of the '60s gained a lot of market share. They probably handled 50 percent of the grain that was grown in the three prairie provinces. In the early '60s the Pools started in an expansion program where they gradually acquired other grain companies, and the first that I recall was when Manitoba Pool bought out Ogilvie-Lake of the Woods elevators and one of those was then in our local town. So that eliminated the opposition in Glenboro, and that elevator became a Manitoba Pool Elevator. Ultimately it was closed and the other one was expanded. That increased Pool's market share again. My first direct exposure to the expansion of the Pools was shortly after I started with Manitoba Pool in 1971. At that time the biggest transaction of its kind took place, when the Pools took over Federal Grain. That was a significant move. It gave them additional terminal capacity in Thunder Bay and the West Coast, and increased their market share or their market penetration in the country considerably.

And probably one of those situations where you can say that timing is everything. We had been through a period in the late '60s where the Pools and all companies were struggling. Grain prices were low. Farmers were struggling. There was too much grain in the system. There were programs out there to reduce acreage, and I think a lot of private owners, including the owners of Federal, decided that it would be better off to put their money elsewhere, and decided to sell to the Pools. Very shortly thereafter, the Russian grain demand became a driver in the grain industry. It became the heyday years for Thunder Bay when grain moved huge volumes over to Russia, and suddenly the whole equation had changed. Grain prices rose. Grain moved out of the system and the Pools timing was very fortuitous.

NP: You mentioned the takeover of Ogilvie and which other?

H: It was Ogilvie and Lake of the Woods.

NP: Lake of the Woods. So that would have been the time that Manitoba Pool took over Ogilvie Terminal Elevator here?

GA: It would have been yes. That would be 1959 -1960 in around that time period. The early '60s, and as I said the Federal purchase took place in 1971-1972.

NP: It is interesting to hear you talk about the Federal purchase because we just finished interviewing Mr. Stewart Searle who was the owner of Searle, who took over and merged with Federal. So there really was a quick turnover there, between the purchase of Searle or merging of Searle and Federal and the--.

GA: That is right. Searle was part of Federal Grain at that time. That had happened previously, and the Pools took over the whole entity.

NP: Were you involved with that takeover or were you just starting your career or were you just a minion in the operation at that point?

GA: I was involved to the extent that I started my career with Manitoba Pool in 1971 as a district representative in south-central Manitoba, which included my hometown of Glenboro. So, I worked in that area, and there were a number of Federal elevators there. We went out and held meetings in those communities to talk about the takeover and what was going to happen. I will say there was considerable animosity in some quarters. People that felt that we were doing what we had accused others of doing in the past, and that is cornering the market and taking out competition. So there were a lot of interesting meetings. Ultimately, not all of those Federal elevators were operated, so there were some closures associated with that, which again did not sit too well with a lot of people. I was involved in setting up those meetings, but I was also involved in doing inventory of properties, of the warehouses, the elevators, etc. that we had acquired. It was an interesting time to be involved.

NP: What kind of decision making-- Well first of all, you said they were accusing you of going against the principles under which the Manitoba Pool Elevator operation was established. How did you answer that? And further to that, take us through the decision-making that led to making a decision on one elevator closing versus another.

GA: The reaction of farmers was that they liked to have the competition in their area. Our rational to them was that the competition was there, but it was also inefficient in that both companies were struggling to survive. They could not spend monies on facilities because they were not generating enough revenues. This way, with one company now taking over, it was easier to justify, and we could use the best of the facilities that were there. In some cases, it was the Federal elevator was in better shape than the Pool elevator. There were farm-supply warehouses that were part of the equation as well. So that was the rational, that the new entity, that was now the Pool taking over, would be a more efficient operation, and would be better prepared to invest in improved facilities down the road.

NP: Were you aware at the time of any of the implications for terminal elevators and what were the terminal elevators facilities that Manitoba Pool Elevator had at the end of this buyout?

GA: We did acquire some facilities in Thunder Bay, but what was most beneficial was the acquisition of capacity at the West Coast. Manitoba Pool already had a number of facilities in Thunder Bay as did Saskatchewan Pool and even Alberta Pool at one point. So having additional assets in Thunder Bay, while it was helpful, it was not as critical as additional capacity on the west coast.

NP: So what capacity on the West Coast did they take over? Did they build or did they buy?

GA: Manitoba Pool at that point had no capacity on the West Coast, and we acquired a share of Pacific Elevators and that investment to us was very beneficial over the years.

NP: Before we move on into your career and how you decided what you wanted to do, or fell into what you ended up liking, you started to talk about your dad, but we never really talked about your mom. So was your mother's family a pioneer family as well?

GA: My mother grew up in rural Manitoba as well. Her parents were British. My grandfather, Allan Avery was his name, was born in Canada. His parents had come from Britain as shop keepers in the early 1900s and settled in the small community of Austen, Manitoba. My grandfather Allan went overseas in the First World War. He signed up actually when he was too young, and when they found out when he got to England, they told him he could stay, but he was not allowed to go to the front because he was too young, so he worked for the army in London as an administrative officer with the Canadian Army and ultimately married a British woman from London and brought her home as a First World War war bride.

They settled in Austen where he had grown up. His father owned the general store, and a few years after arriving in Canada after the war, they moved to another small community south of Brandon called Nesbitt and bought a store there on their own and ran that store. That is where my mother grew up. She moved there when she was about four years old and grew up in Nesbitt in the store. Again similar to my father's parents living through the '30s they saw the other side to running a general store--people having no money, people operating on credit. I know my mother said that her father fed a lot of people during the '30s and kept them going on credit. Ironically what really disappointed him was that following the Depression a lot of those people in the community decided that then needed a co-op store and started up a co-op in competition to them. She said he was very bitter about that because he felt that he had kept them going all those years, and then they turned around and went into competition with him through a co-op. The co-op did not last long in that area. That store where my mother grew up, ultimately her sister and her husband took that store from my grandparents and ran it until they retired, and ultimately it closed down.

So ,my grandmother coming from the middle of London to the bald prairie right after the war, she often told me was quite a shock to her. Her first recollection of arriving in Austen was getting off the train literally in their back yard and saying she was thirsty and needed a drink, and they went out to the back and there was a hand pump there with a dipper attached to it, and she said it was the first time she ever drank water out of a sauce pan. [Laughs] So, she was a hardy soul and quite a character. When they actually left the general store, they moved to Winnipeg, and my grandfather took a job with the Canadian Grain Commission [CGC] in weighing and inspection division, and at that time they probed cars that were going through Winnipeg that were going to Thunder Bay to do the initial inspection in Winnipeg. He worked for the Commission until he retired, and my grandmother went to work for Eaton's and worked at Eaton's until her retirement age. They had other careers after they left the store.

NP: So your grandfather worked for the Grain Commission. How did he fall upon that?

GA: I do not know how he ended up there, whether there was a connection through the fact that he was a veteran or whether he just applied for a job. I really do not know. He had no background in farming but that is not necessary to work for the Grain Commission. But I know he did work there for a number of years.

NP: Did he have any recollections about what it was like working there, what he liked about or did not like about it?

GA: What I recall is being a young kid coming into Winnipeg when I was 10 or 12 years old and staying with my grandparents. He always came home dusty, and it was just like working on the farm in the dusty conditions, probing cars. So that was part of what I remember.

NP: Yes, I remember my dad who was a grain inspector coming home, and I did not recognize it at the time, but now I do, that the smell off of his wool pants would be the smell of the grain dust, and he had kernels of grain, maybe from your family's farm, in his cuffs. Did he work in the office in Winnipeg or was he out on the tracks doing the sampling?

GA: He was out on the tracks.

NP: Now, let me see, where are we? Anything else that you want to say before we move on to you? Anything else that you want to say about those two generations back there?

GA: Well, I have talked about my great grandfather, the pioneer, and his son that took over the farm. As I said, my dad went overseas with the Air Force during the Second World War, was a pilot. My mother actually worked for the British Army at that time

in Canada and ultimately in Detroit. So she was part of the war effort. But my dad, going from the farm to--. And first he thought he would enroll in the army, and then decided that he would rather be a flyboy and become a pilot. I have seen his logbook. My dad passed away about three months ago, so a lot of this is pretty fresh for me, looking back through his records. But I looked at his logbook, and he flew I think 700-800 hours in total in his logbook. He pointed out to me that he did have one negative citation shortly after he had commenced his training in Brandon. He landed the aircraft without the wheels fully extended and the notation outlined that it happened, and said he was confined to base for seven days. Dad said afterwards that the commanding officer said he had to write him up because of what happened. But he told him that it was the best wheels-not-down landing that he had ever seen in his life. By the way, he was not confined to barracks for seven days or confined to base for seven days.

When he went overseas, he was involved with training of fighters and what he did—and he often downplayed the fact that he was not a bomber pilot, and he wasn't a fighter pilot and was not involved in direct combat—what he did was that he was a gunnery instructor. He towed around targets for people to shoot at, hoping that they did not shoot him and said that on a lot of occasions he came home with bullet holes in his tail, literally. So it was not a job that was not without risk. It was a period that, I am sure, in his mind he did not think it was all that dangerous, but I am sure when somebody's firing live bullets behind you is not all that much fun either. So he came home and after the war made a decision on the way home that he was going to stop in Detroit where my mother was working and much to her surprise asked her to marry him and move back to the farm, and she did. They had known each other prior to his going overseas; they grew in communities about 30 miles apart. So they had known each other during the early war years and through the high school years. They moved onto the farm, as I said, in 1945 and my grandparents built a house in Glenboro and moved into town.

NP: So this was sort of a mixed marriage—person from the family who thought the co-operatives were problematic and the person that worked--?

GA: Yes, my mother talked about that, and she of course--. It was a mixed marriage in another way too in that she was moving into an Icelandic family, and I think without exaggerating my dad's mother was quite a dominant woman, and there were some struggles I am sure to begin with. But in the end my mother became a-- She of course as not growing up on the farm and did not have that experience, she quickly adapted, and we had a great life on the farm when I grew up, and things prospered through the '50s and early '60s. It was a great life living on the farm and one that I thought I would ultimately go back to.

NP: Now your dad, then, your grandfather was involved in the setting up of the wheat pool and your father continued in what capacity?

GA: He was and I do not know how many years, but as long as I can remember there were Pool meetings at our house. My dad was the secretary of the Pool association, and I can remember the Pool fieldman coming to our house over the years, and ironically that is where I ended up working as a field manager for the Pool, and working with all those local committees and councillors that my dad was involved with. So that part of the business was very familiar to me, the role of the local committees, the associations and my dad was involved with the local co-op as well.

NP: So what were the issues in those days, do you know? Were you sort of hanging out in the kitchen listening to the conversations?

GA: I heard some of the discussions. At that time the associations were all independently operated by boards. They hired the managers. They decided on the manager's pay, et cetera. So there were a lot of the decisions made at the local level. If they ever wanted to improve the elevator, they had to borrow money from the parent organization and pay it back over time. Ultimately, that led to the formation of Manitoba Pool Elevators as a line company when the local associations literally—not all of them, but the majority of them—signed over their assets to the central organization. Then that organization made those kinds of decisions from then on about hiring and firing and expanding the business, et cetera.

NP: And they would have representatives from the various areas of the province that would be part of a board making these decisions?

GA: There was always a delegate structure at the time when the associations existed. Every local Pool could send a delegate to the annual meeting held in Winnipeg. So if there were 300 associations in the province there could be 300 delegates. When they went to a line structure then they formed district councils and those district councils sent a delegate. So the delegate body shrunk from a local to two per sub-district. It decreased the number of delegates from in the hundreds down to about 80.

NP: Were there any burning issues?

GA: There were burning issues. Some the associations refused to sign over and continued on as independents.

NP: What eventually happened to them?

GA: Most of them eventually joined the fold. Usually when they needed to spend money and found out that they could not do it on their own. Some just folded up. They were no longer viable and they closed the doors. But I think in the beginning there were 30-some associations that stayed out and in the end there were only one or two left. The other reason for the formation of the line, or

the central organization, was that the Pools then wanted to invest in other assets—fertilizer manufacturing, et cetera. So that was again a way for all of the large organizations to have the asset base to be able to invest. And one of the other issues was investing in terminals. I know from reading back in the history when they expanded Pool 1 in Thunder Bay in the early '60s, all of the associations had to sign onto to that loan as part of backing that investment. So by forming a line later on, it eliminated the need for them to go through that whole process. So it was an evolution, and some will say probably it was an evolution that led to the end of the Pool, because it decreased the amount of local involvement and local autonomy. On the other hand, the Pool was very successful through the '70s and '80s and into the '90s and returned a lot of money back to farmers through dividends and patronage allocations.

NP: So loyalty became less of an issue as the organization became more remote?

GA: I think that is true, although the Pools still held its market share, I mean right through to the end, had over 50 percent up to normally 53 to 55 percent of market share within the province. I am speaking about Manitoba Pool, and I think it was even higher in Saskatchewan. So yes there were feelings of alienation and lack of autonomy, but on the other hand I think the Pools were able to provide a higher level of service, better choices for farmers, more formation of XCAN Grain to help market non-Board crops, worked together on policies, and all those things became easier with the creation of a central organization.

NP: Was your dad ever dissatisfied with the organization or did he have a pretty good--?

GA: There were times when he expressed some frustration, but on the other hand I would say that he was as loyal a Pool member as you would ever find. I do not think in my mind there was ever a bushel of grain that was grown on our farm that did not end up at a Pool elevator. Even when the Pool was full and there was space at a competing elevator, my dad would never pull the truck into that other driveway. That literally was a fact, and I remember as a young kid sitting in lineups at the Pool elevator in the old truck waiting to unload and the other elevator a block down the street with guys driving in and driving out, and my dad said, "No we are sitting in the line." That was a reality for us.

NP: I want to follow the whole what happened to the Pools afterwards, but I think I am going to split off down back into your early days, and then we will discuss what happened as you were part of it, okay? So you mentioned that the area representative, and that you remember him at your house, and then you eventually became him. Did you always know that you were going to work for Manitoba Pool?

GA: No I did not. I left home to go to the University of Manitoba following high school and enrolled in the Faculty of Agriculture. In the back of my mind, I thought that I would eventually end up back on the farm, although there were some challenges for me in

that I had some allergies. I was allergic to grain dust and had asthma. So growing up on the farm presented some challenges for me. It got me out of a lot of hard work in shovelling grain in bins and whatever, so I got to drive the truck and tractor rather than being shovelling grain. When I left university, in 1970 as I said, that was a period when things were pretty tough on the farm.

NP: What did you specialize in university?

GA: Well my original objective was to be a plant scientist, and after a couple of years I decided I really did not want to go in that direction, so I went into Ag Economics so that is what I ended up in.

NP: Let's go back to the plant science. What appealed to you about that even though you did not stay in that strain?

GA: I had been at the university as a high school student to check out the various facilities and the very idea of creating new crops--triticale was being developed at that time, and there were a lot of interesting things going on with development of new varieties, etc.—I thought that would be interesting work. It turns out I did not really like labs at all, and the science part of it was not really all that appealing to me in the end, so I ended up in economics and looked more at the business side of agriculture.

NP: Were you looking more at the individual operation of farms as businesses, or were you looking at sort of the more broad agriculture economics?

GA: I think the more broad perspective. So when I left university, I ended up for a short time working in a couple of jobs. One was for a regional development corporation. There had been a lot of flooding in rural Manitoba, one of the many periods of floods in Manitoba in 1970.

NP: How unusual.

GA: And the Central Plains Development Corporation in Portage, Manitoba, wanted to do a water-control study. So I took a contract with them for the summer and wrote a paper for them on water control. I guess one of the things that I am proud of is that out of that study, the first watershed district in Manitoba was formed, the Whitemud Watershed District. Because it quickly became apparent that the water problems were largely the result of people literally dumping the water on their neighbour. Getting rid of it as fast as you can ultimately it ends up in a place where it has nowhere to go but to spread out and flood people. So it became very apparent that there needed to be a better management of water flows within the region in order to prevent the regular floodings that were taking place.

NP: Interesting that you say that because last year horrific flooding in Saskatchewan and Manitoba. From your perspective then from that contract, what is going on here?

GA: The flooding that has taken place over the last period in Manitoba largely has been the result of the major rivers overflowing. Certainly there are some tributaries that have flooded, but largely if you look at last year for example, it was the Souris River and the Assiniboine Rivers that overflowed. It was not the little rivers like the Boyne and the White Mud River and the small creeks that were causing the problem. It was the water that was coming through the major rivers. You know there has been control structures put in during the last number of years to limit the amount of water, but at some point there is just too much.

NP: Yes, I asked that question on this particular tape because through the port of Thunder Bay obviously a lot of product comes through Manitoba, and if this becomes more of the rule rather than the exception, as seems to be the case, what is the future for the Manitoba farmer?

GA: Well certainly last year was a disaster for many farmers. Farmers who had never been flooded did not plant an acre. So it was the exception rather than the rule. I will say that right now as we sit here there is very little snow cover in Manitoba, and people are talking about drought. So it is an interesting, I guess, dilemma as to what is really going on, and I think there are things that need to be done. Obviously the expansion of floodways, etc. has improved the safety of the city of Winnipeg. What it has not done are helped rural communities who are subjected to these floods. So there are things that need to be looked at. I think the biggest problem right now in Manitoba is Lake Manitoba which is at historic levels and that water needs to and it is going to take some time for that level to go down. And there has been tremendous damage as a result. But who knows?

NP: Who knows? You had a contract somewhat unrelated--.

GA: In a way I was working with rural communities again and local councils and municipalities, local village's councils and so I was back working in rural Manitoba. I then went onto another job working with the Department of Agriculture. As I said that had been a difficult period for farmers. There were a lot of farmers that were in financial trouble. One of them had loans with Manitoba Agriculture Credit Corporation, which were in default. I had the envious job of going out and talking to those farmers about how to resolve their problems, and what kind of a plan they were going to put together to get back on the right side of their loans with MACC.

NP: How did they get into difficulty to begin with?

GA: Grain prices were low. Grain was not moving. They borrowed money to expand or for simple operating loans, and they were unable to pay them back. So there were a lot of delinquent files with MACC at the time. It was enough concern with the government that they had a number of us go out and interview farmers and try to come up with a plan to help them resolve their problems. It was not the most pleasant job I've ever had, sitting in kitchens with farmers who literally were on the verge of bankruptcy and could see no way out. So, I was doing that job when my dad went to a Pool meeting and talked to the manager at that meeting and ended up talking to the manager of the field service and he was Lloyd Henwood at the time. Lloyd Henwood asked what I was doing, and my dad told him, and he said, "I wonder if he would like to work for the Pool?" And my dad said, "He might." So long story short, I was told to contact Mr. Henwood, and I did. A week later I was working for Manitoba Pool as a field man.

NP: So why did you not just automatically after university go and apply to the Pool?

GA: At that point, I had put out a lot of job applications. We were a big class coming out of Agriculture that year, so there were a lot of us on the market, and there was not anything available. The opening that came at the Pool was a result of the field man at that time going into work at the seed department. They were expanding the seed department so that created a vacancy in the field services, and as luck would have it that is where I ended up.

NP: Going back to the situation where you were helping the farmers get out of financial difficulty, do you think that the farmers at that time were aware of how the world agriculture situation impacted on them?

GA: I don't think they were. What they were seeing was that they were growing a crop that had no home. There was a glut of wheat on the market and prices were depressed. I know that in 1968, my dad was selling three bushels of barley for \$1.00 for cash. There were a lot of farmers selling grain and getting a fridge in return, bartering their grain away. Cattle were not worth a lot. So it was a very depressed market.

NP: What was happening worldwide that caused that?

GA: There were the Chinese market had not really opened up. Europe was very productive, and it put a lot of incentives into farming. So there were not a lot of markets for grain at that point. And of course, as I said earlier, that all changed when the Russians came into the market in the early '70s and quietly started buying grain and the Canadian Wheat Board was at the forefront of that. American grain went to Russia as well, but the Canadian Wheat Board was very active and got into long-term contracts with the Soviets and other Eastern Bloc countries. So that sort of pulled the cork out of the bottles so to speak, and things changed

dramatically. Guys that I went to university with quit their jobs and went back to farming in the mid '70s, because it was a very opportune time to go back to the farm, and they did very well.

NP: Did a lot of people manage to avoid bankruptcy or were there a lot of them that were not able to hold on long enough?

GAG: Some did not make it, a lot of them. As I said MACC, I don't think, neither the credit corporations nor the banks wanted to own a lot of land either. So I mean it was more of a way to help them develop a plan that would get them through this. A lot of them did make it through because when things turned around they turned around quickly, and the situation changed dramatically. But there were some that went under, no doubt.

NP: While we are talking about the farmers, because I may not think to come back to this, how would you describe the evolution of the farmer/producer over the time that you were familiar with and that can go back into your dad's time, even your grandfather's time?

GA: My dad grew up, as I said, farming with horses and threshing gangs that--. The Arason brothers had a threshing gang that travelled around and not only did their crops but did other neighbours' crops by contract. That was part of their business. Mechanization really started in the '40s. I think the first tractor on our farm was the year that my dad came back from the war in '45. They got a Farmall tractor, and the horses gradually disappeared from the farm. Although even when I was growing up, we did have a team of horses on the farm just for doing chores and maybe more for nostalgia than for the use that they provided. The mechanization of farming through the threshing gangs disappeared. The combines took over. The first ones being pulled by tractors and then I remember, I think it was in the early '50s, we got a self-propelled combine which was one of the first in the area, and actually a Co-op Implements combine.

NP: This is my ignorance. I've heard the term combine for years now. Why is it called a combine?

GA: Because it combined picking up the grain and harvesting it all in the same motion. I guess that is the origin of it. If you had a threshing machine, it was stationary, and you took the grain in sheaves to the machine and the straw piled on one side and the grain went into wagons on the other. With a combine, the implement moved around the field, so it was no longer stationary. So you combined and this is the only way that I can justify why that name took place. But it did basically combine two different tasks-- picking up the grain and harvesting it all at the same time.

NP: So it would shoot the straw off one side and the grain on the other side?--

GA: The straw went off the back and the grain went into a hopper.

NP: So did you stook?

GA: I did actually do some stooking, not on my farm, but I actually did some stooking for a neighbour.

NP: So explain that process. You are really old! [Laughs]

GA: I am. A binder is what is used to make sheaves. It would cut the grain and wrap it with twine and dump it out the back in a bundle. That was a sheaf of grain. Then to dry that grain you pick up those bundles by hand and make a little stooks or tents out of them around the field. They would stand like that till it would dry and then when the harvesting took place, you would go around with a wagon or a hayrack and pick up those bundles, sheaves, and take them to the thresher and take the twine off and throw them in. They would go through the machine. So, yes, I do recall stooking for my neighbour who had a field of oats that needed to be done that way. So, they got out the old binder, and I did the stooking. They were a great place to hide when you were hunting ducks.

NP: A good physical fitness program, and you did not have to join a gym.

GA: Good for the wrists. My dad said forking sheaves into a threshing machine was probably the best muscle-builder that there was to build up your wrists and your arms.

NP: When did you first learn of railways and ports?

GA: Obviously I knew where the grain went but had no direct exposure to that. The railway ran through Glenboro, and as I said, I sat in the elevator line-up lots of times and knew the elevator managers and spent time at the elevators weighing the trucks and dumping them into the pit etc. My first direct exposure to terminals was when I was about 16 years old, I think. I was part of a seed club, and I won a 4H award trip to Thunder Bay and Duluth. We got on a bus in Winnipeg, and we were away about five or six days and visited Thunder Bay and Duluth and actually toured one of the Pool elevators and the Canadian Malting plant here in Thunder Bay. So that was my first exposure to the port system.

NP: Any reactions that you can recall?

GA: Certainly the first reactions of how big they are. When you are used to a wooden elevator in the Prairie and you come face to face with the grain terminals like the ones in Thunder Bay were, Manitoba Pool particularly, I recall that is the one I visited was quite a revelation. There were still dumpers going at that time, too, so you would see them pick up the box car and tilt it back and forth. I did not have the privilege of seeing the shovel houses, which I am sure you have heard lots about, and I have heard lots about over the years. But it was quite a revelation for me and it was a very enjoyable trip—one that I have remembered a lot over the years.

NP: Do you have pictures?

GA: Somewhere probably, but I do not know where they would be.

NP: How would you describe the attitude of the farmer to railways and handling?

GA: As growing up, the railway coming through town was a fact of life. I can remember when I was younger there was actually passenger trains going through Glenboro. There was a station and a station agent, and I actually took the train to Winnipeg on a few occasions. I remember the first diesel locomotive coming through and what big excitement, that was that steam engines had their day and diesels were taking over. The railway was a fact of life. The battles with the railways that became so prominent I guess in the '60s and '70s really became the battle over the Crow Rate and the railways' determination that they could no longer continue to operate with the fixed rates. The legendary statutory rate, the Crow Rate and the concern of the farmers that if the railways had their way, they would price them out of business. I mean they would no longer be able to afford to ship their grain. They were captive shippers. So that whole debate really caught hold. In the early to mid '70s was the time that the first rail abandonment hearings as a field representative for the Pool I got very involved with a lot of the local communities along some of those threatened branch lines, drafting briefs to the original Hall Commission, etc. So I was literally involved in that process right from the beginning of the abandonment hearings right through to the end of the Crow Rate when the Western Grain Transportation Act was passed.

NP: Do you remember what date that was, narrowing it down anyway to the first years?

GA: The first hearings that I attended were in 1975-1976. The WGTA, Western Grain Transportation Act, came into being about 10 years later.

NP: Were you still field representative when they started to do the line closures or had you moved on?

GA: I moved to the office in 1976 to take over management of the field service. From 1971 to 1976, I was in the country as a district rep, and then I moved into the office and took over the Member Relations Field Services Department as manager in 1976. I was involved to a certain extent, but my real involvement happened when I became corporate secretary to the Pool in 1980. At that time, the Gilson exercise was taking place, and the Pools had a huge involvement in that whole hearing process and the negotiations to end the Crow Rate.

NP: People who are listening to this, who knows when, a hundred years from now, may be a little puzzled. Let's draw on some of the points that you have said. You mentioned that the Crow Rate was established way back in order to persuade the railway companies to expand into various areas and then came the time when they thought they could no longer continue that rate. Then there is the issue of railway abandonment. Were they linked?

GA: They were in a way, in that the railways were making a point that we can no longer operate these lines. The volumes are not sufficient to cover the maintenance costs. A lot of them were light steel, and the grain cars and hopper cars were coming into play, and they were boxcar-only lines. So they could not handle heavier grain cars. Or if they did, they could only be loaded partially. So it was inefficient. But that led into the whole debate what revenues do the railways need to sustain them and be able to invest in the future. And the other side of the debate at that time was, okay if the rate changes, how do we change it?

The government said that they would make up the difference between whatever revenues the railways needed and what the farmers are paying for, and then what any future increases would be. So the debate was whether they pay out the farmers immediately that benefit, or whether they pay it to the railways and that the farmers would continue to have a subsidized rate. That was a large debate. The cattle producers and the processors felt that the subsidized export rates were a disadvantage to them because it inflated the local price and it discouraged diversification and value added, etc., because the subsidies in effect made it cheaper to ship offshore, and they did not get the benefit of it at the local level. That was a huge debate and as I mentioned Dr. Clay Gilson led a kind of a round-table process where all of the parties—the railways, the provinces, the grain companies, pools, private companies, cattle producers, processors—everybody was around the table to try to come up with a solution.

NP: So they all realized there was a problem. That's why they sat down?

GA: Yes.

NP: But I suspect that they did not all have a solution.

GA: Some more willingly than others.

NP: First of all, what solution did they come up with? You said there were two choices there and in your mind was it successful?

GA: Ultimately the solution was that the benefit of it would be paid to the railways, that Crow Benefit. That ultimately changed about 10 years later, and the benefit was paid out to farmers, and we moved to compensatory rates for the railways. So there was a transition, but the Pools in particular were the most vocal advocates for the pay-the-railways approach, because they felt it was important that there be an affordable rate to export grain.

NP: What impact did that shift from the Crow Rate have on delivery patterns for grain?

GA: Well ultimately it led to the inland-terminal concept. I mean there were ideas floating around in the early '70s that there were way too many elevators across western Canada. I think there was one study I saw that indicated that all of the grain in Western Canada could be handled in 50 huge inland terminals spread out strategically. And of course, the Pools had the largest network of elevators. I think the largest for Manitoba Pools. For instance, we had over 300 elevators at one point, and when we closed down the Pool through amalgamation in 1998, we were down to 100. So two thirds of them had disappeared through consolidation and just the evolution of the business.

NP: As far as whether things went out through Thunder Bay or went out to the West Coast, did ending of the Crow Rate make any difference there? Or it largely geographic anyway?

GA: Incrementally I think it did, although that decision is essentially a marketing decision, based on where the end user is. So, as I said earlier, when huge volumes were being shipped to Russia, there was a lot of grain going through Thunder Bay. I mean Manitoba Pool alone was handling three million tons, which is half of what the whole port has handled this past year, which was a decent year. So that was pushing grain, and there was kind of a two-thirds, one-third equation. Two thirds going east, one third going west. That changed very quickly in the '80s when the market shifted to Asia—China and Japan, Korea, et cetera—and so the majority then started to move west. There were capacity issues on the west coast. Prince Rupert grain was conceived as a consortium funded by the Government of Canada and the Alberta Government along with six grain companies to expand capacity on the west coast. That elevator was built as a result of that shift in market demand.

NP: Were the Pools part of the six companies?

GA: Yes they were.

NP: Just if we have this on tape, I am not quite sure you might have said it was one third east and two thirds west. Did you mean it was two thirds east and west and then it shifted?

GA: It was two thirds east roughly, one third west at one point. Maybe 60/40 I do not know, but in that range. The balance was east, and then as Asia came into the market the balance shifted to west.

NP: Living in Thunder Bay, these little changes that have an impact here are foremost in our mind, and we have been interviewing people here and listening to them talking about what they think has been the cause of the downturn in shipping out of here. So am I correct in hearing you say that major rational is just where the markets are?

GA: I think that is the major driver. Rates come into it.

NP: Say more about that.

GA: But for Manitoba, obviously distance. It's not just the distance to port, but it is the distance to the end users. So the cost for grain going out of Manitoba you have to weigh that equation, that includes the portion to Thunder Bay, the cost of handling in Thunder Bay, the cost of moving it through the Seaway, and ultimately the ocean side of it depending on where you are going. If you look at moving grain through the West Coast then you have that same equation, except you basically have the rail cost to the port, the handling cost of the port, and then the ocean portion. So you know where the customers are drives where the grain goes. The rates, in effect, are distance related, so the rail freight rates are distance related. So that is not a huge factor one way or the other. It is simply an equation of the distance to port.

NP: Does it ever make sense to ship grain out of Vancouver that is going to Algeria?

GA: It might if it was a certain time of the year when there was no other way to get there, but it is an expensive proposition.

NP: And the route there is down the west coast through the Panama Canal?

GA: Yes, so that would be.

NP: Starting up again and swinging back again to your early career with the Manitoba Pool Elevators, and working with the farmers as a district representative, just tell us a little bit about that work and some of the highlights that you recall from that era.

GA: Well, I would say working as a field rep was probably the best backgrounding that you could ever get in the business, because you dealt with every aspect of the operation right from working with farmers and their issues, also looking at policy issues which were debated at the local level, talking about the future of the company and where we were going to spend money and where we were going to close elevators. My whole life for five years was attending meetings in the country. And the other benefit of that position was that the district reps attended every board-of-directors meeting. We were each assigned to a director and his district, so we attended those meetings. We heard virtually all of the debates at the board level, so we heard what was happening from the corporate end, and we also had the feedback from the farmer.

It was really a huge opportunity to learn about the business, and we did a lot of creative things, I would say then, to try and develop more interest in the farmers in the business. One of the things we implemented during that period was a tour to Thunder Bay, where we brought, every summer, a group of farmers to visit the terminals and spend time there. I would say there was a gap in understanding. There was talk about labour issues at the terminals and farmers being held hostage and whatever. So bringing them to Thunder Bay where they could see the operation and meet face-to-face with the people that worked for them, was a huge benefit for both sides, because the employees here in Thunder Bay had a better understanding of the farmers' issues and vice versa.

So that period, as I said, of five years was a great opportunity for me to learn the business, to understand the politics of the organization. Having grown up in a rural area and on the farm, I had a pretty good perspective of that, but the interrelationships of all of the various terminal operations, the country operations, the farm-supply business and we had livestock programs. The whole idea of marketing and the role of the Wheat Board, all of those things, were debated at the country level and in our annual meeting lasted a week. We had representative from the Wheat Board, from the Grain Commission, from the government, provincial and federal government, appeared at those annual meetings and were basically put on the hot seat every year. I was part of listening in to all that, and it really helped me through as I moved forward in my career.

NP: As you think back on that time, that five-year period, there would have been things that were done over that time, decisions that were made, and you have now the advantage of hindsight to look at what was done. Were all the decisions good, which ones were good, which ones turned out in retrospect to not have been?

GA: Obviously you never bat a hundred percent. Grain and farming is a risky business. You deal with the weather. You deal with fickle markets, and you deal with a lot of things. So, yes, there were probably things that should not have been done and things that could have done better. The first ever meeting I went to with the Pool, the first day I started, was to go to a community to tell them we were going to close their elevator. That was a baptism of fire, and we did have a fairly aggressive elevator rationalization program through 1971, and as I said, ending up in the Federal Grain acquisition and the rationalization after that.

But those were good years for the Pool in terms of market share. Labour was probably one of the things that happened during that period that in hindsight was not handled well. There was no union representation of the country elevator workers in Manitoba when I started with the Pool. There had been in Saskatchewan, and there were a lot of efforts to unionize the Manitoba Pool managers and employees, but it had not happened. The management of the day basically, I will say, took the attitude it won't happen and basically defied the workers. The result was that that attitude led to the formation of a union of the country elevators workers. That changed the relationship between the local managers and their customers, because we ended up having a strike in the country, a brief one. But for a manager who lived in the town and maybe one or two assistants who were part of that community to basically shut down the business was very hard on them, but it also was very hard for farmers to accept. So that was a critical change in how the Pool was managed at the local level, and I think could have been, and not that unions are a bad thing. I am not saying that. Unions have their place, and it is often said that companies that have unions get them because they deserve them, and frankly that is what happened. We did not listen to our employees well enough, and we got a union and that changed the whole relationship. It resulted in managers getting a lot better pay. I will tell you that. It cost the organization a lot of money over the years, and maybe that was due. It may have gone overboard at some point with commissions etc., which eventually got worked through. But it was a challenging period for the organization.

NP: Was Manitoba Pool paying more than the Saskatchewan would have or UGG?

GA: I think in general terms the Pool was competitive. Cross border, I am not sure, but there was not much migration back and forth. But competitive with what a Pioneer manager was making or a Federal Grain at that time, or a UGG manager, they were probably in the ballpark, but it was the relationships issues that suffered.

NP: Why do you think at the head office, because you know if we say the farmers are running the operation through their delegate systems?

GA: It was head office.

NP: Why the resistance to having an employee representative the way the other, well, Saskatchewan Pool did?

GA: Well Saskatchewan Pool also had their head office unionized. That did not happen in Manitoba Pool. In spite of efforts, the office was not unionized. And as I said unions have their place. It is every employee's right to be--. And we did have a head office employees association that met with management and represented employees, but it was not a structured union. Thunder Bay, of course, was different. It had always had a union, and by and large the relationship I would say the relationship with Manitoba Pool and its employees in Thunder Bay was as good as or better than any, because of the local management we had here in Thunder Bay.

Over the years attending functions here and many times coming to Thunder Bay, I always felt that we had a very good relationship with our employees here.

NP: Who were some of the employees that were here at the time that you were familiar with just historical and probably ties in with some of the interviews we have had?

GA: There is some family history here. John Mallon of course was terminal manager here in Thunder Bay and Brian and Bill Mallon following him. Ron Trewin was someone else that I knew here in Thunder Bay and his son all worked in the terminals. Gerald Speer was a manager here. So I knew all of those people quite well, and we used to bring our board of directors in addition to our delegates, we brought our board of directors to Thunder Bay every year for a meeting where we meet on as much a social activity as a business. We would have a board meeting, but we would also get together with the management and their families and bring--. My own kids I brought to Thunder Bay when they were seven or eight years old. They got on a vessel. I mean it was a good experience for them, and I think really helped the relationship between head office and our employees in Thunder Bay, because they often felt I think somewhat isolated.

NP: I will say for the record because we are not doing a video tape here, as you were saying all of this you had a smile on your face.

GA: I do. I have a lot of good memories about Thunder Bay and the people here and good friends here. You know from the point of view of the '70s and what was good with the Pools and what did not work, as I mentioned earlier one of the things we wanted to do was expand into fertilizer and at some point that was going to make us a lot of money. Well that is a cyclical business, too, and we soon found out and there were periods when we went through heavy losses and ended up with an environmental problem in Calgary that cost tens of millions of dollars just to resolve, so ---

NP: Spill issues.

GA: That has been resolved, but it took a long time.

NP: No but a spill, sorry.

GA: No not a spill issue. It is an issue of what happens to the tailings that come out of a fertilizer plant.

NP: Oh, so you were actually doing the manufacturing?

GA: We were doing manufacturing, yes.

NP: Okay, I think this probably comes into some of our discussion of what happens to the Pools as time goes by.

GA: Well exactly, and the Pools were in that together along with Federated Co-op as a partner. Then Federated Co-op left the partnership, and the Pools were left with the business and some of the hangover problem as a result. Now Western Co-op Fertilizer still exists. It is a successful company. But definitely there were some peaks and valleys in that business.

NP: Because I just love Thunder Bay and terminal elevators, I do not want to leave that part yet. So when you bring the farmers here because you recognize for both the workers here and the farmers it is good for them to know what each does, what do you feel the farmers took away when they went back? How did their sense of what happens here change or not?

GA: Well, I think one of the things they recognized was that it was real work. I mean terminals are large facilities. A lot of the facilities were not automated at that time, so a lot of manual labour went in. There was a lot, I mean there was a lot of skill required to blend grain, to manage the stocks. The money that could be made through proper cleaning and salvage operations, all those things they got a better understanding of. That it was not just, you know, driving up here with a train and dumping it into a pit and heaving it go into a boat. There are a lot of things that happen in a terminal, that create a lot of value for the organization. So that I think was the big part of it, and the fact that you see people you know they are not faceless entities anymore.

So it was very beneficial, and we spent a lot of money in Thunder Bay. We would bring our board here. I recall one time when we had to do a major investment in our trestle, and it was a big number, and some of the board were saying, "Well we could build an elevator for that, maybe two or three elevators." And you had to explain to them, yes, but if that trestle is not fixed the grain coming from those elevators has nowhere to go. So we would come out here and go through the plans for the terminals where the investments were needed, what the rationale was. So it really helped our Board to have a better understanding of what these operations meant to the organization and what was required to keep them running.

NP: Well it would not have been when you first came here. What was the largest number of elevators that you had operating here?

GA: My experience was with only the two Manitoba Pools, what I would call Pool 1 and Pool 3.

NP: Ok and the Ogilvie?

GA That was out of operation by then.

NP: Okay, so now we really are moving all over the place here, but back to the farm. You moved on from being area representative for the Pools. What did your career offer you next?

GA: Well as you said, I moved into the member relations area where I managed the field staff and the whole member relations function, which involved looking after the elected structure, the committees, and the relationship with the local committees of district councils etc.

NP: That included being supervisor for people like you who were--?

GA: Yes, we had eight district representatives spread throughout the province, plus a small support staff in the office, so roughly ten people.

NP: And where was your office?

GA: In the Royal Bank building at 220 Portage in Winnipeg.

NP: What did you look for? You would have been in charge of hiring people to fill the positions like yours. What did you look for in area representative?

GA: That is a good question. What I looked for, and I hired a number of people over the years, were people who had good communication skills, were empathetic, people who could really relate to people. I hired the first female district representative in the company's history during my period when I managed that group, which raised a few eyebrows, but--.

NP: How did that work out?

GA: Actually it worked out fine for the period that she stayed, but she ended up going into marketing with the Egg Producers Marketing agency where she still is 20 years later. But again, I think she would tell you--. And I think she was a city girl as well, literally, from Winnipeg and had taken Agriculture but, other than relatives on the farm, had no direct farming experience.

NP: What was her name?

GA: Her name was Delia Pettrash. I would say I looked for people who had good communication skills, didn't mind--. You had to be willing to spend some long hours attending meetings at night and on the road. But the role of member relations is kind of an interesting role. At one point you are the advocate for the farmer in that you are getting feedback from the farmer's side, and the other side of it you are there to take the company line and explain rationale for the decisions that were made. You supported the district director in that activity. But it was interesting. You are kind of meat-in-the-sandwich kind of role. Not everyone can do that. It is a challenge to keep that perspective and ---

NP: Because your tendency might be on one side versus the other.

GA: You know you take the hard line, the company line, with the farmers and they say, "Well it does not matter what we tell you. You are just doing what they tell you." And then you come in and explain to your director or management what you are hearing from the country, and they say, "Well yes, but we have got to make these decisions."

NP: What was happening? How long were you in that position?

GA: I was in that position until 1980.

NP: So what was happening in the grain industry?

GA: The whole debate, as I said, was around transportation and the role of the railways and the Crow Rate. So that whole debate was front and center at that time, and the corporate secretary's role in the organization was to--. My responsibilities were then not only member relations and field service, but also policy, legal and a number of other support services that I took over as corporate secretary in addition to being the recorder for the meetings and working with the board of directors very closely, et cetera, et cetera.

NP: That is what I found very interesting in, well among many things, in this interview project. You know that the term secretary just seems to be oh the person is over their record book taking minutes of the meetings, but boy that is not the case. Corporate secretaries are critical and have massive roles, I think, in the organization.

GA: Yes, part of mine was communications, public relations, member relations and advertising and policy. So those were important functions within the Pools. The role of corporate secretary was a significant role in the organizations, all three of them. Again was a really good opportunity for me to get more involved in the management, because then I became a part of the senior management group and ultimately took responsibility for capital projects, etc.

NP: Now just for our record, you started as a corporate secretary when?

GA: In 1980 I was corporate secretary. In 1985, we had a senior manager retire, and I became general manager of Services and Development. So I moved from corporate secretary to take over responsibility for human resources, information technology, capital projects, the whole, I guess I would call, the spending side of the organization. That was the role I was in for three years. I moved there in 1985. Then in 1987 our CEO at the time Murray Cormack announced he was leaving the organization to go to work for ConAgra. A search was started for CEO. I applied for the position, and January of 1988, I became the CEO of Manitoba Pool.

NP: Okay, back to the membership and maybe the corporate secretary eras, what major changes and challenges--? I know you talked about that was still being a part of the rail line abandonment and the consolidation of elevators. Had that pretty much played itself out?

GA: That had pretty much played it out. Not the consolidation part but the rail issues had pretty well played itself out by the mid '80s. What we got into following that was the real serious rationalization of the elevator network. Our first concrete elevators were built then. We were going out and doing area studies saying okay where we now have five elevators, you can only afford good one, so where do we put it so we would engage the local people in discussions about area development and negotiating site agreements with railways where we could get better car, long car spot access, where the elevators that we had at that time could only spot a few cars. We were looking at blocks of 20-25 cars, ultimately 50 and 100 cars where we needed expanded areas and much bigger elevators. So that became the evolution after the whole rail issue was settled.

NP: Which came first, the upgrading of the terminal elevators that led to the unit train requiring more spots or the other way around? Or was it happening at the same time?

GA: The terminals could handle larger volumes, trains, way before the country could. The country elevator system was basically the train stopping every little distance to pick up a few cars and making up a train or bringing them to Winnipeg and trains were put together, etc. You know in the loading of cars in the country became a much bigger issue, and the railways were providing incentives for investing in larger car spots and larger volumes. So we spent a lot of time working with the local communities. There was also during that period an investment in value-added, particularly the oil seeds. We got into the canola crushing business. Manitoba Pool initially acquired Co-op Vegetable Oils and Altona, and gradually expanded our role in crushing into other areas of the province. So we put a lot of money into that, which again at times was beneficial and at other times it wasn't. But in the long run, it was a profitable venture.

NP: Was it also that time when XCAN was developed or was that another time?

GA: About the time I started with the Pool, XCAN was formed. It had a role in marketing speciality crops. It also marketed as an agent on behalf of the Canadian Wheat Board, marketing Board grains into certain markets. XCAN had at one time an office in London and one in Tokyo and an office in Beijing.

NP: Now what is XCAN for those listening?

GA: XCAN was the joint marketing arm of the three Pools and UGG initially. UGG did not stay in very long because it was difficult for a competitor to be marketing through the same agency. So it ultimately ended up with the three Pools as a marketing organization for the three Pools.

NP: Why did they think it was necessary because that started up, I mean grain was marketed away back when. What was happening that they thought in the '70s that they needed an export arm?

GA: There was move to more special crops—flax, canola at that time rapeseed. Other peas, beans, speciality crops. XCAN were a big marketer of speciality crops around the world. So that was-- I think in the back of people's minds there was the issue of what if the Wheat Board disappears, how will we market our grain, and so this was an effort to be involved in the export market in the event that something changed.

NP: Now, it seemed to be almost an annual discussion of whether the Wheat Board would continue to exist or not, almost from the minute that it did exist, even way back. How did the Manitoba Pool view that issue?

GA: The Pools were very strong advocates on behalf of the Wheat Board, and they had a very close relationship with the Board and the commissioners. I mean the Wheat Board was always warmly welcomed at our annual meetings with the delegates. Sure there were issues about when grain was not moving well and what's the problem, but there was never a question at the Pools would abandon their support for the Wheat Board during that period.

NP: Why were they so supportive?

GA: I think it is just an extension of the cooperative philosophy, "We are better together than we are apart," and that they saw the benefits of the Wheat Board in terms of being able to command a premium in the market, to reach into markets where individual companies could not, and really pass those benefits back to farmers. And the whole idea of a pooling system where it took some of

the risk out of marketing wheat, knowing that you are going to get at least an average price and hopefully a premium over what you would get by marketing on your own.

NP: Listening to Mr. George McIver who headed up the Wheat Board at one time or was one of the senior managers anyway, he commented on the quota system being implemented which was really early on, probably during your dad's time or your grandfathers time, and he said that he thought that was a real major benefit to at least some farmers in that it allowed farmers who were further away from delivery points to operate on an equal basis to those who could just sort of whip their crop right in because they were five miles from the elevator. I would just like your comments on that, especially given our discussion about consolidation and getting rid of those more local points for more centralized and more efficient elevators.

GA: Well the quota system definitely was designed to provide as you said equal opportunity, so that farmers would have a fair access to the system proportionate to the amount of grain that they grew on their land. So yes the quota system I think was something that the Pool supported. I think there were times when they felt that the quotas were restrictive, but on the other hand, I think the Pools understood the rationale for it and appreciated what was the purpose of providing fairness and equity for all farmers. And ultimately that evolved in something else with contact calls, etc. But the concept was still there of providing equal opportunity.

NP: When you were involved in making the decisions about which communities lost their elevators and which won the lottery by keeping them, what kind of impact did that have on your business? Any? Or what kind of impact did it have on the farmers eventually?

GA: No, it impacted the local farmers obviously. I even heard farmers say, "Now I am going to have to license my truck because instead of going two miles down backroads to the elevator, I am going to have to go 10 miles down the highway." I mean those were the arguments that we had. But I think most farmers appreciated that we needed a better handling system; we needed modern elevators. We had gone through computerization of the elevator system. We made a lot of investments in infrastructure, and we were not telling people they all had to get semitrailers and haul 50 miles. It was a gradual, evolutionary process. But there were some heated debates and debates amongst communities. If you got three communities ten miles apart, it might be obvious to put the elevator in the middle one, but there were other factors that come into play, including where the competition was, and the road network, and all of the other factors. You know we did area studies, and we broadened it out to involve a district rather than just a few communities, because they all have their own interest. But I think when you get them all together they could see the fact that you have to make the best decision for the group rather than for each individual community.

NP: So again because they have the advantage of hindsight, when you look back on those kinds of decisions, anything you would have done differently or supported differently because it was not just your decision to make?

GA: I think we did a reasonably good job of where we built. We took a business approach to it. I know early on, from sitting around the board table, there was a lot of local politics went into making decisions. One director would support another director if--."I will look after you, if you look after me." And we got away from a lot of that, and it took the pressure off the directors, too, because we got the communities involved rather than the director having to make the decision on his own and without all of that input, and then being blamed by the individual farmers for making the wrong decision. When they have input, they are part of the decision.

NP: Did you hire a consultant to do this, or did you do it internally?

GA: No, we basically had a group within the organization that was a priorities group that was brought together from different parts of the organization to manage that process. So it was basically done in-house.

NP: Did you have a checklist? You mentioned a couple of things that you looked at in order to make the decisions. So where there criteria set down for what you--?

GA: You looked at what the volume was in the area, the volume of grain available, what the competitive position was vis-a-vis other companies, what negotiations were possible with the railways in terms of getting good sites, and in some cases we had to acquire brand new sites. We looked at the farm-supply end of the business as well, because we were looking at building facilities. So it brought together a lot of different-- the road network that is important, trading patterns. So there were a lot of things that came into it, but they were all put into the equation. I am sure we made some mistakes and some fared better than others. But by in large, we had good results from that process.

NP: How much of that process was spurred on by what was happening internationally, including what was happening in the States, versus let's say a need to keep your eye on the bottom line?

GA: I think it was driven really by the needs at the local level. There wasn't a lot of what you would call international factors that played into it. Sure we looked across the US and saw what kind of a system was evolving there. They were ahead of us in terms of the large inland terminals, et cetera. But by and large, it was driven by local needs and local issues rather than by looking at the so-called big picture.

NP: I want to go back to one point you made just in passing and that was with the XCAN Grain Company, that there were the three Pools involved and UGG. You mentioned that UGG only stayed in for only a little bit. UGG seems to always stand out. There were the co-operatives and then there was UGG, although my understanding was that UGG was a co-operative.

GA: It was. It was the other co-op. In other words, the Pools get roughly 50 % of the business and UGG probably had 20 %. So there were big players across the Prairies, but in the provincial scene, the Pools always had the largest market share. UGG were the older company. That had a lot of history. They had some different perspectives, and they were always distinct from the Pools, and I guess there were some co-operative rivalry there too.

NP: Distinct perspectives or different perspectives? For example--?

GA: Yes, I think they took a different position somewhat on the Crow Rate and some of those issues. They may have had a slightly different view of the Wheat Board, particularly in the later years. They did not have as cohesive delegate structure. The Pools' structures tended to be quite-- Well the process of getting delegates was different within UGG than in the Pools as I understand it. UGG well "Who's available to go to the meetings this year?" kind of thing. Whereas the Pools had a real formalized election process.

NP: The name Max Runciman?

GA: Mac Runciman?

NP: Yes, was he around when you were?

GA: Yes, Mr. Runciman. He was greatly respected by everyone in the grain industry. He was truly a gentleman, and he had a lot of history behind him, and was somebody that the whole industry—whether you are in the Pools or the private industry or government—looked up to him. He was a very dignified man and really was a leader in the farm organization community.

NP: Your view of him seems to reflect that of others that have mentioned him. I am just from the outside looking in thinking in relation to what you said about the delegate structure of UGG seems to be like he was a leader and, I don't want to say a top down versus a bottom up, but certainly very influential.

GA: Very influential.

NP: On UGG?

GA: Yes, and you know the other thing you appreciate here is UGG extended across three provinces and a lot of strong support in Alberta where, even within the Pools, there was a different philosophy I would say from the Alberta Pool at times versus Saskatchewan and Manitoba. So you know that can lead us into a whole discussion of the relationship of the Pools and the--.

NP: And I would like to do that. I am just going to--.

GA: And the aborted amalgamation efforts, which I think are important to talk about.

NP: Yes. So we are headed up to the end of this interview. So let's call it there because we still have a lot more to talk about, and I will make a note where we are in this and continue the saga.

GA: Okay.

NP: The Arason saga.

End of interview