

Narrator: Kerry Hawkins (KH)

Company Affiliations: Cargill Incorporated—Cargill Canada

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Interviewer: Nancy Perozzo (NP)

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Other Speakers: Kaaren Hawkins (KaH)

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Summary: Former president of Cargill Canada Kerry Hawkins describes his career for Cargill Inc. starting immediately after his graduation. He discusses moving through the Cargill training program, his first position in the Chicago harbour, his various positions around the world, and eventually his tenure as president of Cargill in Winnipeg. Throughout the interview, Hawkins praises Cargill’s corporate philosophy, its innovations, its risk taking, its size advantage, and the involvement of the Cargill family in the business. He compares the American grain system to the Canadian grain system, and he describes working with the unique grain institutions in Canada, like the Canadian Wheat Board and the Canadian Grain Commission. Other topics discussed include the complexity of the grain industry, the cooperation amongst grain industry players, building the Baie-Comeau Cargill elevator, the social aspects of marketing grain to foreign buyers, the logistics of moving grain east or west, and the consolidation of country grain elevators.

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Time, Speaker, Narrative
NP: I’m just going to start this interview. It’s November 1 st , 2012, and I am interviewing our narrator at his home in Winnipeg. And I will have him introduce himself and really just repeat what you said just before we started the recording about where your career took you from the beginning with Cargill.

KH: Okay. My name is Kerry Hawkins. I'm a Canadian born in Canada but educated in the US at North Dakota State University. When I graduated, I joined a company called Cargill Incorporated, which was headquartered in Minneapolis, Minnesota. A private owned company, but probably amongst the largest in North America. Privately. I said it was a private company.

I started at the bottom and worked my way up over the years. Lived in many, many, many cities and travelled very, very much. My first assignment was in Minneapolis, and then I went to Chicago, and I worked in Chicago at what they called the truck dump. The Chicago harbour is full of elevators, and I went to one of those elevators. The elevators were supplied with incoming grain on truck receiving, and they would drop it into the dump, and it would go into the elevator and up in, and then it would go out on water. But the act of arriving by truck was called a truck dump. It was not a very glamorous place. It was very dirty, and it was a 24-hour operation that just ran and ran and ran. And that's how I learned about the grain business.

I was put together with two guys who were very, very good friends of mine who had been around for a long, long time, and they educated me. That was the education that was frankly not only an inspiration, but also it was so good and basic and so down to earth that I probably learned more—and this is just speculation—than I would have ever learned in a formal process. To this day, they're all good friends of mine, although, unfortunately, some passing. But it was there I really started my career, and from there I went from Chicago to a number of cities. I travelled a lot. I came back to Minneapolis, which is the headquarters of Cargill Incorporated, and I spent my time running the corn desk, which it was called at the time. My relationship there in that job was basically with all of the worldwide Cargill grain operations, whether it be in Asia or wherever it might be.

So that's where I got my global background, and that is what took me to the end of my-- Not in Chicago, but it was that backing that then caused me to move—gosh—from Chicago to-- I came to Winnipeg. I lived in London. I ran the London grain business. I came to Winnipeg. I was in Geneva, Switzerland. Just a wonderful opportunity and wonderful training to become a successful, I would say, successful trader. Then from Geneva, I was asked to come back to Canada to run our Canadian business, and I then became the president of Cargill Canada. And when I retired, that was the position I had, but my duties were not really all Canadian. They were all over the world because we didn't work from an office. We worked at an office, but we worked with the customers, and so travelling was a very important part of it and customer relationship. I happened to have done a very good job in that regard because, for one reason or another, none of the nationalities or languages was a barrier or was not inconvenient. Quite the contrary. I struck up wonderful relationships not only with our own employees, but with the employees of other countries and other customers. So it was quite a very interesting and fulfilling career.

NP: What years did that span? So--.

KH: Well, I started--. Kaaren, when did I join Cargill? I'm at the stage of a little bit of memory lapsing here. When did I start?

KaH: '64.

KH: '64, and retired when? Four years ago.

[0:05:03]

KaH: 2005?

KH: Yeah 2005.

NP: So a good, long career.

KH: Long career, yes.

KaH: 40-some years. [Laughing]

NP: Yeah. So I'm going to actually go way back even before.

KH: Sure.

NP: Where were you born?

KH: Born in Calgary, Alberta. My parents were Albertans, and my grandfather was a large farmer there. Really, not a large farmer, a large cattleman. So that's where I was born and grew up. My father was transferred--. He worked for Safeway, Canada Safeway, and he wound up being transferred to Winnipeg, so I then came at a very young age from Alberta to Winnipeg. So my years in Alberta were not very long, but my family ties have been firmly rooted there. So that was an interesting exposure, but I was young enough that you could take me anywhere.

NP: And you mentioned that you went to the University of North Dakota. What did you study?

KH: I studied business economics. North Dakota's a state university, which means it's supported by--. It's basically an agricultural university. One of its former titles it was referred to as an agricultural university. I did that because I didn't know where else to go.

It was easy to get down there. So I got in a car. I was here, and I was working trying to make some money. I was working for a company that my father was with, and I said, "I've got to get out of here and do something." So one day I said, "Listen. I'm going to go down to Fargo, North Dakota because I've heard some people talk about it. There is a university there. They have a hockey team there. They have all the things that we all love."

And I actually was told-- I called, and they said, "Well, come on down." It was just something like, "Well, come on down and visit us." So I got in the car one day—making this longer than it should be—but I was treated wonderfully. Everybody said, "We'd like to have you here. We need a Canadian here." And things like that. And it was affordable. I had no money, and they had a wonderful loan plan. It was very supportive. They said, "Don't worry about that." I said, "I have no money." "Don't worry. We'll take care of that. We'll give you a student loan and all that sort of stuff." That was what kept me in Fargo, and I knew nobody. So I went to a place and I said, "Can I--." In the university they have placement, and they said, "There's a person out there who's got a room in the house very close to us, and I think you can probably get lined up there." They called and said, "You've got a room." I went over there, and that was where I started.

NP: And the rest is history.

KH: And I knew nobody.

NP: So being a Canadian in the States, obviously, when it came time once you graduated, did you just fall into the job with Cargill?

KH: No, that was the other interesting part of it. There is quite active—and there still is quite active—recruiting in universities, but down in Fargo, North Dakota, because it's agriculture, companies like Cargill who are looking for people with agricultural backgrounds were very aggressive and very interested in hiring people that got the right kind of education. It was not a rocket science training university. It was basically people who were interested in working in agriculture. That didn't mean you had to go out and mow the fields and everything, but in that area.

NP: Did they recruit for particular jobs, or did they recruit for a sort of trainee program?

KH: It was a trainee program, and they came down quite often, as did other companies. And I interviewed with Cargill, and the guy who interviewed me said, "Hey, we like you." He didn't have more than an hour's exposure to me, but he showed some interest, and he said, "What we'd like you to do is come down to Minneapolis. That's where we really do our recruiting." So very shortly after that, I went down there, and then the recruiting process was extremely impressive. You were interviewed by only vice presidents of the company, and there were six, seven interviews. One black ball, and you did not get a job offer. I went through that

process, and they offered me a job. Very shortly after, they sent me off to think about it, and I accepted that job offer, and that's how I started. I went to Fargo, I didn't know anybody there, I just had a job which was great, and I thought, "Well, I'll go from here and see what happens." So the rest is what I have--. We talked about very, very briefly is--.

[0:10:02]

NP: So when you started with Cargill then--. You know, 100 years from now, people might want to know something about Cargill. So Cargill's a really big company. It's not just grain elevators.

KH: It's the largest private agriculture company around at the time. Certainly, very, very large, yes.

NP: What were its major divisions?

KH: Oh. That was one of the fortunate parts about the company. When I joined, it was already 75, 80 years old. Like, I can't remember what it was, but the family had made a point of saying, "We just aren't going to be in one part of the agriculture. We want to be big in all of it." They had a family interest that was quite strong. So they'd put you somewhere. I started out in the grain division, and then you moved into a couple of others, and you moved around. It was basically, oh, probably an eight- or nine-month--. "Check out all the places, and we want the people who run those businesses to see how they feel about you." That's how they determined where you would land if you were going to be permanently on hire. I was offered a job right away, very quickly, and there was no--. They decided very quickly, "Did they like you or not?" A lot of personality involved in it. There was never, "Here's where we're going to put you to start out with. We'll find out where you wind up after we go through a process." I wound up in the grain business, and that's how I got into it.

NP: Were they actively seeking people from other countries? So I mean, your being a Canadian wasn't something that turned them off? Did other people from around the world also come to work for Cargill?

KH: Well, yes. But Cargill was already very diverse around the world, so if they wanted to hire a Brit, they'd interview in Britain. There was no sense going to China. So their recruiting was done locally by the various divisions and divisions all over the world, and the divisions were basically run on product lines—maybe grain, flour milling, whatever it might be—and they might be part of a larger group. But you were slotted into a specific part of the business pretty quickly to see if it worked, and if it worked, it really worked well, and if it didn't, you'd go to another division. And that's--.

NP: And you liked grain?

KH: Oh, I loved it. Yes. I loved it. But I didn't dislike anything. It just happened to be the first place I went to. One of the exceptional parts of Cargill is they have a very warm environment. People aren't looking over their back. It's all for one. In fact, they insisted that you work together. And there would certainly be a manager, certainly there would be a hierarchy of decision making, but it was always on a very everybody's involved and taken into account. That's how you got such a wide view of the businesses. In the grain, it's not only the grain business. Well, it's a huge business. I could have been a corn merchant, an oilseed merchant, or whatever you want to call it, but you basically did a lot of it—all of it at one point in time—so you got the widest width of what the business was all about.

NP: When you finished your training and moved around to get a feel for the company, your next move was to Buffalo. Buffalo? Chicago?

KH: No, no. no.

NP: Chicago.

KH: Chicago. It was to Chicago because they'd decided I should be in the grain business. And the grain business is simple but complicated. The best place to learn it is where they really-- [Laughs] Where the wheel or the rubber hits the road. In the Chicago market, it was the largest elevator, one of the largest in the US—water, truck, rail. It was a very diverse way of originating grain, and when it came in, and when it went out, and the people you talked to, and who you dealt with. So it was a great milieu of exposure.

NP: So I'm going to try to transport you back there to when you first sort of showed up at the elevator. Can you remember that day when you reported for work?

[0:15:08]

KH: Oh, I remember it very well. Yes, I remember.

NP: Tell me about it.

KH: I was introduced to a guy called Lou Seals and he'd been around for years, been there for his whole career, and actually died-- When he retired [sp?]-he passed away—which was not long ago. Was there. That was just his niche because what you did was you call up everyday, or got called everyday, every customer, every farmer, within 50 or 100 miles to sell him grain—buy grain, I

should say—and then originate it in that big area. Trucks would go out and bring it in, bring it to Chicago, dump it into the dump, the truck dump, then it would be stored and go on a ship to somewhere in the world very shortly. It was just a machine. It was a great, efficient pipeline. All of our competitors had the same kind of situation somewhere else, if not in Chicago, Toledo, or wherever it might be.

NP: Was that your first experience with terminals?

KH: That was my first experience of anything.

NP: Yeah. And what did you think of terminal elevators?

KH: Oh, it was great. It was a union environment, but everybody was good guys, and they all worked together. Not many people, by the way. There would be-- Well, I shouldn't say not many people. There'd be a fair number of people running and working the elevator because it was 24 hours a day, just went 365. There was a lot of coordination. Trucks coming in, stuff going out, all sorts of commodities. It looked and sounded simple, but it was very complex. So the amount of coordination and frankly cooperation was the key to making it work. And everybody worked together, and you got involved with everybody, and it was just a wonderful exposure.

NP: In terminals that I'm familiar with, which are the Thunder Bay terminals, the staffing of those terminals was largely—until recently—largely ethnic groups, many of them who came over from, well, Italy, Finland, the Ukraine, and so on. Was that the same kind of mix in that Chicago elevator?

KH: Well, it was certainly ethnic, but it was every background you could imagine because they were good workers. This was not easy work. You're in an environment with a lot of dust and things like that. Explosions were, at one point in time, very common in elevators because somebody screwed up. But it was a question of just doing your job and doing it as quickly and as good as you can, and just work, work, work until your job was done, and then go home and have dinner and sleep and come back the next day. The pay was good. Everybody was unionized. I wasn't, but the workers in the terminal were. All friends. You're living in the same building, basically the same room, and so you had to get along. Everybody was happy-go-lucky. So our Christmas parties and all of the social events and things like that were all combined. There was an integration that was not even spoken of. It was just natural.

NP: Now, I'm a little afraid here of jumping ahead too far. So I think as much as possible when you answer this next question, if you just don't use all of the knowledge that you've gained in the meantime, because I wanted to ask a comparative question. A lot

of our interviews, obviously, have dealt with the operation of terminal elevators and challenges that are faced. So was that the only terminal elevator you worked at in the States?

KH: Yes.

NP: And even in Canada, because by the time you came back to Canada you were--?

KH: yes, yes, yes.

NP: Working in management. So like here--.

KH: But I was there for three years.

NP: Yeah. So you have the rail, the shipping, the actual elevation, cleaning, and so on.

KH: I never--.

NP: Was it pretty much the same in the States as here, that basic operation? Or was there anything you noticed that was different about how things were done there?

[0:20:01]

KH: Well, when I got to Canada or wherever it was, yes, it was different because of the scope. The elevators in the US were huge, and they would load into ships that were going all over the world, and they'd be lined up for ten days waiting for the grain. So it was just a pipeline that just never stopped. 24 hours a day. The elevator was open 24 hours a day. The elevator manned and--. So it was really a pipeline. They had the location to do it. One of the largest grain or agricultural growing areas that did everything from soybeans to you name it. That's why Chicago and Toledo and other places became as popular and so significant as they were compared to smaller places. When a ship came in, that ship was there to get it and get out real quick. So you're talking vast quantities. A lot of be on time. Time is money.

So when you're talking about origination too, my job, I'd call up every day probably 25 to 40 farmers and tell them what their grain prices were, what we were doing, and what we needed, and buy the grain or soybeans or whatever it might be from the farmers that were in the delivery area. It sounds very simple, but it's extremely complex because it all came in in trucks. So when you've got

100,000 tonnes of wheat coming in on trucks that are carrying, you know, maybe 50 bushels in some cases, it took a lot of trucks. It took a lot of efficiency, and it was, as I say, a 24-hour-a-day business. Sometimes I'd work from-- Well, I didn't work those hours because I was basically a buyer, so the people that wanted to sell, they had to sleep too. [Laughs] But the pipeline of the business today and then as well, but particularly then—I should say still today—is really just like that, on-time delivery.

NP: So what were the rail-- Was there a rail facility there?

KH: Oh, yes. Huge. Huge.

NP: And did a product come in on rail or mostly go out on rail?

KH: Oh, it would all come in on rail. Well, it would come in on truck and go out on rail, and we had five different railroads of one sort or another. No, it just sort of went in its normal way, and some people would say, "Gosh, that sounds complicated." It was, but if you do the job right, and you train right, and you build your facility the right way, and you had your relationship with the sellers and the buyers.

NP: How easy was it? Like, coming in, first of all, you're a Canadian, you got your training in the business in Minneapolis, and yet when you went to Chicago, you had to communicate with people you didn't know initially. How did you work your way over that hurdle?

KH: Well, they were all like me. They all came from all over the world, and they all had gone through it all, and everybody understood it, and--.

NP: Well, what about the farmers? Because you would have to have some kind of relationship with the farmers.

KH: Well, that took some time. They didn't put you on the biggest account until they knew you could do it properly. It was very well organized in that respect. And after a while, these farmers, we'd been in business years and years and years doing it this way, so they understood, and they have young kids that have to come up and learn. So it was not foreign to anybody, and in some cases, you hit it off very, very well, and there were some cases where you didn't. Where you didn't, you didn't call that person very often and vice versa. [Laughs] But generally speaking, I called virtually every customer that we had, and most people did-, because they're interested in, "What's the bid today? When do you need it, and what do you want?" You give them that, that's all they need to know. They don't want to know what you did last night or what your girlfriend did. It's, "Okay, and when does the truck have to be there? When's the ship leaving?"

NP: Yeah. So very much--. I'm thinking now. I was talking, as I mentioned earlier on, I interviewed Denis Hunter this morning, and he worked as a buyer for one of the country elevators, of course. Getting to know everybody personally was a big part.

KH: Critical.

NP: Of his job.

KH: If you didn't hit it off, then you were gone.

NP: Yeah.

KH: They'd move you somewhere else, or they'd just say, "Maybe you aren't made for this business."

NP: So you were there three years, if I recall?

KH: Three years, yeah. Three years. It was about three.

NP: Then how and why did you make your next move? How, why, and where?

[0:25:00]

KH: Oh, where did I go from there? I guess I came to Winnipeg. I have to think about that. It really wasn't a question of when, why, and where. It was just a question of--. Well, it is, but when are you ready to go somewhere, were you ready, and where do we need somebody? So I could've gone one day to Des Moines, I could've gone the next day to New Orleans—all the places where Cargill had facilities—and that's how you really knew you were going to one of those facilities next. It was all really North American. There's the uprooting of families and things like that, so it was all pretty well coordinated. And so--.

NP: Did they expect you to move around?

KH: Oh, yes. They told you.

NP: Oh, okay. That was an expectation.

KH: “This is a job that you’re not going to be in one spot for very long, and so when you get married and then when you have kids, your family should understand that there’s a fair amount of travel or moving around.” But you’d only do it three or four times until you got to a spot where you’d probably stay for some time.

NP: Yeah. So you left Chicago. What job did you post into?

KH: When I left Chicago, I came to Winnipeg, and that was quite a change, but they did that because I wasn’t buying grain in Winnipeg. They wanted me to learn more about the business. So virtually 100 percent of the moves were made to increase your knowledge and increase your skills, not to do the same thing. Well, you might do the same thing but at a much different level.

NP: Or at a different place.

KH: At a different place. But it was really--. And once you started to buy grain, you got to know a lot about the business and everything.

NP: What--. And if you remember the years, I’ll find that very impressive. When did you move to Winnipeg?

KH: Came back to Winnipeg in 19--. Oh, gosh. I don’t remember when I came back here. When I came back to Winnipeg--.

NP: Had Cargill opened their operation in Thunder Bay yet?

KH: Oh, yes. Yes. We had--. Yes.

NP: Okay. Was that ’74 that they took over from, was it, National that was there?

KH: National. Well, I wouldn’t--. I consider National Cargill, but yes. We bought National, I think, at that time. I can’t remember. You know, I did so many things, and those were sort of *pshew!* Flew by. [Laughing] Just flew by! But it was always with the intent--. I was told when I was coming back to Winnipeg, when I had been in Winnipeg for a reasonable amount of time, that you know, “Don’t buy a house and expect you’re going to be there for very long.” In fact, one of the senior people said, “Kerry, you’re probably going to move ten times in your career. And that’s the business. If you want to grow in the business--. And it might be anywhere in the world.” And as it turned out, he was right. It was about eight or nine times and lots of places in the world.

NP: So what was your job in Winnipeg then?

KH: I came here, and I ran the grain business, then I eventually ran the company in Canada.

NP: So somewhere along the track there, you had trips to London?

KH: No, not too many because the business in Canada, or even in London, you aren't--. Cargill wasn't a grain company. It had 18, 24, 36 at one time product lines, businesses that all were run from--. In London, they had all these different businesses. The same in Winnipeg. Everywhere you went. And so, the job was basically expanding your knowledge. You're doing the grain desk, and then you move, and you'd do oilseeds, and you'd get more involved in something else. [Telephone rings] Can I get that? Is my wife still here?

NP: I hear her. **[Audio pauses]** Off for the telephone.

KH: Okay.

NP: So there. We're back on. Did Cargill find it difficult to make headway in the Canadian market?

KH: Oh, no. Not at all. Cargill bought a company here. I can't remember the name of it. We didn't--.

NP: Oh, okay.

KH: Oh, gosh. What was that? I can't remember. Anyway, Cargill expanded quite a bit by buying companies that were not going to go very much further. People wanted to get out of the business. Or saying, "We can do it a lot better than them. We'll make our own and put them out of business." That's not meant to be that gross or that tough, but that's what happened.

[0:30:06]

NP: Not cutthroat, but just by doing a good job, you can--.

KH: And that was just a natural part of life. If you're better at something than somebody else, you're going to do better at all of the things that you want to aspire to. The grain business--. Well, we're going to get into, I suspect, some things that are going to be interesting, but I'll just make a general statement right now. The grain business and the future for the farmers right now are

probably as bad as they've ever been before. For all of the changes going on, this is just totally ridiculous. So the aspirations of the Wheat Board and the government, they're destroying part of the business.

NP: Hm. That's interesting.

KH: Well, and then, of course, the demise of the Wheat Board should have been the biggest signal that anybody ever got, but it just didn't.

NP: Let's come back to that because--.

KH: Yeah. But I want to go on to just where we are right now. And now you've got the farmers don't own the companies anymore. They aren't involved in them, and they're from all over the world. And they're wonderful companies. These are big, big, really good companies. You might hate them because--. But they're good because they do a good job, and they're successful. And this fighting and trying to keep people out of the business and having--.

NP: Well, yeah. Let's deal with these separately.

KH: Okay.

NP: Because I think just from the standpoint of being able to—what's the word I'm looking for—to catalogue the recording, it's sort of good to keep a stream.

KH: Okay, yeah.

NP: When you took over in Winnipeg, you worked in the grain divisions and then moved up to the chief position. Was that CEO of Cargill here?

KH: No, I ran the grain business.

NP: Okay.

KH: We had five--. Oh, gosh. Five or six different divisions all under the same, really, roof, but everyday when they came into work, they had five different responsibilities and, really, objectives. Grain origination, oilseeds, flour milling, a whole number. The

diversification was very important. So those smaller divisions got as much support as they could and were moved along as quickly as they could because we wanted to be everything to the farmer. You can't just do one thing because the farmer needs more than that. By the time he rolls the soil the plant the crop, fertilizer, seeds, all sorts of things go into that process, and it's very complex. Farming is not an easy thing to do.

Our opinion always was and still is that if you don't have a successful farmer you're dealing with, then you're not going to sell. I mean, so make sure you help them become as knowledgeable and as assisted and supported as we possibly can. That's what made us, I think, stand out than most other people. We really--. When somebody needed help, needed a little break here or there, we tried to give it to them. If they were a good customer in a tough time or bad crop, we did our best to try and support them as much as we could. We didn't care what nationalities they were, we didn't care what they grew, and we didn't care who we did business with, but we were fortunate enough to be a large company. I must say, when I sometimes talk about how well we did, we did well because we reached a point of momentum and size where others couldn't do what we could do and they couldn't afford to. We didn't try to put those people out of business because they had customers too, and those customers were probably ours as well.

And so, if you tried to really bully somebody or overwhelm somebody, it didn't work. There's a dynamic of culture that was unspoken, unwritten, but it was really there to make sure that your competitor--. You hope you have a good competitor, one that keeps you on your feet. We always wanted our competitors to be just as good as we were if not better because that's the only way you learn. If you get behind, then you're in trouble. So when somebody came up with a new way of moving grain or whatever it might be—building an elevator or even doing business—we were as quick as they would be in trying to steal that idea and learn it ourselves.

[0:35:35]

NP: From an organizational standpoint, was Cargill set up the same way as the other operations were where they had divided up into regions? So that the Prairie provinces were divided into regions, and they had regional managers and--.

KH: Yes. And that would be really signified by where our elevators were located. Where the elevators were located is where our business was, and the bigger the business, the bigger the elevator. That was sort of how you expanded and how others did. If you had a competitor who was really good and you were going to have a tough time moving them up or away or taking market share from them, you'd probably avoid that a little bit. There were dynamics, just sort of when you were making decisions, you would have to take all of that into account. But the one thing that never happened—well, I shouldn't say never—but hardly ever happened is somebody lying. Your word is your bond, and that has gone through the industry forever. Your word is your bond.

That was something that if you let that one slip, you really had problems. So once you said, “Done. You’ve got a deal,” if you made a mistake--. When I was young, I made a couple. Paid too much or whatever. Company: “Don’t do that again, okay? We don’t like that.” [Laughing] But that’s all they said, “That’s not what we do.” I didn’t do it on purpose. It just happened that way, but the industry has its own penalty system and reward system.

NP: And from what I gather from interviews with other people, for a pretty competitive industry, there’s a lot of cooperation.

KH: Oh, a lot. Yes, a lot. Particularly when you’re shipping and buying, meeting shipping deadlines, whatever, oh, yes. An awful lot. People talk about weather in the agriculture business in terms of if it’s going to grow or not grow, but weather is also such a huge factor in terms of moving a perishable commodity. It starts right at the farm, but it goes all the way when it gets on a ship, when it’s on the ocean. It’s always there and has to be taken into account. And so, there are a lot of things that you had to be aware of and take care of, but there’s all sorts of other things that were maybe not hitting you as badly as they were somebody else. In terms of cooperation, helping out, yes. There was quite a bit of that done very quietly.

NP: When you came to Winnipeg and were immersed in the Canadian system—because it was at that time, I think, a fairly unique system—what did you learn about the Canadian grain system? What sort of were the surprises or disappointments about what is unique about the Canadian system?

KH: Well, having come from the US system, the Wheat Board and the Wheat Board’s control and power was flabbergasting. I mean, it was really a--.

NP: Dictatorial?

KH: Dictatorial, and it was stifling for the farmers in particular. Very stifling for us. Now, we managed all that. It didn’t hurt us at all, but it was very frustrating. The Canadian system was basically the same as the US in terms of you want to buy it as cheaply as you can. You want to get as much as you can. You want to give the buyer as good a deal as you can, and you want to get it into the pipeline, et cetera, et cetera, et cetera. So the basics were pretty much the same. A lot of the smaller firms just didn’t have the ability to do that financially, but they did great jobs. In fact, sometimes the smaller firms did better than we did. We got—the larger firms—we want the big deal. Don’t come to me with a carload. Let’s get a trainload. But that’s over said.

[0:40:28]

NP: Well, a little bit more flexibility and lightness on their feet, a smaller group.

KH: They could be. Yes, they could be, but at the same time, the economics of the business were dependent on volume. You know, you got a heck of a better price if you were shipping 100,000 tonnes than if you were shipping 1,000 tonnes. So there were just the basic obvious things of economy of scale. That was really what drove your business, and that's why sometimes you'd have a great harvest in Moosejaw and terrible somewhere else, of wheat or whatever it might be, and it was very--. We had to manage relations of what we were doing in those areas because somebody had a poor wheat crop, but they had wheat. But they only had a truckload or two truckloads. And somebody in another place had a huge crop, didn't get hurt at all, and they wanted to sell 25 truckloads at a time. Well, of course, volume was important because you can ship volume a lot cheaper than you can smaller amounts.

It was things like that that really worried some people, but we tried to, very honestly, tried to make sure that we didn't over play that particular situation because we were a big company. If somebody had a large crop, we could buy a lot of it, as could many--. The Pools were also the same way. That's where we differed because the Pools were owned by the farmers, and the farmers demanded they get the best, even when they probably didn't deserve it, and the Pools were at a disadvantage. They never would admit that, but they really were. And I don't say that in any way other than we could play the tone and play the hard or the soft part a lot easier than they could.

NP: Was it--.

KH: It was not a practice, by the way, but it was sort of--. The considerations when--. Somebody said to me one time, "Well, when you're a grain buyer, what do you do, besides call somebody up?" "Well, you give them a price. You ask them how they're doing, what the family's doing, and you sort of get a feeling of "Did they have a good night or a bad night or are they ill?" We knew exactly where the troubles were with the crop quality, so we tried to play that particular aspect of the business in a very, very honourable and fair way. We talk quite often about how others didn't do that. Your word is your bond, but your customer is your customer and never forget that. We really spent a lot of time in that.

NP: When you took the assignment here in Winnipeg, was somebody retiring, or were they doing a shift moving people around?

KH: A shift. What happened, I came here, and the fellow that I replaced was a Brit, and he then went back to run part of the British business. I came and took his as it so turned out, but not by plan or foresight. I actually then went, I moved to Britain, to London, and took over the British business.

NP: So was this after you had come back to Winnipeg?

KH: Yes.

NP: And then you went over to London?

KH: When I came back from where?

NP: From Winnipeg. When you came to Winnipeg, was that where you ended your career?

KH: No. I did end my career in Winnipeg. I came back and wound up--. Yes.

NP: So when you took the job in Winnipeg, what were your ambitions for the company?

KH: Well, I didn't have to have any ambitions. I have to say this carefully. Coming into a wonderful company, very successful. They were--. [Telephone rings]

[Audio pauses]

NP: I think she got it. Yeah.

KH: Okay. Let's go back. Where was I?

NP: The question was did you have goals or ambitions for the company, targets that you wanted to accomplish?

[0:45:04]

KH: Well, one of the things the company does is let you know how you're doing. I mean, it was done in bonuses or give you this to do, et cetera, et cetera. So it was pretty easy to figure out and know how you were thought of. I was fortunate. I was about two, three years older than the other person that graduated the same year as I did because I quit and worked and ran around a little bit. And so, I think I was a little bit more mature. No, there was a lot of consideration in terms of how you handled yourself, how you knew you were doing, and Cargill was very supportive. They aren't going to hold onto anybody who isn't going to make it if it was pretty clear that--. They made it clear, "Listen. You know, your job here is--. Give you a year to get things sorted out, and after a year, let's try another year or two." Not quite like that, but that's how it all came out. You would know pretty quickly if you were

not pulling your share. It would be certainly after a lot of attention, a lot of support. What happened, quite honestly, is most people just quit and found another job. That was a very good way to solve a problem.

NP: Well, and by keeping people informed of how they're doing, then it's not a surprise to them when they aren't improving that eventually they have to move on.

KH: You're absolutely right. And one of the things I never—until we were just talking right now—I never thought too much about, but they had a very good way of telling everybody no matter what your slot was what kind of a job you're doing. There are some people who are running a business who are really getting the results, but their style or whatever was just lousy. Cargill—I was quite impressed by this—spent as much time coaching in terms of how you do things as much as what you do. That was part of our secret when we hired other people or were looking for people.

NP: A good training program, by the sound of it.

KH: Great, great training program. Great training program. You didn't sit in the desk, and somebody say, "Here do this and make that call." "Here's what we like to do, and here's how we do it. So go and do it." When somebody gets something to do and knew they had support, they could, likely, if they were any good, could get it done in one fashion or another. That's what you judged as the person's skill or capability of what you really want to have in the final product. So coaching was a lot of time. Lot of time.

NP: Because our project is sort of co-centred in Winnipeg and in Thunder Bay, I'm interested in your thoughts about Cargill's operation in Thunder Bay.

KH: Well, of course, I don't know what is going on right now. I'm not in--.

NP: Well, during the time of your career. You know, anything that pops into your mind about the--.

KH: Well, I was lucky. We built Baie-Comeau, and there was Baie-Comeau, the largest elevator. It gave us a wonderful opportunity to do things, and in doing that we had to get our business in Thunder Bay bigger and better. Because of those two focuses, people in the industry wanted to work for us. So we had an opportunity to pick. We had a lot of people. It was just amazing how many people came to us and wanted a job. It wasn't because they didn't like what they were doing. They just said, "Hey, we want to be part of Baie-Comeau." It was a big, big deal at the time. Still is.

NP: That must have been a fascinating project to be a part of.

KH: Great project. Great project. It was just exceptional.

NP: What can you tell me about it? Because so few terminal elevators have been built since about, what, 1930, that it must have been quite the--.

KH: It was driven by the Americans. They had all that grain, and they wanted to come up right through the Seaway and just get out there on the ocean as quickly as they could. Getting to the Seaway was the best way to do it because it had the draft. When you're moving grain in the US, you're in barges, and it's all sorts of things. There's flooding and there's silting, and so that was the obvious, the obvious way to do it. All of the supply process was going to be bigger too, and it could all be handled. So suddenly, you're not shipping 30-car train loads, you're shipping 120-car trainloads, and you're getting through the Seaway really quickly. It was just a wonderful advantage that Cargill had for a few years.

[0:50:14]

Then Dreyfus came along and a few others and said, "Hey, we're going to do the same thing," but they all did it for the same reason. We just happened to have done it sooner than others did, and Baie-Comeau is a wonderful port. It's deep water. You can still to this day load a--. The biggest ship they've got in the water can load there, and others didn't have that. So they then had to build other elevators, and those are all quite impressive. So we were lucky. I think we were smart. I think we were intuitive too about understanding what was needed and, "Let's do it and take the chance." The onus of the company, a privately-owned company, could say, "Do it." You didn't have to go through a whole string of command.

NP: And board meetings.

KH: And board meetings. [Laughing] It was just you'd have two or three meetings, "Here's what we think we should be doing and here's why." Make your case, and if they liked it, they'd say, "Do it." And if they didn't, they'd say, "Well, we're not ready, maybe, for that yet." So decision making was very quick. The owners, the Cargill family, wonderful family, to this day are just top notch. All involved in the business. Well, I shouldn't say--. They have a big, big family. But the ones that were involved in the business were involved. Their money, and when you're talking to one of the family, a yes or no means yes or no. [Laughing] There's not any maybe about it.

And the family knew everybody. It was only within, I don't remember the time, but a short period of time I met one of the family people. Went down to Minneapolis and--. [Coughs] Excuse me. That's how they ran the business as well. They travelled all around

and visited all facilities two or three times a year. We'd see Whitney McMillan of Cargill, or whoever it would be, up here in Canada two or three or four times a year. I won't name our competition, but you wouldn't see somebody who would come over from Europe once every five years. The attention to the business was quite different. The family wanted to expand the business. They didn't want to be just a grain hauler, they wanted to be in all parts. They wanted to diversify. "Okay, if we're going to haul and focus on wheat, let's get into the milling business. If we're going to be in the milling business, let's get into the baking business." So that vertical expansion was how they've become as big and as good as they are. If you ask anybody, "What got them into the oil business?" Well, the oil business was really something that came out of the ground, and they had so much bloody ground they owned or had rights on, it was natural for them to look at it and say, "Hey, maybe we can sort of do this thing too." That isn't quite how it happened, but it's just a--.

NP: It's not as far-fetched as it initially sounds.

KH: Not as far-fetched. Exactly. They promoted from within, and they knew everybody. After two or three visits, they knew you. You might get a call one day and say, "Kerry what's going on here or there?" I just joined the company three months ago. So they were very hands-on.

NP: Personal touch, yeah.

KH: And very good at it.

NP: During your time, you said that the Baie-Comeau operation was up and running, and as a result, things had to be expanded in Thunder Bay. So were there additions to the facilities in Thunder Bay do you recall?

KH: Yeah. We expanded the facility, yeah. We bought a couple companies out. I can't remember who they were, but yeah, we did. I can't remember who it was. I mean, they weren't big deals, but Thunder Bay was more--. Once you had a good elevator and people were prepared to work around the clock when the time was right, you were depending on rail and the fleet on the water. So we also owned a fleet of ships.

NP: I was wondering about that.

KH: Yeah, we did for some time, and it was very successful. We didn't own our own railcars. We didn't have to. The railroads didn't want to, in fact. [Laughing] But yes, we had our own fleet. We discarded it. I don't think they have it anymore.

NP: No. Not that I've seen.

KH: No. It was never called Cargill, by the way.

NP: Oh, it wasn't?

KH: No, it was called--. I'm trying to remember. And then we'd have long term commitments. We'd go to one of the steamship lines and say, "We want those ships for ten years, five years."

[0:55:04]

NP: And because you're big enough, you can do that.

KH: Yeah, exactly. And those were generally pretty quiet. But not secret. No, not at all.

NP: No, no. But just--.

KH: When we did it, others wondered why we did it. I shouldn't say wondered why. They were a little bit surprised, but it didn't take them long to understand why when there was a big crop and suddenly, they can't get ships and we could. [Laughs] So it was just one of those small things that turned out to be important. I have to be very careful when I say this, and I would say it wasn't under my reign. Cargill management did some pretty good things, some pretty good smart things. They were innovative, did it for the long run not the short term, and if you let your foresight and intuition say, "You know, this is likely going to happen, and if it does what do we do?" I think that Cargill was probably as good if not better than any of our competition in running our business that way.

NP: Predicting?

KH: Predicting and then saying, "And if we're going to predict it, well, then let's do it. Let's be ready for it."

NP: So when you--.

KH: But I say that carefully because the people we've been competing with, our competitors, the big boys—Dreyfus and all the others—very good companies. They're all very, very good companies. It wasn't because we were better or smarter or richer, but we

probably just had a style of doing business. We were probably prepared to take a bigger risk, we were prepared to take a bigger bet, or we just said, “Our people say we should be doing this. They’re right. They’re there, and we’ll hold them accountable.” And they took a lot of chances on recommendations that we made.

NP: When you think to the start of your time in charge of the Canadian operations, what were the--. Were you in the same boat so to speak as your Canadian competitors as far as rail shipping was concerned. It seems to be a perennial issue. Was that something that created a bit of difficulty for you too?

KH: Yes. Interestingly enough, it was the size of your facilities, your country elevators. How much could they hold? What sort of rail siding did they have? Could they take 20 cars, 50 cars? Could they take a whole trainload? It was things like that. There was no secret, it was basically were you willing to put the bet? Pay for the bet and do it. We and a couple of others did the same thing. I mean, Richardson’s were pretty good at one time, and they still are. In fact, they’re a very good company now. Very good company because they’ve got some of the Cargill employees. Well, I shouldn’t say that. [Laughing] It was really that coordination. What people never realized—I shouldn’t say never—I don’t think people realized how important your elevator manager was to say, “I think that we’re going to do this, and I think we should place a bet on it.” We had a lot of that input, and we were influenced a lot by that opinion. The people had good reputation, good track record, and we said, “Well, let’s maybe do that.” Most companies never admit that a lot of their great decisions come from places that you would never expect it. [Laughs] But for Cargill--.

NP: Yeah. From the guys who were on the ground.

KH: Yeah, and that was the case. And we really valued that.

NP: Yeah. I’m going to ask a little series of questions. You’ve answered some, so I’m hoping I’m not repeating myself. If you think about the work that you did—and we are concentrating on the Canadian element of Cargill’s business because this is a Canadian project—if you think about the work that you did here in Canada, how do you think it contributed to Canada’s reputation around the world?

KH: Oh, that’s a tough question. But I think how we did business was what made a big contribution. Our word is our bond is something that we used in Cargill, they used, and they use today. Very important. Our word is our bond. So when we say we’re going to do something, if we don’t, well, we pay for it. But you don’t put that kind of a reputation out on the table without giving it a lot of thought, especially if it’s a big decision. There were some things that Cargill did—quite a few when I was younger or before I got there—that were just outstanding, turned out to just be marvellous decisions.

[1:00:43]

NP: For example?

KH: The Seaway and the rivers in the US, going down to the Gulf. They were the first ones that said, “Gee this is going to be a huge waterway. Let’s build the biggest ships that can carry grain down there. Let’s make sure we get the right draft and all sorts of things. Let’s have a flexible fleet. Let’s make sure we have lots of elevators on the route because you can’t drive onto the water. You’ve got to come right to an elevator.” They expanded their network dramatically and got way ahead of everybody else. They got way ahead because they didn’t have more elevators—well, they had more of their elevators—but a lot of other people had elevators too, but not as many as Cargill invested in. When they decided they were going to do something at that particular point and in that particular sector, they really did big time. And--.

NP: Was--. Sorry.

KH: So it was that sort of thing. When you’re a private company, you can do that.

NP: Yeah. Was there ever a situation—and as you know from the letter you received, you can refuse to answer any questions that you don’t feel comfortable with—was there ever a time when there was a competition between Canada’s interest and Cargill’s interest that you ever had to face?

KH: No. I know what you’re saying. No. And this is strictly from the family. The family said, “We’re not going to have any of this regional stuff. The minute we see that, whoever is in there, they’re gone.” Because that becomes an epidemic. It’s a bit like they want to feel--. They have different rules for Saskatchewan than they do in Alberta or whatever. No. We never did. We made sure that we never got into that trap, although a couple of times we did by mistake. I mean, it was not intentional.

NP: [Laughs] Sort of stepped in something.

KH: Somebody said--. Oh, yeah. Should not have done it, but there we were. Again, your word is your bond sort of gets you caught up in things you don’t want to be in, but no.

NP: It wasn’t a big issue?

KH: No, not a big issue at all.

NP: No, because they were--.

KH: Some big bets that made you nervous, commitments that, "Oh, I hope this thing works out," but no, it was not anything like that.

NP: Mmhmm. Yeah. What--.

KH: That I'm aware of, I should say.

NP: That you're aware of, yeah. [Laughs]

KH: That I'm aware of.

NP: One of the centre underpinnings of the Canadian system was the Canadian Grain Commission [CGC] system. What was your interaction with the Canadian Grain Commission? What comments do you have to make about that?

KH: It gave us a great advantage, great advantage in the world. I mean, they had a measuring system, they were highly respected. The Grain Commission was sort of the mentor and the ruler of quality in all sorts of things. Many countries didn't have that. It was a great, great, great opportunity for us, and it paid us off well. I mean, sometimes they were not appreciated, but the fact that they were there, and the fact that we had a place to go to get conflict--.

NP: Resolved?

KH: Resolved was important. Very, very important.

NP: Made life a little easier in selling product internationally?

KH: It probably did simply because people knew that the Grain Commission--. The Grain Commission had their own reputation, and they went out and visited the world, and they had the world in to see them. I remember many of those sessions, which I didn't appreciate too much at the time. I say that a little bit kiddingly. But I would have great--. The Grain Commission was a great advantage. A great advantage. They slipped a little bit by trying to be a little bit too powerful and influential, but we got over that, and things worked out quite well.

NP: Were there any specifics about--?

[1:05:03]

KH: No, no. It's a small organization. Big influence, but you know--. The commissioners were very good people. They were doing their best, and they were doing it very, very well. They, like everybody else, were not infallible, and so there were some things that they did that I thought were probably not the best thing to do, but no great harm was done. We all had great respect for the Commission. I don't know. I'd be surprised—I haven't even thought about this—but I'd be surprised if you talked to people who would say if you asked that question to them, "Oh, they were really a pain." You might have, but certainly not from us.

NP: I'm still waiting. I'm still waiting for somebody to say that. I'm pleased to hear that because my father was a Canadian Grain Commission inspector. [Laughs]

KH: Oh, really? Well, they did a great job.

NP: On the ground.

KH: When you had a problem, that's where you went to to get it resolved. "Is this right or wrong?" And what they said is what we would listen to.

NP: Now the Canadian Wheat Board [CWB] was always an issue for everybody within the industry. So when the--. And you would have been under this. What were the advantages and the disadvantages of working with the Wheat Board? Were there any advantages?

KH: Oh, huge advantages. The Wheat Board, they went out and made their name and their job and their reason for life known in the world, and they were better known and highly respected because they put themselves up better than the--. No, that's not the right--. They were the Wheat Board and nothing could happen. They set the rules. They were the keeper of peace and justice and all those sorts of things for everybody in the business. To quite a large extent, they were, and there was nothing wrong with having a Wheat Board. And during the years they were really up in the top, they would have people that wanted to come to Winnipeg to visit them, not to visit us. They didn't care about us or the other grain companies. [Laughs] The Wheat Board did a wonderful job of travelling the world. They had some very good people working for them. They took their job--. I shouldn't say. They had--. Well, they just--.

NP: They were respected around the world from what you could gather from your other--?

KH: Very much so. Very much so. No other country had the same system. So for the years they were there--. And it's changed dramatically now. They don't play anywhere near the role that they used to, nor should they. Their time, when it passed, you couldn't scramble back and recapture what they had, but they're still there as an influence. The farmers also liked them because here's the grain companies and, "Are these guys screwing us?" The Wheat Board presented themselves and acted as the arbitrator in taking the farmers' considerations into consideration more than--.

NP: Yeah. And in all fairness, I think, having--. I think I can fairly say—I'm a student of the history of the grain trade—that farmers could be suspicious of companies, but their suspicions might be unfounded.

KH: That's very true, yeah.

NP: And have someone, almost an impartial arbitrator, works to the company's advantage.

KH: Oh, yes. Well, farmers distrusted the size of the grain companies and the power of the grain companies dramatically. I mean, they were really--. In many cases, they probably had a good cause to feel that way. Not a good reason, but a good cause because they'd say, "Look at these guys! I mean, they're so damn big. They do everything." They set the rules. But in fact, the Wheat Board was very, very influential. Very involved in all of those things. I would say in the scheme of things and the fair assessment, the Board did a good job. They were necessary, and it's shown by the fact that when they started to go downhill, farmers panicked. There was a lot of concern in the farming community.

[1:09:55]

NP: Again, this may be a question that your loyalties you may want to sit back and not answer. But did companies—and you see, in our project, rarely, rarely, rarely have we interviewed anybody who wasn't retired because we felt it puts people in a position that's not really a fair position to ask them a question—but did companies, and in your case Cargill, did they sort of sit back and watch things unfold related to, say, the Wheat Board? Or was there a general feeling amongst the companies of all stripes that they needed to take an active role in what the future was going to be?

KH: With the Wheat Board you mean?

NP: Yeah, about the Wheat Board.

KH: [Coughs] Pardon me.

NP: And you can not answer the question. I mean, you could say, “I’d rather not.”

KH: No, no. No, I--. The Wheat Board reached a point--. And I won’t tell you what that point was, because it was really driven by individuals who fell in love with what they felt was their power and their role in life. And that was very disruptive, and quite honestly, we were quite concerned about that. When I say “we” the grain companies, but certainly I was at Cargill. We knew that they were making some decisions that either, one, they didn’t know what they were doing. They didn’t have all the facts. Or they decided that now they were going to step up and maybe be a little bit more influential and take a bigger slice of the podium. That normally happened when there was a change in the Wheat Board commissioners. None of those particular events turned out to be damaging for any length of time, but it was all individuals. Each commissioner, each Wheat Board commissioner, was a different character. Most were very capable. Perhaps their ambition or their—in my opinion, their ambition—or their view of the world was more accurate or bright than everybody else’s, but that’s just a normal human flaw.

They, a couple of times, stepped in to try and right things or make themselves look better, not to make the situation get resolved. They were yearning for adoration. What’s the right word? They wanted to be loved by all the farmers. And I can’t remember the year, in fact, I can’t even remember when it was, but you know, there was a significant downslide to the reputation and frankly the confidence that farmers had in the Wheat Board. It wasn’t dramatic. I mean, it didn’t do *doong* like that, but they started to get involved in too many things, and that was mainly not because of the board because there was no board. It was a bunch of individuals who called themselves the board or were called the board, and they changed, and different personalities would come in and different styles. Two or three board members, if they had a combined opinion, made a big difference, because they outnumbered the rest.

NP: Influence.

KH: Exactly, the influence issue. And that was their biggest problem. They didn’t manage that properly, in my opinion.

NP: Now, because of Cargill’s—or any company’s, actually—you have a divided customer base. You’ve got, at the time that you were with the company, you had the Wheat Board that was dealing with all of the wheat, and they were the ones that were working with the customers. And then you had the other grains—oilseeds—that you were marketing on your own. I haven’t had anybody

talk about marketing those other products that the Wheat Board wasn't involved in. What can you tell me about Cargill's marketing? Did you travel to visit international customers?

[1:15:11]

KH: We travelled all over the world, and frankly, the buyers from all over the world came to Winnipeg. It was interesting when Czechs, when the Russians came to town. They would spend more time with us than they would with the Wheat Board, when they were dealing with the Wheat Board. Now, we took them out and probably partied with them a lot more than the Wheat Board did. [laughs] But the fact is that we weren't the decision maker in their eyes. So we would talk about things, and we would say, "Consider this or that." They didn't ever have that kind of personal magic between--. When the Russians came to town, the Board, they were here to really--. It was down to the bare bottom to get this thing done.

NP: Get the signatures.

KH: Yeah, yeah. And that's the name of the game, and that's how it's played, and so everybody did it that way. But I can't tell you—and this, I wish it would be off—but anyway--. No, no, no. I can't tell you how many dinners or meetings we'd have with the foreign buyer that came over, mainly at the invitation of the Wheat Board on their normal trip. It was normal. And everybody who would say to us--. Somebody would say, "Why are they doing this? We don't want to do that." They were really quite grumpy about what was going on and would say, "What can you do? Can you help us?" We'd have to say, "No. I'm sorry. You understand the system, and the Wheat Board, they know what they're talking about. You might not agree with their opinion because I don't many times and vice versa, but you have to just live with that."

NP: Just actually sort of a technical thing. When you were selling the products other than the Wheat Board products, when you were selling to international customers, did the Winnipeg office do that, or was the head office the one that did the negotiating with--?

KH: No, we would. No, Winnipeg would.

NP: Okay.

KH: Winnipeg would.

NP: Yeah.

KH: No, no. I mean--.

NP: And how--. I've got a question about--. So I mean, you were one company selling, let's take canola as an example, but then you had Richardson's and the Pools. When you had the delegations from different companies or you went out to their countries to sell them those products, what was the dealbreaker or maker?

KH: Well, first the dynamics were you tried to find out when they were coming as soon as you could, and you tried to book your nights for dinner as soon as you could because the dance card was getting filled up very quickly. [Laughs] This is just between us. I mean, I know the machine--.

NP: No, it's not. [Laughing] But I can turn it off.

KH: No, no. But when they came over, they also liked to have fun. They came from constricted environments, and so going out and having a good time and a beautiful dinner and nice wine was something they just loved. So we would make sure we would do that. We became very good friends. The Board would do the same thing, but they'd sort of be expecting them to call the Board, whereas we called the customer. It was just the dynamics of how we got together and talked.

NP: But that dance card would fill up with Richardson's sales people--.

KH: Oh, sure. [Laughs] You might miss a dance! [Laughing] You might miss the whole ball! But it was important to have those conversations. We had one rule: We did not go out and make sure we got them drunk before we talked. We actually--It wasn't us--It was somebody else, but I'm close to the situation. They got themselves in trouble with the Russians doing that. They're travelling, they're going out, they're drinking, having a good time, and the next morning, even though they know they've got an important meeting, they're not--. They felt that they were taken advantage of on one or two cases, and we tried as best we could to make sure that we didn't have a meeting the very next morning or anything like that. But that's just the environment. It wasn't done by intention, I don't think. Well, it wasn't done by intention, but it was really a different--.

[1:20:02]

NP: Well, one thing I've learned about the grain industry as well that—I don't have to worry about what I say—they liked parties.

KH: Oh! [Laughing] Well, I think that you'll find that there's fewer than there used to be.

NP: Oh, yes.

KH: Because it was just the nature of the individuals, and the way things were done.

NP: Yeah. One of the other aspects of the grain industry, which I really admire is the research.

KH: Mmhmm.

NP: What was Cargill's involvement in researching into grain products? Was that something that--. Or did you have staff here that was in charge of that?

KH: We did. Well, we did have staff who were specialists, but they were working, really, with the grain guys in the grain--.

NP: The Grain Commission?

KH: Commission. Who did a lot of--.

NP: The Grain Research Lab?

KH: And they had the manpower. They had man and women power, they had the money, and that was their business. So we worked as closely as we could with them rather than spearheading a project, unless it was something that one of our own scientists had come up with in terms of a special trait in a seed, because they were better at it and they did it all the time. They talked to everybody, and they talked to us too. "Here's what we talked about. Here's what we told them." Whatever. It was never any--.

NP: It's almost like advisory.

KH: Yes, yes. And they were extremely good. The Grain Commission, I had a lot of time for. But no, we didn't have any issues.

NP: So during your time—and you don't have to limit it to the time you were in Winnipeg, but if you want to, that's fine—what were the major changes that occurred?

KH: In?

NP: Just in the business as you saw it, the grain part of it.

KH: Well, the biggest change was knowledge—without question. Everything else would be secondary. The grain business-- Well, first off, the access to information and knowledge, and forcing yourself to really learn about what's going on and why, getting below the dirt, getting down to the roots of what's going on down there, was very poorly done by most people. Big, large crop, we knew everything about it, and the farmers would tell us or our grain people would tell us what's going on, but we never did, in my opinion, a good enough job of saying, "Well, what is really happening and what are the ramifications? If this is happening, what does it mean?" Asking the questions, drilling down three or four times. That started to happen, oh gosh, really significantly in the '70s. Really in the '70s. Knowledge in this business is critical because you're talking about something that has a limited life, [laughs] can be affected and in fact destroyed by many things that are out of our control, not even anticipated. Nature does a whole lot of things that we could never even think of.

And so, the thing that I think we—and I say "we" collectively—but some of the "we's" more efficiently and effectively started to look at things broader than what was being discussed at the time. The grain company, when dealing with the Russians, it's a one event visit. They come here for a week, and in that week, everything's done—sold, bought, everything. For us, it's done over a longer period of time. It's not just one visit. You keep talking constantly. We would go and visit them. They would come and visit us. It's a bit of a dance, but the dance is not one song. It's going on for a long time, and it causes everybody to not rush into something or feel that you're pressured. I think that the difference between the grain companies—and certainly Cargill for sure, and probably most of the others—was to not rush into something and not want to try to get them the minute they get off the plane, and they're hungover or whatever.

[1:25:06]

NP: [Laughs] Jetlag.

KH: Yeah. Whatever it might be. There was a lot of that done. That catches up with you after a while.

NP: Certainly, something that had a very big impact on Thunder Bay was—we were talking about the Russians—the Russian sales drying up. Logistically, the move from sending this out through the East Coast versus sending them out through the West Coast, you would have been in management when that change was occurring.

KH: Mmhmm.

NP: Did that create a special challenge, or whether your operations worked pretty well regardless of which coast the customers were on?

KH: It was really just a question of time. How long from going--. You could go out of the West Coast to certain places in Asia or Europe. Well, Europe in particular, which would not normally be thought of as the quickest way, but indeed, they were as quick as any other way for various reasons.

NP: What would be the reasons?

KH: Well, I'll tell you one that you'd find strange. We were shipping some wheat to Russia, and it was for a special Russian customer there. They say, "This is a big deal for us. This is a big product and important. We want to expand this business, and we need this wheat to be there. *Bang!*" And so normally, we'd send that out of Baie-Comeau or the West Coast. One of our guys, a weather forecaster—we had three or four of those, and I think we were one of the first who had weather forecasters as one of our experts—said, "You know what? The weather is not predictable closely, but there are times when something's happening that it's happened before, ten years ago, and when it's happened it's been a big, big, big problem." That was one of the pieces of advice we got at one time on shipping some wheat to Russia, and they needed it. It was for a big, big bakery, and they made it very clear, "Don't let us down on this one."

There was nothing that the normal person would ever have thought of that would be a problem, but our weather guy said, "You know what? It's going to cost you a little bit more. It's going to take another five days." I can't remember what it was. "Go that way. Tell them it's going to come out of the West Coast." So we talked to them and said, "Here's what we're going to do because you said this was important. So on that basis, we're prepared to guarantee you that it will get there." They said--.

NP: That's sticking your neck out!

KH: "These guys are really dumb." [Laughing] But we did it, and it worked. And exactly what the thought was going to happen--. And so after that, when you started to ship around the world from different locations--. And also at the same time, where the crop is and where the best part of the crop is is also important. If you've got the best part of your crop that's somewhere closer, but it's got a whole lot of things going against it, it's not worthwhile. And that's also when we started to sell different options. We'd sell No. 1 of this and this, and we'd have three different grades on the contract or four if we could do it, so that the quality was the same, it just wasn't the same--. When it was ground up for flour or whatever it was going to be, it was the same. That took a lot of doing, by

the way, convincing. But we did it a number of times. Well, I can remember three or four times we did it. It worked out well. It worked out well.

NP: Labour relations, was that a--?

KH: Well, we all have problems. [Laughing] But we've had a--. At Baie-Comeau, we had some difficulties at Baie-Comeau. It took us a couple of years to say, "We're on your side guys. We do not want you--. We want you to make as much money as you can because that's when we make money too. So we're going full blast." Pretty simple message, and we had to work pretty hard to convince them, but we did. The only labour problem we really had is something that just snapped in our face that we didn't even have any hint on, but I can't even remember more than one. And the one that happened, I won't tell you where it was because that would be a mistake. But we had a union problem at one of our large elevators. It was totally false. Not--. But they were just in a bad mood, and it cost us a lot of money. We had to divert a lot of ships to another port. But you know, there had been so many--. The business is so complex. It sounds simple. Load it, ship it, unload it. But with all the varieties and the--. Wheat is not just wheat. It's like everything else. Wine is not just wine, it's all this--.

[1:30:44]

NP: Far more complicated once you know what's--. Yeah.

KH: Exactly. And we had to make sure we had that expertise and always looked at it.

NP: Yeah. When you think back on your career, what are you most proud of?

KH: Well, I'm proud about how I've run the business and how the business grew under my term. I wouldn't say because of me, but rather we fostered an innovative, creative, "speak-what-you-think-is-best-for-us-to-do environment." But I'm pretty proud of what I did. I'm proud. I'm satisfied.

NP: Now, sometimes what brings you pride or what you can be proud of also is what satisfies you the most. But when you think of all the different things that you have done in that career—and I'm not just talking about different positions, I'm talking about the different things that you did in different positions—what type of work brought you the most satisfaction? What did you like doing best?

KH: Meeting the customer. The guy who says, “Here’s what I want. Here’s when I need it.” And I’ll tell you why. You learn so much if you meet an agent or whatever, meeting the customer. That was really good stuff.

NP: Why do you think that brought you such satisfaction?

KH: Because then you knew that his word was his bond, and he knew that my word was my bond.

NP: So being able to look somebody in the eye?

KH: And to say, “My word is my bond.” And I’ve done that many times with a lot on it. And I think that that is, frankly, if the grain industry had a motto--. And maybe they do. You’ve heard, “Your word is your bond,” have you not before?

NP: No, I had not heard it before. I mean I’ve heard a handshake is--. My word is as good as a contract.

KH: Well, I always used to say in serious situations, “Dimitri or Carol, my word is my bond, and you can take that for a fact.” Then you basically have yourself on the line, and you can’t complain about what others do because you’re in charge.

NP: Yeah. Anything else in here? Had--. Oh, you must have. When Cargill established itself in Canada, it bought out other companies.

KH: Yes.

NP: Right. So they would have bought some old country elevators.

KH: Mmhmm.

NP: So were you—not responsible—but when you were in management, were you starting to consolidate those operations?

KH: Yes. Well, I came just about the time when a lot of that had been done or was being done. Yes. It’s not a complex situation. It’s a tough situation because you’re putting some people out of business, and some places they go. It’s communication. We said, “Listen, we’re going to give you the same kind of service as much as we can. Maybe we can’t. We just can’t. But this is a decision we have to make for our customers and for our business.” I used to say, “We aren’t a--.” Oh! I used to say it so often.

NP: A charity?

KH: Charity! [Laughing] Thank you. Thank you. “We aren’t a charity.” People got that. They did get it.

NP: They recognized that, sure.

KH: As long as you tell them beforehand. And when they ask why, you better have an answer.

NP: Was it a tough thing to do? I mean, it’s tough when you have to close something down, especially if it’s your own people, and you’re disrupting they’re lives. But was it tough to decide from a competitive perspective what was going to go and what was going to stay? Was there a lot of guesswork or it was pretty routine?

[1:35:23]

KH: No, it was strictly routine. It was basically--. It’s economics, and it’s efficiency. It’s cost driven. Also, well, there would be other issues. There are certainly other--. Access to people, access to a lot of things, the quality of what you can do. If you’re doing something that has a lot of quality, you don’t want to build an elevator and rely on the crop in the far north or someplace where it just isn’t there. And yet, on paper, “Why don’t they have an elevator up there? My goodness! They grow grain up there.” Yeah, but every two or three years or every five years, they have a catastrophe, and one time in five years you can lose a lot of money. It’s not so much money, it’s also your reputation. So you’re managing people. When you’re running a business like the grain industry, which is very complex—I mean, you’re dealing with nature and all sorts of things—you better know what you’re doing and what the risks are, that five years ago they did have a hail storm in the early spring which was unheard of that did huge damage to the crop, and in fact it caused a crop failure. Are you going, dear?

End of interview.