

**Narrator:** Gerry Heinrichs (GH)

**Company Affiliations:** Richardson International, Pioneer Grain

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**Summary:** Director of terminal operations for Richardson International Gerry Heinrichs discusses his career within the Richardson/Pioneer Grain organization. He describes his first job as a country elevator manager, and he shares memorable stories about interacting with grain producers. He describes moving to larger and larger elevators with more responsibility before he became a district manager, where he had the major duty of trading or closing country elevators during the period of rail rationalization. Heinrichs discusses becoming a division manager in charge of Saskatchewan, being involved with corporate restructuring, and choosing locations for inland terminal development. He recalls the programs he implemented in his tenure with the health and safety division and describes his move to southern Ontario to consolidate Richardson's facilities. He explains the differences between the eastern and western grain industries, farmers, crops, and crop uses. Heinrich then discusses his last move to Thunder Bay as director of terminal operations, and he discusses the major challenges and changes in terminal elevator operation, like improved technology, removal of the Canadian Wheat Board, changes to Canadian Grain Commission services, and labour relations. Other topics discussed include the other businesses under the Richardson Pioneer organization, the revival of mothballed UGG A terminal under the Richardson name, the amalgamation of the Wheat Pools, and issues with rail and lake shipping.

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Time, Speaker, Narrative
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NP: Today's interview, which is taking place on February 23, 2015, is taking place at the Richardson Terminal in Thunder Bay, Ontario. I'll have my interviewee for today introduce himself and the current position that he has with the Richardson organization.

GH: Okay. My name is Gerry Heinrichs, and I am the director of terminal operations for Richardson International here in Thunder Bay.

NP: Good. Now, what was your first exposure to the grain industry? Did you grow up on a farm?

GH: I grew up partly on a farm, and I was a meat cutter by trade. I was living in Winnipeg at the time, and I was not the kind of guy that liked to be told what to do, when to do it, and how to do it on a daily basis. I happened to see an advertisement in the paper, in the Winnipeg paper, for country elevator managers. I had never been in a country elevator in my life. I didn't know what was involved. All I knew was that they seemed to work by themselves and on their own. I had made appointments for two interviews: one with Manitoba Pool Elevators at the time, and one with Pioneer Grain Company. My first interview was with Pioneer Grain Company. I walked into the head office in Winnipeg, which is still there—the Richardson Building, corner of Portage and Main—and was interviewed. I was hired immediately and was asked if I could start the next day. Of course, I had to give notice where I was employed, and I did that.

I started in Morden, Manitoba, as the manager of a country elevator. I'd never even been in one in my life. They said, "That's okay. We'll have a guy there that'll train you." So, I started about mid-October, walked into the elevator, had no idea what to expect. The young fellow, Burt Kipers was his name—I'll never forget—was there. The previous manager had resigned, and Burt had been sent there to fill in until they found a new manager for that location. Of course, there was only one staff at the country elevators at those times. Most of them only had one person managing them or working there. He handed me a pail of barley, and he told me to go do a dockage test on it because he was unloading a truck. There was a lineup of trucks in front of the elevator. I walked in that morning, and I didn't even know what barley was, and I didn't even know what the hell dockage was! So, I stood there in the corner with this pail, ice cream pail, of grain and I had no idea what he wanted. Then after the truck left, he wanted to know what the dockage was, and I had to tell him that I didn't even know what he was talking about. That's how we started.

NP: So, there was no official training other than the on-the-job?

GH: It was on the job, exclusively on the job. It was just before Christmas that fall that he drove away and left me on my own. So, he was there for about two months and a little bit maybe. I'll never forget looking out the window as he drove away with his car. [Laughing] I thought, "Oh, my! I'm on my own!" And I was. It turned out.

NP: Never having seen a country elevator, what were your first impressions of it?

GH: That's a good question. I don't know if I can remember what my first thought was because I'd never ever been in one. It seemed quite large. It seemed very noisy, dusty. But I guess the thing I remember most about is dealing with the customers, dealing with producers, that was--. The actual structure and facility-wise, it doesn't stand out, but the people that I dealt with there, those I remember very well.

NP: Before we talk a little bit about the people and your reaction to them, their reaction to you, who was your competition in Morden, was it?

GH: Oh, at Morden! Yeah, Morden, Manitoba. It was Manitoba Pool and United Grain Growers [UGG]. They each had facilities in the town of Morden. I wasn't there but a year, and the company had elected to trade a number of elevators across western Canada with UGG. The elevator I was in was one that was traded to UGG. So, Pioneer Grain left Morden, Manitoba, and that elevator became part of UGG at that time.

**[0:05:11]**

NP: So, what about the producers? What were your initial reactions to them? What were their initial reactions to you? What was positive about the interactions? What were some of the areas that were--?

GH: You mean at the very beginning?

NP: Well, start at the very beginning and then how things played out when you became experienced.

GH: Oh, well I've dealt with thousands of producers across the Prairies as the guy that bought their grain. In Morden, they were all good people, at least at the start. Then as I became a little bit more seasoned, certain people would take advantage of you if they had the opportunity, but generally they were all very good, very helpful. In those earlier days, because you were operating the facility by yourself—there was no assistants, you're a one man show—there was a lot of understanding by producers too that they couldn't necessarily get a hold of you seven days a week, 24 hours a day. They understood that, and they also appreciated that the guy could do the very best that he could and then ultimately raise a family at the same time. So, they were very accommodating too.

But I do remember when my son was born in 1981 on July 31st, which happened to be the last day of the crop year, and there was always--. I was in Saskatchewan at the time, at Bethune in Saskatchewan. There was always a big panic at the end of the crop year to get the last of the grain in because the next day was the beginning of the new crop year, the prices changed. So, I was in the hospital in Regina waiting for my son to be born, and he was born in the wee hours of the morning. I had left a note on the elevator door that I had to take my wife to the hospital, Regina General Hospital, because she was due—and, of course, everyone knew that. Then the phone started to ring at the Regina General Hospital wondering when I was going to come back because there was a line up of trucks at the elevator, [laughing] and these guys wanted to get the last of their grain in before the end of the day, before the end of the crop year.

I remember calling my neighbour from the hospital, a retired producer who would occasionally give me a hand at the elevator because I was by myself. He was retired, he was a farmer, so he understood how things worked there. So, I called him, and I asked him to go to the elevator and unload these trucks that were sitting there. He knew how the machinery worked, and of course all the producers knew who he was. So, I told him where the keys were, and he went and unloaded those trucks for me! Then I arrived home that evening, and I had to do all the necessary year-end books and preparations that were required. I didn't go back to the hospital that night because, of course, I hadn't slept the night before and I was at the elevator again the next evening. So, I went back the second day and went to see my son. [Laughing] So, my son understands the grain business too! He's working for Richardson's right now, employed as a plant manager in Olds, Alberta. I practically raised my son in the country elevators as well as we moved around the Prairies.

NP: You said that until you became a bit more seasoned, that there were opportunities for the producers to take advantage of an inexperienced country elevator guy. How could they do that? What kinds of things could they do?

GH: Well, I've occasion where producers would come to me and offer me the use of their permit book, for example. Every producer, in those days, had to have a Canadian Wheat Board [CWB] permit book in order to deliver grain. That's not the case today. However, then it was. It was intimated that should I have occasion to have extra grain or that I would need use of someone's permit book for my own benefit, I could use theirs, and they would split the proceeds with me. I'm sure that happened to all kinds of managers. We have to remember, there were thousands of country elevators in those days too, spread across the Prairies. I'm sure I wasn't the only one that was propositioned that way. [Laughs] I knew those were, of course, producers that I learnt pretty quickly discouraged doing business with, right?

**[0:10:32]**

NP: It likely wasn't the only thing that they would be--.

GH: Well, of course. Or offering to deliver grain. If I would take their grain and put it--. It was known as the black book in those days. If you wanted to deliver grain, and you had no quota to deliver it, take their grain in and put it in the black book, which meant you wrote it on a separate piece of paper somewhere and not report it, and just leave it in store of your elevator until the quota opened up. It allowed them to deliver it then. That was common across the Prairies because producers would deliver grain and it would end up--. It was primarily driven trying to be helpful to producers if they needed the extra space. They didn't have space at home. They just had this one load left to deliver and that would help them out, that kind of stuff. So, that was probably fairly prevalent. I mean, every elevator did it, I'm sure, where they received grain off the books as it was known, or in the black book.

NP: In advance, sort of.

GH: In advance of a quota opening up. So, it was always kind of a joke that when the quota opened up—that the Wheat Board opened up a quota—that the next day there was thousands and thousands of tonnes of grain hit the system, like within hours of the quota opening up. I mean, I told you every elevator had grain undocumented in store, right? But again, motivations were good, but some producers would actually offer you incentives to store their grain off-record till it opened.

NP: Any difficulties with the grades being delivered? I mean that must have been a challenge as a new guy even just recognizing the--.

GH: Well, not just a new guy, but a new guy in the town too because I was involved in a whole bunch of different communities: Morden; Winkler, Manitoba; Bethune, Saskatchewan; Carrot River, Saskatchewan. Every time you went to a new place, you were tried out to see how flexible you might be on grades and dockage and those sorts of things. That was to be expected, but you did what was right. People ultimately respected you for it. I mean, they may not have liked it at the time, but it proved successful for me anyways.

NP: They knew where they stood.

GH: Yeah, yeah, and that everyone was treated fairly. That was the other concern, or the concern that I always had. So, if I treat this producer, this customer, this way, and this customer over here I do it different--. I mean, yes peoples' requirements are different, and you have to do that, but to take advantage of one over the benefit of someone else, that just didn't seem to be the right thing to do. I was successful in all these places, the different places I went, because kept getting more and more responsibility. I was given larger and larger facilities to operate and bigger businesses to manage. Producers, I think, appreciated delivering their grain to a Pioneer elevator with Gerry in it because he was a little bit different than the other guys.

NP: Speaking of the other guys, what was—you don't have to stick with Morden as a place because, as you've said, you moved around to a lot of country elevators—but in general, what was life like with working in a community and working with competition that you actually, most of those elevator managers for the other companies would have been living there too? How'd that work out?

GH: Oh, a lot of the competitors in the various communities that I was in—the people that work for UGG or Sask Wheat Pool or Manitoba Pool or whoever it was, Cargill—were in many cases not from those communities, originally from those communities. So, there was almost a natural tendency to bond with people that were not from those communities, and there still is today. In my 10 or 11 cities that I've lived in in this country, that just happens. You always bond with people, connect with people, network with people that are not from there, that are not originally from there. Every community is like that. The locals have their network, their family, their thing to do, and as people from outside that had moved in that are looking for similar, that's where you naturally connect.

**[0:15:58]**

So, competitors that we used to deal with, I lived right next door to some of them, like we were neighbours. I still have relationships with some of those people today that were running country elevators for other companies, still have today. So, it was a good business! [Laughs] A good business to be in.

NP: Did it give you what you wanted? You said you were looking for a job that gave you a chance to be your own boss and--.

GH: Oh, yeah. All that and more! To the benefit of the company, one of the locations in the Prairies I had resigned. I had issued my resignation letter because I was bored. I had been at this location for whatever—I think it was three and a half years—on the Prairies, and there wasn't much diversity in grain, and it was kind of the same thing year after year. So, I was going to go back to university. Then I was offered the largest facility that Pioneer Grain operated at that time to manage that. So, I said, "Okay, well that'll be cool."

NP: Was that the--?

GH: That was in Carrot River at the time.

NP: Where's Carrot River?

GH: Carrot River is, whew, halfway between Prince Albert, Saskatchewan and The Pas, Manitoba. It's about that far north. About 90 miles west of The Pas, Manitoba and about 90 miles to Prince Albert, roughly. It was the end of the track in the northeast part of the province.

NP: And why was that the biggest? It's sort of up there.

GH: It was a huge, huge grain growing area. Very, very productive. Carrot River, at that time, was one of the largest delivery points in Saskatchewan. There was seven grain elevators in that community when I went there to manage it. Sask Wheat Pool had three, UGG had two, and Pioneer Grain had two facilities. Everyone managed under their own management as well. So, I not only had competitors with the other companies, but I also had a competitor with our own company. So, that was interesting. That was different. It was all good! We still deal with people, still have connections with people from Carrot River.

NP: So, would they be delivering up to Churchill from there?

GH: The grain in the summertime went to Churchill from there, yes, absolutely. Still does today.

NP: Did you visit Churchill?

GH: I have been to Churchill, yes. Not in those days.

NP: Not at that time?

GH: No, not in those days, but I have been to Churchill. I wonder why it was ever built there, but anyways. That's another story for another time, I guess. [Laughs]

NP: Well, since you're talking about it, you might as well mention it. We won't come back to it. [Laughing]

GH: Well, you wonder--. You know anything that has to be supported by the government to make it work--. Today, of course, it's being supported with a freight incentive to companies, which will expire in a few years' time, and lord only knows what the government of that day will decide to do. It has been supported by the province of Manitoba with all sorts of grants and gifts and stuff to make it work. It's a challenge because there's not a lot between the grain production and Churchill—which you could say the same for Thunder Bay—however the season is so very short. For three months, it's difficult to ever grow the business. As a result, it needs outside incentives to make it stay there. When you have those sorts of situations, that's not a long-term solution.

NP: I don't know if you can answer this, but with the incentives, has there been an increase in shipments through there? Or it's just sort of held steady?

**[0:20:09]**

GH: It remains fairly steady. I mean a year ago in 2013, it probably had one of its better years. It was the first year without the Board, the first year of the incentives. Last year, of course, the volumes were down again on the largest crop ever grown in western Canada. There was difficulties with the rail line. There was difficulties because of the late season. It had its challenges because of where it is. So, the volumes were down on the biggest crop ever grown in western Canada.

NP: Points in a certain direction.

GH: Yeah.

NP: But you're never certain.

GH: Yeah, and you know, there's been very little major capital reinvestment in the facility, again, because it's in a challenging spot.

NP: Well, let's finish up the country elevator operation and move onto other things, or we will never get finished this afternoon.

GH: No, we won't! [Laughs]

NP: So, thinking about that whole experience as the country elevator person—and you went on to be district--.

GH: District manager, yes.

NP: District manager as well, so that would be overseeing--.

GH: A number of country elevators, yes.

NP: So, thinking about that part of your career, what brought you the greatest satisfaction and what brought you the least?

GH: The least satisfaction, ah, was the regulatory environment that the grain business was in. It was so heavily regulated, either through the Canadian Grain Commission [CGC], through weights and measures, through CWB, government. Unbelievable the amount of regulation involved in the industry, in western grain, I should say. In eastern grain, not quite the same situation, but western grain was somehow magical. It was somehow that it needed to have all sorts of protections to protect the producer. It was almost a—I don't know what the term is—almost like it needed to have a parent-child relationship, that the child didn't know what was good for it. You had all this other entity micromanaging it. We, grain companies, at the time were just purely agents for the CWB. I mean, we did do a little bit of non-board grain, the special crops and stuff that we had our own control over. But the majority, 85 percent of the grain was CWB grain, all controlled by a monopoly at that time. So, that probably was the least satisfying. Had that environment continued to this day, I'd have been long retired because it was just the same old thing over and over again.

NP: Lots of paperwork?

GH: Lots! You were being policed or monitored continually. Producer didn't have any decision making. It wasn't even the producer's own grain in that environment! Once the producer grew wheat, durum, or oats or barley, it belonged to the CWB. It didn't belong to him anymore! He had no right to market it. It had to be marketed through the CWB. That always sat wrong with me, even from day one when I started to learn about the business. I just did not compute to me.

I had occasion to be part of the Canadian International Grains Institutes [CIGI] program a number of years ago, and I was the host for a group of South Korean customers of Canada. There was a number of other countries involved that sent their representatives over too, but I had the occasion to get to know several South Koreans very well over a period of three weeks. We were together for three solid weeks. This would've been, I don't know, 20 years ago perhaps. It jolted me just prior to the Koreans leaving going back home. When they came over here—and they had never been to Canada before—they had right now got a little bit of understanding of the Canadian grain handling business after spending three weeks.

We toured western Canada, and they learnt all kinds of stuff and saw a lot of the country, actually went to producers' farms and things too. I was part of that. I'll never forget the fellow told me, he says, "We thought when we came to Canada that Canada was a free enterprise, capitalist country. It's not. This business is not." They couldn't believe it. I don't know what vision of Canada they had when they came over, specifically what they thought, but they thought Canada was a free and democratic country until they came and spent three weeks in the Canadian grain handling business, the western grain handling business. They understood very quickly that it was not. It was not a free business at all as to what they were expecting. That jolted me at the time.

**[0:25:49]**

NP: That was your--.

GH: Reinforced what I was thinking. [Laughs]

NP: That was your least satisfying. What brought you the most satisfaction out of--?

GH: Oh, developing people by far.

NP: What do you mean by developing people?

GH: Well, by hiring people, mentoring people, developing people, training people. By far the greatest satisfaction, and continues to this day, that hiring people and teaching them the business, you know, what's important, whether it's in our company or in my other endeavors. But I'm living the dream today because I've always said success for me was if someday somebody that I had a hand in developing or hired or mentored would become my boss, and that happened about two years ago to me. That's success for me. Regardless of what achievements you make in the business, by far the greatest achievement is motivating people and developing them so that they remained challenged, and they enjoy their career. One of those became my boss!

NP: Who was that?

GH: Ben Wasussi, I had in Hamilton and Guelph when I was there. He was a new hire.

NP: So, would it be fair to say that under your watch a guy didn't show up in October and be expected to run a country elevator by himself in two months?

GH: Today?

NP: Well, you know over time. Because that's how you started. You started with just being tossed in.

GH: Yes.

NP: So, did anything change in how people were prepared for jobs like that?

GH: Not for quite a while after that. But the locations became a little larger as the years went along. It would end up being two or three individuals working at a country elevator now, right? I mean, when I went to Carrot River, I had a number of assistants there. So, you went to a new location, it wasn't quite the same because customers already knew some of the people that worked there. The days of the single-man locations, as they were called, is by the early '80s they were getting less and less already. There would at least be two or three people working at a country elevator because there was already some rationalization was beginning. When I lost my first elevator I was at, I thought maybe I had done something wrong. I hadn't even been there a year and they traded my elevator away! Right? I mean, what was I doing wrong why they would do that? Of course, in the years following, I was the guy that was pulling the trigger on trading elevators with other companies to try and rationalize the system because it just didn't compute anymore that you would have all these assets so close together. The economics just weren't there anymore, that's all.

NP: What had changed in the economics?

GH: Well, the size of farming operations. These elevators were originally built, what six, seven miles apart? Every railroad siding had a country elevator or two or three or four or five or six. They were all trying to gather the same grain, and grain used to come in in small little lots. So, as rail lines started to rationalize and the farming operations got bigger, I mean, some of these elevators were built to handle the horse and buggies and one-tonne trucks. You were trying to unload a transport truck with two trailers on it inside these facilities. You know really it was go big or go home.

**[0:30:22]**

That was a large part of when I was a regional manager in Regina. Our company went through a huge rationalization program where we traded as many facilities off to other companies. So, you would trade your asset in town A, and you would get their asset in town B. Ultimately, you knew A and B were both going to disappear, but at least you could clean up all of A, and we would clean up all of B ultimately, right, to try and save costs as well instead of chasing all of the country. "You take that. We'll take this." Milk it for all it was worth for as long as you could, and then ultimately, you would--.

**[Audio pauses]**

NP: Okay.

GH: Okay! [Laughs] So--.

NP: Sorry.

GH: You would swap these elevators to rationalize the system and prepare yourself for building newer assets, larger assets, and less of them. I think I mentioned there was thousands of country elevators in those days, and we're down to, what, less than 300 today?

NP: Did you keep count of when you started how many there were for Richardson's and how many were left by the time you--?

GH: Yeah, when I started with Richardson there was, I believe, 428 elevators that we operated in western Canada. I believe we have about 65 today. Probably handling five times the amount of grain that we did in those days!

NP: Any downside that you see to—or that you saw—to rationalization? I know there's all kinds of upsides, but were there any downsides?

GH: Well, I was quite intimate with Saskatchewan when it was going through this, and I was part of that. Economics said that this needed to be done, of course. You had to build bigger assets because you had bigger equipment coming to deliver grain. A lot of rural Saskatchewan felt betrayed, I guess. They used to have the country elevator there and the rail line there, and it was business as usual. But as I used to tell producers—because I was in those communities when we closed their elevators—and we were the last elevator to leave the community to close up because of our plans, or the railway decided for you, one or the other, it was the last thing to go in that community. People blamed the elevators, all the companies, for abandoning the communities, and the communities were going to die and there would be no more town left. In most cases, and I know this from being there, there was no town even left anymore. You couldn't buy a sandwich or buy a nail in those communities anymore. Everything was gone already. It was the elevator that was the last thing to remain as any business in those communities.

I think that's what made it so difficult was that it was the very last thing to go. People argued about the Prairie sentinels and all this sort of stuff, and there wasn't anything there. And it created an issue for the grain companies because you couldn't find good people to go work there. There was nothing to do there! There was, yeah, lots of cheap houses, but there was no opportunity for family. There was no opportunity for spouses. It wasn't the best person that could've been there—it was the person that, okay, would grudgingly go. That was as big a challenge as anything that a lot of people don't understand, you know, when it come to moving people and replacing people in a lot of these places. People want to live in a larger centre where there's opportunity for everyone. You don't have to send your kids 30 miles by bus to school. So, that was a challenge.

**[0:35:17]**

NP: Any stories that stick in your mind from that time in your life? [Laughing] That you're able to tell!

GH: [Laughs] During this rationalization period?

NP: Or anytime. I mean--.

GH: Lots of stories. Lots of good people. I mean, people would help you out if you needed help. It was just--.

NP: Any characters?

GH: Oh, lots of them! In any community.

NP: Well, let's take a typical community, unless--. Are you thinking of a story now in particular?

GH: No, I was just thinking about--. We were just talking about the rationalization and closing all of these country elevators that I was involved in at the time. I went to one small community in southern Saskatchewan, and I was threatened with bodily harm by a producer. He was very upset that we had elected to close that facility. I was there meeting with a group of producers, and he threatened me. I said, "Bring it on," hoping that he wouldn't, and he didn't. I just remember him storming out of the meeting room. I guess he was hoping that he would get some support from the other producers that were there. People understood what you were doing and why you were doing it. They didn't like it. Nobody liked it, but they understood. That was interesting. I don't know what I would have done if he had hit me where he threatened to hit me. [Laughing] I probably would have gone down and hoped somebody would have helped me! [Laughs]

NP: So, because you've been to so many communities, and you said, "Oh, yes, there were lots of characters." So, if you were to just think of a conglomerate community and the producers that you would deal with, would there be like four different types of people that you would have to deal with? To give an example, if you were working as a store clerk, you could say, "Oh, yeah. That customer fits into that category. That customer fits into that category." Are you able to do that to say, "Well, you can always expect in every community there will be one of these, and there'll be at least one of these"?

GH: Oh, yes.

NP: Okay, so--?

GH: Yes, there would be. The different geographics would have a different split, I guess, of those. Some areas were a lot more, you could say, business-like, professional, in their farming operations where it was, particularly in southern Manitoba. It was already, 35 years ago, treated as a professional business. I went to southern Saskatchewan, and we were just doing the same thing we did for the last 50 years, right? We summer fallow half our land and we grow the other half. Meanwhile, in other parts of the Prairies, I mean, people were doing things differently. So, the split was different.

All the communities were very sports-minded as well, community-club minded. I was involved in a lot of community organizations. But as far as producers, you'd have the fringe producer. That was borderline, that was having a difficult time making a go but wanted to keep the land and keep farming the land. You had those that went big, went the very far opposite of that. I mean, it was go big or go home. Just acquire as much property, as much assets, as much land as you could regardless of the cost consequence. I think they understood that that was where it was going to be a decade or two down the road. Then you had the middle-of-the-road producers that were kind of diverse, not only would grow some grain for resale, but also had livestock—whether it was beef or dairy or hogs or chickens, or whatever it was—but were trying to diversify into a whole bunch of different things. Then there was probably a group that was always looking for an angle to add value to their grain, were never 100 percent comfortable in just selling their raw product, wanted to always look for opportunity or be involved in adding value instead of just exporting raw product. I think generally those would-- . At least off the top of my head.

**[0:40:47]**

NP: Did you--?

GH: And always families. Always families, right? It was the grandfather that started, and the father, and the son and the sons now. I've been away from that now for a couple of decades now, so I'm not sure what the landscape is like there right now because I haven't been intimate with it now. But then, yeah, it was a family business. Now, I believe—or I know—it's much more businesslike and professional now. You have to be.

NP: So, from Carrot River, was that your last elevator posting?

GH: Yes, yes.

NP: When you went into district business, where were you headquartered?

GH: Yorkton. Yorkton, Saskatchewan. I travelled the Yorkton territory, I guess, from Swan River, Manitoba all the way to Wadena, Saskatchewan and south to Melville, Saskatchewan, I guess.

NP: Did you like that travel?

GH: I sure enjoyed it because I met so many more people, different people, different producers, and employees that I was responsible for. Yeah, it was fun. But I was on the road every day, but usually home. So that was fun.

NP: So, by this time too, I guess, you were getting a sense about the Richardson/Pioneer Grain operation.

GH: Oh, I had that sense from day one because my first boss was Hartley Richardson. That's who I reported to when I started working for Pioneer Grain Company in Morden, Manitoba. He was then being developed, or groomed, I guess, is the correct term. So, he was the district manager for Manitoba for Pioneer Grain Company. That's who ultimately, that's who I reported to. You know, he was able to share what he could with me for that first year because then I went to Winkler, and he was still involved. Then shortly thereafter I went to Saskatchewan, so then I wasn't involved with him directly anymore then.

But reporting to the son of the guy that ran the whole organization, and hearing firsthand what this organization was about, you couldn't get it any more firsthand. That was pretty cool because I understood that they wanted to be a company that was trustworthy, and integrity meant everything. That was a company I wanted to work for because that fit. Everybody knew your name. The owner of the company knew who you were. Now, of course, the company has gotten way larger, but I know the attempt is still there, and Hartley is running the whole show right now.

NP: I was wondering about that, and this sort of goes to my earlier comment off-tape that I was hoping I might be able to interview Hartley and Curt Vossen. Hartley now is sort of running the whole show, what would his connection be now with the grain group, because Curt Vossen heads that up right?

GH: Yes, Curt is the president and CEO of Richardson International, which is the grain group. Then of course--.

NP: So, does Pioneer not exist anymore?

GH: Oh, yeah it does. It's Richardson Pioneer. Oh, yes. So, the grain group of course involves our oat milling operations in western Canada. We're the largest oat miller in North America. The oilseed crushing businesses that we operate in Lethbridge and Yorkton, new plants in Yorkton.

**[0:45:12]**

NP: Where's the oat operation?

GH: Barrhead, Alberta; Martinsville, Saskatchewan; Portage la Prairie, Manitoba; and South Sioux City, Nebraska. Then flour milling in Dawn, Texas. So, that's our milling group. Then our oilseed processing, then of course our nutrition division—making of margarine and cooking oils—Harvest brand in Lethbridge and Mississauga and Sussex, New Brunswick; the terminals, of course, in Vancouver, Thunder Bay, Hamilton, Montreal, or Sorrel I should say; ownership in Prince Rupert; the Pioneer Grain system; the Kelburn Research Farm south of Winnipeg—that's all the grain side of things. Then of course there's the real estate, and oil and gas, and financial, and all that.

NP: Have you ever thought of not being in the grain piece and switching careers at one point?

GH: [Laughs]

NP: Did that ever interest you?

GH: Well, other than, you know, resigning that one time because I was bored, no. I can honestly say no. I haven't really considered anything outside of the business I've been in because I've always been engaged, and I've always been doing different things. There was no need to.

NP: And it's a pretty fascinating business!

GH: Yeah! And to work for the Richardson organization, there was a lot of people that would love to work for Richardson organization. So, remaining motivated and challenged all the time, and like working for a different company wherever I went, because it was now a whole new community, a whole new bunch of people. After doing that on average every three or four years, it was always new. It was always fresh, and remains to this day, especially now with the way the environment has changed today.

NP: Does Richardson encourage that movement, or do they go with the preference of the person? Because I would assume that not everybody is interested in moving around.

GH: No, not everyone is. But if you want to, yeah, you'll have those opportunities. Yes, you will. Because if people aren't provided opportunities, they'll leave anyways, right?

NP: Unless they just like what they're doing.

GH: Yeah, and there are people that do and that's fine. You have to have that too. But not everyone is like that, nor not everyone wants to move around either and chase their families around the country, which to me is the biggest--. Look back at the business that I've been involved in, if it hadn't have been for my family's support, I might still be in Carrot River, Saskatchewan.

I don't know. But that to me has been the biggest thing that my son and wife elected to go wherever I went. It was always new for them. It was more difficult for them, especially for my wife, Joyce, because she'd go to a new community, and she had to start over from zero. I would always start over with work, right, and I got to know people right away. Of course, my son would end up going to school right away, and he'd get to know people right away. So, it was always more challenging for her, so I'm very appreciative of that.

NP: Good to have that on tape! As the regional and district—those more broad positions—you were saying that you liked being able to meet more people, the travelling was manageable. What was the downside of that position in your mind, if any?

GH: Nothing that was significant. I mean, yeah, you have good days and bad days, right, but just like every job and every person.

NP: Biggest challenge?

GH: The biggest challenge is always people. It doesn't matter what business you're in, whether you're in the grain business or, I don't know, the pickle business. I mean, it's having the right people in the right places doing the right thing—everyone being on the right page. That's always a challenge, the biggest challenge, I think, I believe.

NP: I haven't spoken to a manager yet who hasn't said that! [Laughing]

**[0:50:07]**

GH: You can talk about the economics, you know, the economic challenges and competitive challenges and all the stuff that goes on in the world and closer to home that can make it very difficult, that can make it hard, but if you've got the right people with the

right attitude working at your business, I mean, that can make that business thrive too. If you're looking for opportunities when things aren't so rosy, you want to be able to take advantage of those too.

NP: So, what was your next move then?

GH: Well, from Yorkton I went to Winnipeg, I think.

NP: Yeah, so moving out of the country elevator operation, where was your next--? When you moved into Winnipeg, what was that for?

GH: The first time I moved to Winnipeg, I was there as a divisional manager, and I was responsible now for three districts. So, while I was in Yorkton, I had the one district, and then I moved to Winnipeg and was responsible for all of eastern Saskatchewan. The three district managers reported to me, and I would travel out there and do my thing in Winnipeg. I didn't particularly enjoy being in Winnipeg. I had turned it down earlier, a year or two before that, for fear I wasn't going to really, really enjoy being in that environment.

NP: What was it about being in Winnipeg? Was it the sort of middle management piece?

GH: Yeah, I didn't have intimate control over anything. [Laughs] That's just the way it was! [Laughs] So, anyways, we went through a major reorganization then when I was in Winnipeg. There was a lot of competitive challenges. There was a lot of things going on in the industry, and it was at the crossroads, I believe, where it was go big or go home. I keep referring to that, but after several years, we went through a big reorganization.

NP: When was this approximately?

GH: That would have been, oh, late '80s? Early '90s? Let's see, I was in Yorkton, '81. Yeah, I'd say early '90s.

NP: What were the major changes to the company?

GH: Well, what happened, we went through this reorganization because we wanted to be--. The senior management group at that time wanted to change the direction, and that was fine. We didn't build many new elevators, but we sure changed the organizational structures around them. I ended up becoming the boss of my boss in that thing. I could write a book on organization change. I

actually kept all my notes from that time period. It was a—I'd not say awful—but it was a very trying, trying period of time for about a year.

NP: Why was that, do you think?

GH: It was, you know, long-time senior employees within our organization were relegated to the sidelines, were reengineered—whatever the terms were at the time—or were pensioned off, or whatever the case was. The new structure was put in place, and it was difficult because I was part of that reorganization team. I was part of the team that decided who stayed, and who didn't, and who did what, and all those sorts of things. That was exciting! That really was, and I appreciated the company having the confidence that I could be part of that. We made some really tough decisions, and it was agonizing, you know, to me a little bit because some of these guys had been there their whole lives or their whole careers. I knew that they were doing the best that they could do, but I also realized—and I suspected this probably a little bit earlier than that when I had talked to a senior executive of ours at the time—and I was concerned with the direction of the company, or the lack of direction. Where it seemed to me anyways—as the youngest guy who was ever in Winnipeg being a divisional manager—that there was so many things going on out there in the competitive environment that other companies were doing this, and this was happening, and this was happening, and we didn't seem to be, first of all, accepting that it was happening, and secondly, doing anything about it.

**[0:55:13]**

So, I had a heart-to-heart with this senior executive at the time. I'll never forget that conversation. The hair stood up on my arm. I was put in my place. It was not for me to question the brain trust, if we can call it that. That wasn't the word used, but. "We're doing just fine, thank you very much." As I walked down the hallway back to my office, I thought, "Oh my! Oh my! This is not good. This is not good. He doesn't even understand what is going on around him and thinks just because we've done the same thing year after year after year, we're going to continue to be successful." That alarmed me. At that time, I was seriously considering saying, "This is not good." But it was shortly thereafter that we had a change in senior management as well. We got a new president of the organization, Mr. Vossen, and I thought to myself, "I'm just going to stick around for six months and see what this guy's like."

NP: Now, he came from Cargill, am I correct on that?

GH: Yes, that's correct. Yes.

NP: So, did he bring, do you think, a different philosophy to the--? Or just a different personality?

GH: Direction, direction. Brought direction. Understood what was going on, in my humble opinion. So, I thought, “Oh, I’ll stick around for six months.” I did, and I’m still here because I like the direction it was going.

NP: Now, had it been the practice of Richardson at that time to promote from within, and here they bring in somebody from Cargill?

GH: Yes, yes. Up till then it had always been--.

NP: That I would think would create a little bit of upsetting the apple cart?

GH: It sure did, and that’s what it needed. That’s what it needed! Yeah, it upset a lot of people. It upset me too, actually, now that I think about it. [Laughing] I mean, not in a horrible sense, but yeah because it was always somebody from within, right, that got promoted. I don’t think I ever heard of anybody going outside to replace someone.

NP: Who was running the operation at the top that made that decision, do you know?

GH: I’m not intimate with that. I know it was Hartley or George.

NP: It was at that level?

GH: Oh, yeah. It would’ve been at the board level, of course, because the president reports to the board. So, that’s where the decision was made. So, yeah, then he came onboard, and things started to happen, and I kept moving.

NP: [Laughs] So, you dodged that bullet!

GH: Yeah, that’s a good way of saying that! Because there’s still two of us left from those days in the organization, and we call ourselves survivors. We do because a lot of people didn’t survive that.

NP: It would’ve been the same time that all of the operations were starting to be computerized too?

GH: Yeah, that--. No, that was before really, I guess.

NP: In the '90s?

GH: Oh, yeah. Because when I moved—I'll never forget this—because when I moved from Bethune, Saskatchewan, to Carrot River, I was still doing all my accounting and record keeping by hand and a calculator, and it was a computer in Carrot River because it was a large location. They'd have a computer. I had to go take computer classes for a while just to catch up.

NP: Did that cause a few people to leave, learning the whole new systems?

GH: No, no.

NP: So, it was pretty good?

GH: It was a good system. I mean, it was a long time due, and it reduced a lot of errors. You can imagine how many errors there were in those days, right? They were calculating guys' payments, writing their cheques out by hand, calculating their payments by hand. There was a lot of errors in those days just because it was all manual, even with a calculator. [Laughs]

**[1:00:05]**

NP: So, where did you find yourself then after the shakeup?

GH: Well, after a little while I left Winnipeg and ended up in Regina as a regional manager for the southern Prairie regions in Regina. The whole organizational structure changed again then at that time when Mr. Vossen came onboard—to the good, I should add. It's interesting because I kept my notes, and I had a flood at my house last year and I had to salvage some of my boxes of stuff. I happened to open a box with my notes of that time period, and I had actually written myself a note that this first reorganization that we went through was never going to be successful because it didn't address the primary reason for doing it. All it did was a bunch of smoke and mirrors and change a bunch of people around and change some structure around. But it never recapitalized the organization, never reinvested in anything, never built anything. It just moved things, pieces around. That's all it did! I recognized that after, and I made a note of that. It was exactly true. That's exactly what happened. So, we changed again.

NP: So, what did they start investing in?

GH: We started investing in country assets, in building new facilities. We had built a couple before that, but then it became serious business. I was involved in purchasing properties, investigating new sites to be at. “Where should we build? What should we build?” Purchasing property, getting things lined up for the future, and the building was underway.

NP: What did you look for when you were trying to make those decisions? What were the factors that determined--?

GH: Well, access. Location, location, location. That was a primary. You wanted to be close, you wanted to be on the mainline of the railroads, whether it was CN or CP. You wanted to be where there was very good highway access, and you wanted to be reasonably close to a centre that you could attract people to, not somewhere in the middle of nowhere. So, we built elevators in those areas, and continue today building elevators.

NP: So, what's the contingent now of inland terminals for Richardson's? How many?

GH: About 65. Of course, we've acquired some over the years too. We built a large portion, and we acquired all of the assets of Conagra Grain. They built some new facilities. Oh boy, when would that have been? Early 2000s they built a number of facilities in western Canada. We acquired all of those. We acquired a number of facilities from Agricore United when Viterra--.

NP: Bought them out or merged, or whatever term they used.

GH: Yes, yeah, we bought a number of those assets at that time. Then two years ago, we bought another number of assets from Viterra due to Glencore's purchase of Viterra. So, we haven't really built, but acquired a large number of new assets as well over the last number of years.

NP: You had mentioned at some point you were heading up the environmental health and safety.

GH: Yes.

NP: So, where did that fit in there? And what did that--?

GH: Well, I'm not particularly proud of that. [Laughs]

NP: And what did that person do?

GH: [Laughs] I was in Regina at the time as a regional manager, and I always had interest in health and safety. I was studying at the University of Regina at the time in a health and safety program because it always interested me. I was living in Regina and there was the opportunity to do that. I was subsequently to go into Regina. I finished my program at the University of Manitoba when I was in Winnipeg the first time, which I appreciate the company too reimbursing me for all that. So, I spent five years at the university, at night, the first time.

NP: Taking what--?

GH: Management, yeah. I got my certificate in Management Administration and whatever. But the health and safety, I had some concerns. My boss at that time, very astute, said to me, "Okay, smart guy. You come to Winnipeg and run the health and safety department." "Oh, that's not what I'm asking for. That's not what I want. I've already been to Winnipeg once, and I didn't particularly like it. You need to know this." So, I did. [Laughs]

**[1:05:22]**

NP: So, what were your concerns?

GH: The environment, right, corporate environment. Riding the bus, putting on the suit again.

NP: No, no, with the health and safety actual--. Like what were your concerns that you--?

GH: Oh! My concerns was that there was no master plan. Everybody was doing their own thing as best as they could and as well as they could with all good intentions, but there was no direction.

NP: So, what was happening? What were they trying to fix? What was the--?

GH: Well, we needed an overall plan for the whole company, you know, that addressed the issues that need to be addressed in a health and safety plan. We didn't have one. We had outside consultants doing things, saying, "You guys should do this, and you guys should do that."

NP: So, what were these issues?

GH: Well, nothing. Not earth shattering. We weren't killing--.

NP: Like dust or were they--.

GH: Well, that's part of it.

NP: Or inviting workplace.

GH: Environment, for example. We had new sites that we were building. We should set up an environmental—oh, sorry—an environmental assessment of the new site so that we would know if we ever impacted it. So, some were doing it—again this was a recommendation—some weren't. How we dealt with discipline around health and safety matters. One guy would treat it this way and the other regional manager would treat it another way. One guy would fire a guy, another guy wouldn't say anything. All kinds of--. It was just inconsistent. Inconsistent is probably the best word.

So, I had expressed those concerns to my boss, who was also the boss of all these other guys too, right, the other regional managers. So, he suggested then that I come and do it. I agonized over it. I asked whether I could stay in Regina until my son graduated Grade 12. He was in Grade 11. "Could I at least please stay until he finishes Grade 12?" Because he had been in five different schools already, and it was kind of important at that time. "Okay." I thought maybe everybody would forget about it, right? Not going to happen! [Laughing] Like two months after he graduated, I'm moving to Winnipeg. [Laughs] So, we started off from ground zero developing a plan and implementing it on the environment and with health and safety. Pretty rudimentary because I wasn't an expert in health and safety. I wasn't a health and safety professional. I was just a guy who had done a lot of stuff and kind of figured knew what was important.

We needed to have more resources to do the job right and properly, too, from end to end. We were starting to acquire some stuff and we were starting to get some new people. It was running pretty thin that department. But be that as it may, lots of other stuff happened that wasn't very good. It was travel. It was travel from one end of the country to the other—just from Vancouver to Montreal. We had acquired Canbra Foods in Lethbridge, and that needed a lot of work, so I spent a lot of time on the road. That wore pretty thin after a while. But the most frustrating thing was, of course, that you couldn't really impact anything. I could make the policy. I could make the program. I needed other people to implement. I needed other people to drive it. I would go to workplaces, to different business units, and I would try to drive it, and that got me in a little bit of trouble with the managers of those things because they were the managers of it. They were the ones that were supposed to drive it. So, anyways, it was a learning experience too. My boss at the time then said, "You're not very happy here." I said, "That's very nice to hear because I told you that before I came here." But anyways. [Laughs] He says, "You need to get back out in the field." So, he made me go to Guelph.

NP: Now, in spite of the challenges--. And I can just see how things were playing out there, having worked in a large organization where people come in and say, "This is what you need to do". Limited success though? Like were there some things that you saw out of it that--?

**[1:10:01]**

GH: Oh, absolutely! There are things that we're doing today that were things that we implemented.

NP: Can you pick a couple and tell me about them?

GH: Like the environmental stewardship program that developed. When we talk about, "Let's monitor our sites on a regular basis," to not only protect ourselves in the event that somebody says someday, "You impacted it." We can say either, "This impact was already here when we came here," or to measure ourselves all the time to make sure we don't impact it if something has happened, that we haven't impacted the site's environmental end. Sites, in particular, I'm talking about western Canadian sites where we have fertilizer and pesticides and herbicides and seed treatments. We have all sorts of wonderful things guys need to grow successful crops, and large quantities aren't necessarily good for the environment in the case of spills or accidental discharges. So, that carries on today. And an audit process for our health and safety program. It has evolved considerably since then, but actually audit ourselves internally with third-party auditors. "How well are doing with our health and safety? Are we doing what we're saying we're doing?" This proves that out.

NP: So, if we use the terminal elevators as an example, what does an audit look like for health and safety here? Like what would they be looking at, the third party, when they come in?

GH: Well, they are looking at, first, have you met all the regulatory requirements? Like do you have all the necessary resources available as required by law? The guarding, everything that has to do with occupational health and safety regulation legislation. Is that in place? Is it available? Does everybody know? Training, you know, are your people trained? Job observations. Are you doing job observations on your people to ensure that they do know what they're doing? And have you observed it and documented it? Accident investigation, incident investigation. Every time there is a report about an incident, or an accident, are you reporting them? Of course, they don't know if you're not, but are you following up on those incident investigations? Are you closing them off? "Here's the plan that either we've mitigated or it's never going to happen again." Documentation is a big deal, like employee files, like I said, your training.

Then talking to employees to confirm that they know why they're doing, how they're doing it, checking PPE. Are the dust masks, for example, are they in good repair? Are they in good condition? We'll randomly inspect personal protective equipment onsite—the hardhats—just to make sure, you know. Policies and procedures, are they all in place? Hazard analysis. Has hazard analysis been done on all the jobs that you do in here? Like it's a two-day process. It is pretty detailed. [Laughs]

NP: What kind of company does that auditing?

GH: It's Richardson employees, but they're audit personnel. They do grain audits and inventory audits, so they also do these safety audits as well. So, it's an independent group within the company that does the auditing. So, that's still in place. So, I feel, while I sometimes make mock of it or groan over the, "Oh, it's time for an audit again, and it'll just make more work for us again." because there's always, always room for improvement. Always, always. That's one thing I learnt in that job was it never quits. You're never finished, ever, and don't ever think you are. If you think you are, then you're not. So, that's a couple of the things that we still do today from that.

NP: Were there any measurements pre-audit programming and post- to determine whether things did improve?

GH: The really only measurement that we used to use before was your WCB, WSIB data. Were you better than the rest of your industry group? At what premiums were you paying compared to others? Were you in a rebate position or in a premium position where you had to pay more than your industry group did because you were so bad? As far as things that related to workplace injuries, that's all we measured was workplace injuries. Now, of course, we're measuring all sorts of other compliances. I mean, like as it relates to documentation and training, we measure all those things to how well we're doing internally through this process. That was never the case earlier. It was just as long as nobody got killed or lost work because they were injured, that was kind of it. It has kind of grown from there.

**[1:15:24]**

NP: Yeah. Did anybody ever get killed or seriously injured in any of your--?

GH: My tenure as that?

NP: Yeah.

GH: No, no. Not that I--. We had some incidents, serious incidents, like damage to property and some spills and things like that. Some people were injured at work, of course, but I wouldn't categorize them as serious.

NP: And that didn't use to be the case with elevators. I mean, oftentimes there were very serious incidents.

GH: Yes, yes.

NP: I'm just going to pause for a sec. **[Audio pauses]** When we get to that. So, you're still okay?

GH: Oh, yeah sure.

NP: All right. So, after environmental health and safety you headed to southern Ontario, did I hear you say that?

GH: Yes, yeah to Guelph.

NP: And what were you doing there?

GH: Well, I was, again, the regional manager there for our southern Ontario operations. We operated a number of assets down there, and part of my mission was to get rid of those assets.

NP: Who were they? Who were the assets? What were the companies?

GH: Well, they were Richardson facilities, but spread through--.

NP: Manufacturing?

GH: No, no, grain elevators and crop input retail centres, just like western Canada.

NP: Oh, okay. So, what was there when you went and what did you close down?

GH: Well, we closed it all down except for Hamilton and Port Stanley, which is now subsequently closed, but when I left there, that was in the works of being disposed of as well. So, we had assets in Donegall and Stayner and St. Thomas, Talbotville, Port Stanley, Aylmer, Dutton.

NP: Were these elevators?

GH: Yeah, elevators and crop input centres. Not huge elevators like western Canada, but certainly the same function. And our new facility at Hamilton. So, I closed the Guelph office down because we had our main office in Guelph. Closed that down, built a new office in Hamilton, moved all our stuff to Hamilton, and we got rid of all the other stuff in southern Ontario and focused on our exporting operations in Hamilton.

NP: And why was that decision made to consolidate, shall we say?

GH: Well, it was refocused really on opportunity to be profitable. The rest of the other assets, some were very good, some were very poor, were not profitable and weren't going to be profitable. Some of these were new assets that we had built ourselves, actually, in years previous. I think, I don't know, in large part we tried to implement the western Canadian model into southern Ontario, and it didn't turn out the way we had expected, nor were we prepared to add more resources or capital to do it. So, we did what we thought was right, and it has proved to be right.

NP: Who were the competitors down there?

GH: Oh, a myriad of competitors! There was like 300 grain dealers in southern Ontario and crop input retailers. They're everywhere. Not a single competitor so much, but many, many, many of them, independents. Cargill was down there too, Parrish & Heimbecker [P&H]. Probably the largest competitor for grain receipts in southern Ontario between Cargill and P&H, lots of independents. So, with our Hamilton operation, we were just able to buy grain from these brokers, other dealers, other grain companies and export it at Hamilton. It made way more sense to do it that way than us-originated.

NP: I was reading about the history of Richardson's, and they started out in Kingston, right?

GH: Mmhmm.

NP: Do they still have a facility there?

GH: No, no. No, eastern Canada now is Sorel just outside of Montreal, grain merchandising office in Boucherville just next door to Montreal, and Hamilton.

[1:20:02]

NP: And what is in Hamilton?

GH: Grain terminal. Export grain terminal.

NP: A new one?

GH: Yeah, built in--. Oh, it's got to be 15 years old now at least, 16. Built in the late 1990s.

NP: Does it look like all terminals?

GH: No, no. It's a steel bin construction. Different style.

NP: Why was that chosen?

GH: Economics, and not the same mixture of grain in southern Ontario as you would see in western Canada, right? You don't need 47 separations. You're handling red winter wheat, corn, and soybeans. You don't have the myriad of grades involved in each of those commodities, so you don't need to have a whole bunch of bins. You can have several large bins.

NP: How would you describe major differences between—I mean other than the ones you talked about, I'm talking more about all the sense of being there—of operating a grain operation in southern Ontario versus operating a grain operation on the Prairies?

GH: [Laughs] It's just a different smell of the dust. It's still dust—corn dust, soybean dust, or red winter wheat dust. The biggest difference--. And we have to remember southern Ontario grows over 10 million tonnes of grain, corn, beans, and wheat—never mind the orchards, never mind the vineyards, never mind the vegetable places, the tobacco places—this is just grain, wheat, beans, and corn. All of western Canada on a very good year grows, what, 45 million tonnes from southern Manitoba to Peace River? And we've got this little slip from Windsor, Ontario, to the Ottawa valley, two hours across, that grows 10 million tonnes of grain?

[Laughs] The production is unbelievable in southern Ontario per acre compared to--. And it's where it's located, right? They can, of course, grow corn because of the longer growing season, so you've got more production.

But as far as producers, customers, they have the same concerns. [Laughs] They might grow different grain--. And of course, there's a lot more producers in southern Ontario because there's a lot smaller farms. They're small operators compared to--. Size

wise, not production wise. But as far as arable land, yeah, they're a lot smaller. So, you have a lot more of them. Very intensive crop inputs. Very intensive. The difference, and this was evidenced by my son who stayed down there when we moved from there to Thunder Bay--. He stayed working for a crop input dealer in southern Ontario. He wanted to get back to the Prairies because it was so labour intensive in southern Ontario in dealing with crop inputs and selling fertilizer, ag-chemicals. The producers expected you to bring it out to the field. They expected you to apply it. They expected to tell you when you needed it, and for a 50-acre field. I mean, you could spend all day to sell eight tonnes of fertilizer and a couple of pails of pesticide, and plus put it on yet for him! [Laughs] Very intensive, very intensive compared to western Canada.

NP: I was wondering about that when you said just how tight competition was, or not even so much tight as prevalent. So, were the producers better off then, because I don't think there would be anyone going out in western Canada to put on the fertilizer and spend a day with--.

GH: There is, there is. There are people because it's just driven by necessity now because some of the places are so large that you need extra help. But producers there will do it themselves more that way, will apply it, because they don't necessarily want to wait for someone else to come. The timing may be too late, so you have to do it yourself, right? Southern Ontario, the climate is a little bit more forgiving, right? You can get away by waiting a little bit, or it's not going to freeze or whatever. So, it's a little different that way.

NP: Would you have a preference if you were still operating--?

GH: Oh, I'd be in western Canada. Oh, yeah. It seems a little more independent in western Canada, producers, and a little more--. I don't know how to describe it exactly.

**[1:25:19]**

NP: Is it sort of rough versus refined at all?

GH: No, no.

NP: And I don't mean incompetent, I just mean more down to earth. [Laughing]

GH: Yeah, that's probably a better way of saying it. A little more, I don't know, practical maybe too. Have had maybe a few more challenges than the guys in southern Ontario because of the climate in particular. I mean, it's rare that you ever hear of a frost

wiping out crops in southern Ontario. Yeah, some of the orchards will get damaged and things like that, but I mean frost can wipe out the guy in western Canada pretty quick or [inaudible] or pestilence or whatever, right?

NP: I think that's what I meant by rugged, like they had to roll with the punches a lot more.

GH: Yeah, oh yeah. Yeah, that creates a little different character. They don't take things for granted. You appreciate what you have today. That probably is a little more evident in western Canada.

NP: Now, most of that crop, am I correct, most of that crop was for domestic or North American use, the one you'd be dealing in southern Ontario?

GH: In southern Ontario? Yes, yes. Most of it is because that's where all the people live. That's the other difference.

NP: So, did that make any difference in the operation?

GH: Oh, sure, sure. Because you had to store grain to keep feeding the mills and you sold it domestically. You weren't exporting it. It made it a little easier in that sense because, of course, you and I could talk. You're the mill operator and I was the grain handler over here a few miles away, right? When you're dealing with overseas, when you're exporting exclusively, you're dealing with a guy a long, long ways away. But yeah, most of the--. The corn is all used domestically, primarily. Very little corn is exported. In fact, corn is imported because there's such a demand for corn for animal feed and people feed. Wheat, maybe half the wheat crop is exported. The rest is all milled locally. A little bit exported to the US, to Buffalo, because it's just across Lake Erie. It's the closest wheat they have. The soybeans are exported. There's some crushed as much as they can, and then whatever's leftover is exported. So, probably half of the beans are more exported, and half the wheat.

NP: What were your biggest learnings down there would you say? What are the greatest things you brought away from that experience?

GH: What it was like to operate in a not-so-restrictive regulatory environment. That was the biggest learning. That served me well coming here in view of the changes that happened here about six, seven years after I got here. That put me, I think, in good stead to anticipate what would be required going forward. A lot of people didn't understand that. I think we handled that transition to the non-monopoly environment and non-Grain Act requirements that almost came back-to-back pretty good because we didn't have the same restrictions. We were exporting grain out of there, so we were dealing with export grain and that's what we do here.

NP: So, let's move onto things that are near and dear to the Friends of Grain Elevators, and that's your move to Thunder Bay. How did that come about? And then we'll talk a little bit about the elevator and all of those things.

GH: Well, I asked that same question, how that came about, to my boss when I came to Thunder Bay at the time—a different boss than I had in southern Ontario. I said, "Why did you want me to come to Thunder Bay?" Because we'd only been in southern Ontario for it wasn't even three years, and it was a lot of fun. I was really enjoying it there, at least I was anyways. My son finished his degree at the University of Guelph while we were there, so that turned out very well. Fortunate that what he was taking studying at the University of Manitoba they accepted at the University of Guelph in Ag college. So, that was pretty good. We were very happy about that. He didn't have to take another extra year down there. As it was, he would've had to stay down there and do it because we left again. So, my boss, I says, "Why did you want me to come to Thunder Bay?" He says, "Well, you're low maintenance, Gerry. You just--." [Laughs] So, I came to Thunder Bay. He was here, my new boss, who I had worked for before in past lives.

**[1:30:18]**

NP: And who was that?

GH: Nick Fox.

NP: Oh, okay. He was here?

GH: I reported to him when I was operations manager in Winnipeg. I reported directly to him. And I reported to him--. I thought I reported to him three times, maybe not.

NP: So, he was the terminal operations manager in--?

GH: He was the vice president--. At the time, when I came to Thunder Bay, he had done different things too, of course, in the interim. Yeah, so that's what he said, "Gerry, you're low maintenance." So, he came here for half a day, and the manager I replaced who was transferred to Lethbridge, Alberta—to our Canbra Foods plant--.

NP: Who was that?

GH: Mike Coghill. They were here for half a day and that was it! You know now that I think about it, it seems like when I went to Guelph too, they had just terminated a guy who was managing that. So, again I just walked in there cold. Walked into here cold. Walked into Winnipeg cold in the health and safety. Huh! Jeez, I never had a--. [Laughing] Now that I think about it, I've never had any extended training periods ever! [Laughing] Ever, ever!

NP: They knew how well you did the first time around!

GH: It just hit me now for the very first time! Never realized that.

NP: So, was this your first experience with a really large sort of exporting grain elevator?

GH: Yes, yes.

NP: So--.

GH: And a unionized work environment.

NP: Okay! So, tell me about your learnings here.

GH: Couple things that come to mind immediately. I was very critical of people here when I came to Thunder Bay—of our employees, of outside people, people that I was dealing with.

NP: Outside people?

GH: You know, that I have to deal with here in the city of Thunder Bay.

NP: Like maintenance companies--.

GH: Yeah, or contractors, suppliers, other grain companies. It took me probably a year and half or two, after I went through a couple of cycles, I finally came to the realization. I don't know how it happened, but it did, that I could not expect--. I was taken aback at how rigid, how closed in--. I don't know what the word is I'm looking for.

NP: Insular?

GH: Yeah, that's a good word! That Thunder Bay was. Like the business I'm familiar with—I can't speak for the rest of the city of Thunder Bay—but I just know in the grain business when I came here.

**[Audio pauses]**

NP: Didn't get that because I just pressed the pause button again. So, you were saying that you were surprised by the characteristics of people in Thunder Bay. Could you repeat that?

GH: Well, by the employers, by our employees, by outside contractors and suppliers and other people in the business, and how insular it was because—and I just come from the Golden Triangle and moved to Thunder Bay—and I was very critical that people weren't what I deemed to be progressive. I was having a little difficult time getting people to understand what I was trying to accomplish and the opportunities that were there and how we could maybe do things a little bit differently than we had been doing for a long, long time. Like I was saying, I was pretty critical and that of people, and then it finally hit me that, "How could it not be like that when everybody that was here was from here and had never experienced all the things that I'd experienced from southern Alberta to southern Ontario in 30-some years, being exposed to all the different ways of doing things and people?" Peoples' jobs were not them. Their jobs were a means to do what they liked to do. The jobs were not them. That was the other big--.

**[1:35:09]**

NP: I don't understand. Can you give me an example of that?

GH: Yeah! Because my job, that's what drives me. That's what motivates me. It's what I do. That's what challenges me, always has. When I came here and I saw the workforce, and they were doing the same thing day after day, how can you even do that? How can you do that same thing day after day after day, year after year after year? The same job! It's unbelievable to me. But then, that realization came to me. "But that's not who they are!" They're all doing all kinds of fun stuff after 4:00, right? That finally hit me because I couldn't believe how people could come and sweep the fricking floor in the terminal for 12 years waiting for an opportunity. But, boy, that was a different guy at 4:00 when he left because now, he was doing his thing. He was going to his camp. He was doing his fishing thing. He was doing his hunting. He was doing his side business. He was doing this. He was doing that. He had all these other things he was doing, and what he was doing during the day provided him the means to do that. Completely opposite to me. Completely opposite! But that's not a bad thing I finally realized.

NP: You've been lured to the dark side? [Laughing]

GH: No, that hasn't changed me, but it made me understand it and realize, when I think about my own career and what drives me, that's not necessarily a bad thing. What's wrong with doing a thing that provides you the means to do who you are and what you really like to do? To me though, personally, I still like to get it and get paid for doing what I love, right? Otherwise, I wouldn't do it, but that's me and a whole bunch of other people, I'm sure. **[Audio pauses]** On again, I suppose.

NP: [Laughs] Okay! Now, I'm interested in--. Let's talk a little bit about the union because that certainly has something to do with people thinking, "Well, this is my job, and this is what I do." But one of the things in Thunder Bay is the union has had to be quite different because of circumstances than they were when they had 2,500 people working on the waterfront. So, has there been—or maybe you just haven't been around in the situation long enough to see—a change in how the union operates just because the circumstances are just so different?

GH: Yeah, I don't know because I've been here 10 years. There was about 200 plus grain workers when I came here, maybe 250-ish or 240 or something. There's 200 today approximately. So, I don't know what it was like before. This is also my first union experience as well, so I can't even compare it to anything I know because I've never been intimate with it before. But it's been positive. It's not complicated. Treat people the way they want to be treated. Treat people with dignity and respect and some professionalism and have a little fun. Mean what you say and say what you mean. That was a learning that the union had here a little bit. Because when I came here, you know the new guy's here and he wants to change how things are done, and what he'll put up with and what he won't put up with. It took the group here a little while to figure that out.

I'll just share one little story about that, and that's the shop steward at the time, after I'd been here a couple years, had told me over and incident that we had, "I now understand where the line is. People before used to bark a lot. You don't bark very much, but you bite." That's how he described me, and then he retired and moved on. I didn't know how to take that right away. But I think it was positive. [Laughs] What I got out of it was that I meant what I said, and it wasn't that some people were treated differently than other people, that we were consistent, and we were fair. People didn't have to like it, but we meant what we said.

**[1:40:09]**

NP: What was your initial reaction to a terminal elevator?

GH: It was just bigger than what I was accustomed to. I mean, grain comes in, grain goes up, and grain goes out. It's not complex. The complexity is in the size and the pieces of equipment, the numbers of equipment. The biggest challenge for me was the grain cleaning systems because these terminals are all equipped with fabulous systems for cleaning grain. So many pieces of equipment

to clean grain! I mean, I understand grain cleaning, but to understand the flows and the systems here, that was probably the biggest challenge, just because I had never seen so much grain cleaning equipment in one place at one time.

NP: Did the size create complexity?

GH: No.

NP: Numbers of bins?

GH: No, no. Just more of the same, right? I mean there's just more bins.

NP: Had the operations shifted to strictly control room operation of things such as trips and--? So, was that brought in at--?

GH: No, the system here at Richardson is still kind of a mix of automation and manual. Mayo spouts upstairs are still moved by a spout bouncer, and the trips are still set up by my guys. Bins are still opened manually for shipping. Certain other things are automated or controlled, so it's a bit of a--.

NP: What's automated? What are the major systems that are automated?

GH: Well, your starting, stopping all your equipment. Monitoring the loads, adjusting the flows of the grain that you can increase it or decrease the grain flow on belts. Filters, operating the pollution control filter system. Some of the monitoring of other equipment has been automated, so you can see what it's doing without having a person there. It's all a matter of payback, right? I mean, where do you get your biggest bang for your buck initially?

NP: So, are there other elevators along the waterfront that are more automated, or is it pretty much the same?

GH: You know what? I don't know. I'm not intimate with the insides of the other elevators. My understanding is that Superior Elevator is probably the most automated, but I can't confirm that. I don't know for sure.

NP: As far as shaping up the operation—either people or physically—did you have to take on any challenges that way? What changes within the terminal operation occurred over the time that you've been here? Then we'll look at the changes in the industry in general because I think I'm really interested in you talking about that.

GH: Well, operational changes, yeah, we made some, of course, with how we manage our railyard operations is probably number one.

NP: How'd that change?

GH: Well, there was a crossing—a railroad crossing—here that you would come through the main parking lot, go through the railyard, and then go to the back of the terminal. That seemed kind of anti-productive to me because we had to stop our trains, separate our trains, hook up our trains again, and get them to the dumper. That was a waste of time. Safety reasons too, I mean, you're running through a working railyard just to get to the back of the elevator. So, it was time and safety. Leased some property from the city and built a new road at the back, closed the crossing, and we don't have to do that anymore. Reconfigured our railyard to accommodate more loaded cars to make a larger car spot because we are loading 110, 112, 120 railcars now from the country in one lot. Well, the railyard here under the configuration that was here, it only held 72 cars. We should be able to at least hold a train load! Why would you just take 72 when a train is coming to town with 100 or 105 or 10, right? So, we can accommodate a full train now as well. Other equipment changes to facilitate the flow of grain, to make grain go faster, because at the end of the day, whoever can handle more grain with less guys is going to win. It's that simple.

[1:45:49]

NP: So, what new equipment was brought in? What impact did that new equipment have on numbers of staff?

GH: It hasn't dramatically changed the number of staff, but what it has allowed us to do is handle more grain with that same number of staff. That's what's happened. So, in a shift we can do a lot more grain with that same group of guys than we could before.

NP: What were the major upgrades there?

GH: Well, adding some grain conveyors in critical spots, reduce some bottlenecks in the grain flow. See, these terminals were designed originally 100 years ago almost to receive grain from western Canada by railcar and put it in the workhouse, and clean it, and then distribute it later out into the annexes. That's how everything is designed in every terminal. What we do today—or in the last decade—is grain is unloaded and it moves directly into storage. So, it's unloaded at the dumper and ends up a quarter mile away in a bin in one move. We don't have to stop and clean it because either it arrives clean or we're shipping it dirty. Maybe dirty is not the right word. Uncleaned. We ship it uncleaned. So, there's various bottlenecks we had to resolve to facilitate the grain to go from here to here, not just *whoosh* into the workhouse and then be distributed later on after it was cleaned at a slower speed. We

had to get the speed up right at unload. That continues today. I mean, you have a finite amount of capital, and you start working your way through all the bottlenecks and improving the flow of grain so that you can get grain off faster and get more done in the day.

NP: Who identifies the bottleneck and who designs the systems to improve them?

GH: Well, I just asked our guys that work here. Who knows better than the guys that--? “Where’s it slowing up? Where’s it slowing up?” So, you start at one end and work your way through, and there’s multiple paths so you can’t get it all done in one time. But you keep working at it every year. Then we just contract out a design to an engineering firm, a design change or how it would look or how to improve this once we’ve identified where the bottleneck is. Once you’ve resolved one bottleneck, you go farther down the chain and, oh, there’s another one now! On and on it goes because there’s miles and miles of conveyances here, right?

NP: Any other changes? So, we had the bottlenecks, we had the rail system, and rail capacity improved. You took on a new elevator!

GH: Yeah!

NP: That’s pretty major.

GH: Yeah, that’s pretty major! Taking a mothballed elevator and firing that up, bringing it back to life.

NP: And what challenges did that present?

GH: Time. Effort. To the credit of the company we bought it from had mothballed it in a condition or in a manner in which they could fire it back up again someday if they ever needed to. So, things were put away properly. However, the operating system was entirely foreign to us. It’s a grain terminal—grain goes up, grain goes in, grain goes out, right—but the operating systems that run all the stuff was a system that was foreign to us that we had to bring back to life. We needed some outside help for that—the guy that designed the building or designed the systems—so that we could fire up the elevator. It was a little bit more automated than this one was, so it had a lot more technical things to work through.

NP: Who had done that? Someone from an engineering firm?

**[1:50:03]**

GH: Here. Here in town. We severed his services after a while and contracted another company to help us through it because it was--.

NP: So, there's still expertise in town that's familiar with--?

GH: Yes, and we're going to remove all that stuff ultimately and replace it with our operating system so that we have a consistent--. So that both elevators can communicate together in the same language. Today they don't, but we're making some progress this winter on that. They did a big chunk of it.

NP: Is there any difference in what you're handling at either of the elevators?

GH: Oh, yeah. We handle twice as much at this elevator than we do there.

NP: Same kinds though, not separate?

GH: No, we keep it somewhat separated. We don't handle the same thing at both elevators, we'll put it that way, because it's inefficient. You're best to keep one thing at one place to maximize your boats and your unloads that way, rather than have a little bit of this and a little bit of the same thing over there. Now you've got not enough for a boat at either place! You're moving boats around. So, we completed our first full year this year in 2014 with operating that facility after bringing it to like in '13. It took us months and months. Of course, because it had been abandoned for years, three years, you can imagine there was a lot of clean up to do. Ah!

NP: It doesn't take long. It's amazing to me!

GH: It is amazing, when you think about it, in a short period of time how things revert back to nature. If you left that, there'd be trees growing in the middle of the elevator I bet you! [Laughs]

NP: Now, there is an elevator in between—well, two really, 4A and B—does that create difficulty with having something in between?

GH: No. It's not an issue.

NP: So, had that elevator, which was Viterra B--?

GH: C.

NP: C. Had it been vandalized at all in the time? Or there was pretty good--?

GH: To some extent, yes, but not significantly.

NP: And it hadn't been stripped, which an awful lot of decommissioned elevators are very quickly.

GH: There was some damage done in the powerhouse, but see the power had been completely disconnected. There was no utilities, there was no service, there was no power, there was no water, there was no sewer. There was nothing. It was completely dead, the facility. So, you could physically hurt something, but it wasn't going to blow up something in another part of the facility because of that, because there was no life in the building.

NP: Now, what does that elevator give you? I mean besides extra storage, does it give you any other advantages?

GH: Well, it gives us opportunity to do grain for other people, for other people that are looking for capacity in the port. Take full advantage of our program, whether it's an aggressive export program or maybe we want to do a storage play depending on what the market does. Each year will be different, each month will be different. It sometimes pays to store grain for a little bit. Most times not, so you can take advantage of those things.

NP: The shipping facilities similar? Like the docking and--? So, no advantages to that versus the slip here?

GH: No, it's just a straighter shot in through the opening, eh, through the break wall.

NP: That never hurts!

GH: It just comes straight in, but I mean he's got to tie up and do the same thing there as here. A little slower loading there than it is here, so it's not quite as fast. The elevator's not as fast as this one, which, when I think about it now, I guess we've been making progress here then in the last little while! Because we can ship twice as fast as we can over there, and we receive grain twice as fast as we can over there too.

NP: Now, have you dealt with, then, to the full extent that you would like to the challenges of operating a terminal elevator?

GH: [Laughs] Well, I guess that depends on what other changes are coming down. There's further amendments, I think, going to happen to the Canada Grain Act that are going to change how we do our operations.

**[1:55:04]**

NP: There have been changes.

GH: Yes, there have been a number of changes already to date.

NP: So, those changes--. Well, let's talk about those changes then because we're sort of finished talking about the physical environment of the terminal.

GH: Well, they all started about three years ago.

NP: Well, they started long before! [Laughs]

GH: Well, I mean the impact to the terminal. The impact to the terminal as far as it operated.

NP: Yes, so let's talk about when you first came to Thunder Bay, I think most of the elevators along this part of the waterfront were still operating. Well, I shouldn't say most of them, but was Manitoba Pool still in operation? So, you got here when--.

GH: It was exactly the way it is today.

NP: Agricore was already gone?

GH: No, Agricore was here.

NP: Agricore was here. Agricore is no longer here, Gerry! [Laughing]

GH: Oh, I guess that's true! Yeah, Agricore United was here, yes.

NP: So, Manitoba Pool was gone, and UGG was gone.

GH: M House, yes. They were closed.

NP: Pool 1 and 3, Manitoba Pool 1 and 3?

GH: Yeah, I just knew it as Agricore S House.

NP: Okay. It was still in operation?

GH: It was still operating, yes.

NP: So, maybe I'll just leave it open for you to discuss or talk about those major changes in the whole grain industry, that there were four major wheat pools—one left, and not even a wheat pool anymore. So, free reign to talk about those changes.

GH: Hm. I'm just trying to think of the timelines here because it was Man Pool and Alberta Wheat Pool had merged to create Agricore. That was a long time ago.

NP: I think we're looking around 2000 when it started to--.

GH: Yeah, because originally it was Sask Wheat Pool, Man Pool, and Alberta Wheat Pool.

NP: And UGG.

GH: The thought was that there would always be a super-pool, or there was a hope that the three pools would merge together.

NP: Did you think that would ever happen?

GH: I thought it was possible, and that it was probably prudent that they do because Sask Wheat Pool was the largest as far as volume and assets and stuff at the time, and the other two companies were a lot smaller size that it would be advantageous if they had representation across the Prairies. So, if Manitoba flooded out or whatever happened, or froze out, at least the company could manage the risk in other parts. But then, of course, the management at Sask Wheat Pool wanted no part of that, so it left Alberta Wheat Pool and Man Pool to join to survive and to create Agricore. Sask Wheat Pool was on its mission to invade, if you could say

it, Manitoba and Alberta with building assets in those provinces. Oh, I know what happened. Then Agricore, they took a run at UGG, and then it turned the other way around and UGG took a run at Agricore and became Agricore United.

NP: So, as you're sitting there watching this, what are you thinking?

GH: I'm thinking that the co-operatives, they're not going to survive. You know, they used to always talk about service at cost and things like that. They'd promote themselves like they were there to serve the farmer, but you've still got to make money. You still have to make a profit at the end of the day to grow and reinvest in your business. If you don't have that, then it's too late! It's too late. Very similar to that conversation I had with our senior executive that long time ago where he said, "Oh, we're doing just fine. Never mind. Yeah, yeah, yeah, we're doing just fine." All this stuff, you can see the different things coming or that could come, and then it becomes too late.

**[2:00:07]**

So, yeah, that was not surprising. Our biggest concern, in my opinion, my concern would have been, had there been the super-pool created—if the three Prairie Pools had joined together—would have changed--. The landscape probably wouldn't look the way it is today. If they could have--.

NP: So, what would have--?

GH: They could have pared it down, modernized it, recapitalized it from Peace River, Alberta, to Red River Valley, Manitoba, and had something. But for whatever reasons, that didn't happen. So, that left opportunities now for others, right? Because you had three companies, and then you had two companies, and then you had UGG. The number of companies just got smaller and smaller, and that provides opportunities for other people to make inroads and acquire assets. Your focus as an organization is not on your day-to-day operations when all this stuff is going on. You're focused on surviving. You're focused on putting your new stuff together or trying to save your company. That's where your focus is. Your focus is not on your day-to-day stuff as it should be and paying attention to those details. And that just happens because you have bigger priorities going on, so it seems at the time.

Then Viterra going public, or Sask Wheat Pool going public, because they needed capital. They didn't have money! They had no cash. Where are you going to get cash from to grow and build? Go public. Then, of course, when you go public then you're open to anybody taking a run at you then, which is what subsequently happened. Then, yeah, of course, Agricore United when UGG and Agricore joined forces. Yeah, then Sask Wheat Pool then wanted to purchase them. Meanwhile they had the opportunity a decade

ago, didn't they, to become from province to province to province. That's why I said that, right. I think the environment would look different today if that had happened as a lot of people were hoping it would. But anyways!

NP: So, would you say it would be fair to say that if that had happened, that changes with the Wheat Board and the Grain Act may not have come about?

GH: It may not have come about as quickly, or maybe there might have been a little more resistance to it maybe. I don't know. Assuming the economic conditions turned out the same way, I think it wouldn't have stopped it. Wouldn't have stopped it. It might have put a little different spin on it maybe. That was just our new federal government saying it was time, right? It was time for producers to be able to do what they will with the grain they grow. They hadn't been able to in 75 years.

NP: I'll come back to that in a moment, but I just wanted to finish up the sort of the change of the look of the waterfront, and there is sort of a tie to the Wheat Board as well. It's a lonelier profession, being a grain elevator manager, because now there are fewer of them than there used to be when you first came here. Your weekly meetings with other elevator managers were a little bigger than they are now.

GH: We don't have weekly meetings.

NP: You had at one time. Like there was the grain elevator managers--.

GH: Oh, yes, yes! Years ago. Years ago.

NP: [Laughing] Years ago.

GH: But there hasn't been any.

NP: Yeah, that's what I'm talking about. Years ago.

GH: When I first came here 10 years ago, there was little informal get togethers on a weekly basis, but that didn't last very long. There's been, oh boy, nothing. There's still the Lakehead Terminal Elevators Association with three companies remaining—ourselves, Viterra, and Superior. We used to have monthly terminal association meetings, conference calls with the West Coast and the various head offices and Thunder Bay operators. That happens maybe every two months now.

[2:05:41]

NP: So, what were they discussing then that is not needed to be discussed now?

GH: Well, because we all had the same issues as primarily related to transportation and the Canadian Wheat Board [CWB] and the Canada Grain Act because everybody was governing us. We all operated under the same set of rules, under these regulations, so there was some value to it because we were all agents of the CWB. [Laughs] We all had the same issues, right? None of us had control of our pipelines. Everybody else had control. Now, today of course, that's different, right. We all manage our own pipelines. We do what we believe is the best thing to do without a lot of interference. So, we're not going to fight each other's battles now, are we? We have a different battle.

NP: Or fight common battles.

GH: Yeah. There are still some, of course, when it comes to dealing with the railroads for example. That's a favourite topic, I guess, their performance and issues that they have. We're all managing our own pipelines and handling our own grain from the country elevator to export destinations.

NP: Yeah, so a lot of those issues no longer are issues.

GH: Yeah, or if they are, they're competitive issues now, aren't they?

NP: So, nobody's talking? [Laughs]

GH: That is correct. That's correct. [Laughs]

NP: Interesting because I've been in this now for over that time period, and you're confirming my sense.

GH: Well, yeah, that's what I say. We hardly have any meetings now anymore unless there's something in particular that does affect all of us. But there's less and less of those now because, like I said, they become competitive issues now. So, we're not necessarily so cooperative now amongst ourselves.

NP: Is that a sort of sad thing, or it just is?

GH: No. It was sadder before, I believe.

NP: Why do you say that?

GH: Well, just the environment. I mean, good lord, it was so controlled, so regulated.

NP: So, the camaraderie of miserable people sharing their miseries is less of a loss than the gain of the independents?

GH: Yeah. Oh, yeah.

NP: Canadian Grain Commission [CGC] is another group where there's been quite a change over the years. So, when you came here, they were still doing inward inspections?

GH: Yes.

NP: And now that isn't, and there's been the growth of the independent inspection services. So, how has that changed how inspections are done? When do you use the government inspectors versus do you ever use the independent inspectors?

GH: No, no. I can tell you we are the only export grain terminal in this country that manages its own quality assurance, its own inward weighing and inspection. Every other terminal has elected to go to third party providers.

NP: But they don't--. Is there ever inward inspection?

GH: There is, but not by the government.

NP: Right.

GH: There's no requirement. There's no requirement under the Canada Grain Act anymore to do the inward. Well, I shouldn't say--. There is a requirement to do it, but not by the government. You can do it however you want. You just have to make sure each car is weighed accurately and properly. There's certain protocols to follow, particularly around weighing because Weights and Measure still has oversight over your weighing devices. So, you still have to weigh your cargo that arrives, and you still have to issue some sort of receipt for the cargo that arrived.

NP: Why?

GH: That's up to you. Because--.

NP: I mean I can understand that the weights, like any kind of operation that--.

GH: For our own grain company? We don't have to, but we have other shippers, so it's only prudent that you would, that if you're another company and you're shipping to me that you would want some document when that car unloaded that said that--.

**[2:10:18]**

NP: If I were some other company?

GH: Yeah. That this is the weight, and this is the quality of it. I would give that to you, right, so you know what you had here in store. Producer cars are still prevalent, so a producer has the right to load his own railcar in western Canada and ship it to a terminal, upon terminal authorization. Of course, he needs to have a receipt too, doesn't he, for that carload of grain that he can take to the bank or get payment for, depending on who he sold it to.

NP: That would be a very small percentage of anything that you receive?

GH: Well, we don't receive any producer cars—our company doesn't subscribe to that notion—so we don't provide that service to producers. We will never dump or accept producer cars. Other companies do. There is a significant volume of producer cars that comes to Thunder Bay, but we don't concern ourselves with those, nor will we.

NP: Why is that?

GH: Well, we have grain elevators to buy grain. We're not going to support or encourage producers to go and deliver their own grain into their own railcar to ship for export when they can deliver it to our facility that we've spent millions of dollars building, right? It seems odd wouldn't it that you would spend half a billion dollars in building assets, and you encourage someone to go and load his own railcar? [Laughing]

NP: I would see the only advantage if you could charge them for the handling because then you would at least get the handling costs when it gets here.

GH: We don't! We don't. Oh, when it gets here? Yeah. [Audio pauses] Yeah, absolutely.

NP: Yeah. Where were we? Ah, yes. So, I was talking about how inspections have changed. So, you have your internal system?

GH: Richardson employees, yes.

NP: Yeah. Does Richardson's have a training program for inspectors?

GH: I have developed one myself.

NP: Okay. For across Canada or for here?

GH: Just for here because we're the only terminal that does it, including Richardson terminals.

NP: Don't other companies always have their own inspectors?

GH: They've always had their own house inspector that kind of oversees when the car comes in. He looks at it and decides it goes here it goes there. That still carries on, but we create our own elevator receipt for each carload. We inspect, physically inspect, every carload that comes in, where other people rely on third party inspection services to do that. Everyone does it still. However, they rely on third party.

NP: They rely on third party for inward inspections when a customer requires that?

GH: No, they do it for everything.

NP: Every car is inspected still?

GH: Yes, yes. Every car is still inspected.

NP: With paperwork?

GH: Yes, sir. Yes, ma'am, sorry. [Laughing] Sorry about that.

NP: I find that fascinating!

GH: It still is because you have to know. You have to know. When you're receiving this grain, you've got to know what's in every car.

NP: Except I think what I've heard from other people who've talked about it, you're the first one who's actually said this. Speaking to other people, they've said, "Well, why would we bother because we're the ones sending it to ourselves? Why do we care?"

GH: That's exactly what they said. Why do they have other people doing it for them today? Because they don't trust their own people.

NP: But that's not here.

GH: We inspect it ourselves. We inspect every car ourselves. And here's the thing, here's why. I can only speak for Thunder Bay, but our goal—Richardson's goal—in Thunder Bay is to load our own lake vessels without any involvement from any third-party inspection services for our own grain. So, to me, unless you know what you have in your elevator—intimately know—how are you going to do this? Like why would you let someone else tell you what you have in your elevator when these very same people who are taking this grain in are the ones--?

**[Audio pauses]**

NP: [Laughing] Okay, so start that over again.

**[2:15:00]**

GH: Well, it's a critical--. [Stomping noises] [Laughing]

NP: Okay, let's try again!

GH: Well, if you have your own people inspecting the grain when it arrives into your terminal, you have a much better chance of executing when you're loading the boat because you know intimately what you have in store and what all the various qualities are

and what you need for the boat. To rely on outside people to tell you what you have is not prudent, in my thinking anyways. That's why we do it differently.

NP: I guess I'm just wondering why you don't accept what it says on the car when it comes in.

GH: Why we wouldn't accept that?

NP: Yeah, because it's your cars coming from all--.

GH: Well, they're not all 100 percent our cars, first of all, right. The majority are Richardson cars. I know what it's like out there in the country, too, right? These guys are loading 100 cars or 112 cars in a matter of 16 hours, 18 hours. I mean it is a big deal, and it happens very, very quickly. These guys load these cars in like five or six minutes, and it is difficult, difficult to really, really--. They're taking this grain either right off the trucks from producers, immediately going into railcars, or coming from huge 5,000 tonnes bins from in-storage in the elevators. It all happens so very quickly, that you better have a good look at that when it arrives. Not that they're being malicious or anything, that's just how it is.

NP: So, just from the standpoint of monitoring and efficiency then, have you set up a system where you actually checked on the--? I mean, it requires extra work for your guys to do that.

GH: Yes.

NP: So, have you been monitoring the need to do it?

GH: Yes.

NP: And it's proven it needs to be done?

GH: Yes.

NP: Okay.

GH: Absolutely. Particularly--. And you could argue that on a good year where predominantly the grain—wheat and durum in particular—predominantly Grade 1 and 2, you could argue that you wouldn't necessarily have to, right, to be as diligent. But the

example this year, when you've got five different grades of durum, for example, and various qualities, it's a challenge, and you better be very careful. You have all different varieties of wheat. And the other thing that's become apparent now in this new environment is the end-use customer is not necessarily just asking for a No. 3 amber durum. He's asking for a [No.] 3 amber durum with a minimum percentage of HVK, with a minimum percent--.

NP: HVK?

GH: Yeah, hard vitreous kernels, which is a degrading factor in durum, which is greater than the [No.] 3 durum allows. It could still be a [No.] 3 durum, but he wants it [No.] 3 durum, but he wants a little higher hard vitreous kernel count than what the [No.] 3 durum says. Or he wants a [No.] 4 durum in all regards except for this degrading factor. So, it's not good enough just to say it's a [No.] 1, 2, 3, or 4. You also have to now separate these qualities within that No 3 grade, by its various characteristics within that one No. 3 grade, because that's what the customer wanted, right? Or you have to separate this stuff. So, it's becoming quite intensive really. It's not because--. So, we do that ourselves. We keep these qualities, so we inspect these cars.

You had to all unload a [No.] 3 durum, for example. You had all [No.] 3 durum. Everybody's happy, happy, happy. But our sales department is asking us to load a cargo of a [No.] 3 durum, but with this specific quality like an HVK count or whatever else, or a certain protein level or whatever. Still all [No.] 3 durum, but it's a different [No.] 3 durum, so we have to manage that. We've got to keep that stuff for that particular sale for that boat that's coming that month. Unless you do it yourself, I think you're going to have issues.

NP: So, the lakers now, you're doing your own inspections in house. So, it's just the export salties?

**[2:20:10]**

GH: The CGC is onsite for salties, yes. Now, I don't know if that's going to remain forever either, right? Don't know.

NP: Depends what the results are, right?

GH: There will be some inspection done. Some official inspection will be done, but will it be by the CGC? That I don't know yet if that will remain.

NP: I guess it depends who pays the bill if it's not right.

GH: Yeah, oh, it's about the bills, isn't it?

NP: Yeah, yeah. Has everything gone smoothly then, would you say, in the transitions, both in the consolidation of the companies, the elimination of the Wheat Board? All upside, no downside? The change in regime for inspections, you've said a lot about that.

GH: Has it all gone smoothly? Yeah, I would say, generally yeah with the Wheat Board. That's quite evident. That's pretty simple. I mean, the first year there was no Wheat Board monopoly, what happened? Ninety percent of the grain was delivered to private trade. The second year, likewise. So, what does that tell you?

NP: Who else would it have gone to?

GH: Well, previously--.

NP: Oh, you mean it might have gone to that thing called the Wheat Board?

GH: Yeah! Before it had the monopoly, so the Wheat Board had 100 percent of it. The argument was, "Oh my god! You can't do that!" So, farmers support the Wheat Board. But what did farmers do?

NP: There were no Wheat Board elevators.

GH: Ninety percent of them didn't support it.

NP: There were no Wheat Board elevators.

GH: Yeah, but you could still deliver grain to the Board until this year. We don't accept Board deliveries anymore. But every company accepted Wheat Board grain.

NP: Have all companies not accepted Wheat Board grain now?

GH: I don't know. I can't speak for the other companies. I just know that Richardson does not accept any Wheat Board grain. If you want to deliver wheat to Richardson, you sell it to Richardson. So, there must be other companies that will accept deliveries of Wheat Board grain. But the first year and half everybody accepted Wheat Board grain, but there was so little deliveries that it was more of a pain than it was worth. That tells you that went pretty good.

NP: Was there a commitment on the part of the private companies to accept it when they first were--?

GH: There was an agreement, yeah, set up with the Board, yes.

NP: And what happened? That agreement was short term?

GH: Well, those expired. Yeah, they were all very short term. They were annual agreements, so. Yeah, that went good. I mean it was a tremendous learning for the industry. I mean, we're exporting all the wheat and durum ourselves to end-use customers. So, that--.

NP: In your position here, do you have any involvement with the end-use customers more so than you would have had before?

GH: We have had some and a lot more interest, yes, where end-use customers would like to come and see our facilities and look at our operating procedures. We've actually had an audit by one of our overseas customers whether we're following what their expectations are.

NP: So, are you now then part of the team that--. Like previously a lot of the sales would have been Wheat Board sales, although Richardson was still selling canola and other items that were non-board items. So, are you in at all on those, not so much discussions, but information sessions about who you're going to be sending stuff to this year?

GH: No, no.

NP: Had there been changes in head office related to size of sales staff?

GH: Oh, yeah. Staff has increased. It's difficult to say as a result of the no-more-monopoly as opposed to all the acquisitions we've made and the other businesses that we now operate too. But yeah, we've added more merchandising staff, logistics people. Credit is probably the biggest issue. Now the biggest risk in this whole thing without the monopoly, without the Wheat Board, is now you have to have a lot more money for credit because now we're financing the sales, right? Not the Wheat Board.

**[2:25:08]**

So, previously under the monopoly system, the Board paid you a handling tariff of X in the country and X at the terminal, and you took your cheque after you loaded your tonnage and that was the end of the story. Well, today of course, now we finance all the

grain to producers. So, when we write a cheque out for wheat, that's coming from Richardson bank account not from the Wheat Board bank account. So, we have to have a lot more operating capital to finance all the purchases, and you have to carry that money now until you have actually got the cheque at unload, or when the boat's loaded here with the certificate final. Now the cheque comes to us. It's meant a lot more financial risk to all the companies without the monopoly because the Board financed it all before, right?

Now we have to finance ourselves to a lot larger extent. And now you've also got the credit to the end-use customer to deal with, whereas before it didn't matter. Well, it was Board wheat. You just handled it for the Board, and they had all the credit risk. You want to buy a boatload of wheat? Okay, then send me a draft for your letter of credit for \$20 million, and we'll send you a boatload of wheat. Well, now we have to ask you for that letter of credit for \$20 million before we send you a boatload of wheat. So, that's the biggest change there, with respect to without the monopoly. Wheat is being bought and sold like nobody's business today, right, in this country. It's nothing that the Board people were the only people that could do it.

NP: Well, you were selling your own other grains anyways under similar circumstances.

GH: Oh, sure, half our other grain. Yeah, yeah. Exactly.

NP: It's just more now.

GH: Just more now, that's all. Just more of it. The Canada Grain Act changes have affected the operations of the terminal the most because of the inward weighing and inspection and things, and a number of the other things—the amount of people they have and service they provide.

NP: Are they still doing audits?

GH: No, there's no requirement for audits. We have to manage that ourselves now, which is fine. It's all good! It was long overdue, I believe, because some of the things they were doing--. It's unfortunate sometimes when you think about it that there wasn't a more—and I'm talking about the Grain Act—that there hadn't been a more measured evolution rather than go from here to here in one draconian move. That's the unfortunate part. But nobody listened from here to here. Like the industry, there was lots of suggestions and recommendations and things said and made to modernize it, to get some of the costs out and redundancies out, but no it took this big measure to do it.

NP: Some people have compared—some people we’ve interviewed—have compared the change both with the Wheat Board and with the Grain Commission changes you’ve been talking about to the measured approach to getting rid of the Crow’s Rate, which was a ten-year period.

GH: Oh, okay.

NP: To see what the consequences would be, mitigate situations as best you could. I think the last group that I wanted to deal with here—and you mentioned it— the logistics, which is both the shipping inward and outward. So, the changes that have taken place since you have started. Let’s start with lake shipping first. So, what’s different now from how it used to be?

GH: [Laughs] That was another interesting thing when I first came to Thunder Bay ten years ago. What is the purpose of Lake Shippers Clearance Association? It made absolutely no sense to me when I came here to Thunder Bay, and subsequently it’s gone. It was, again, another one of those things, “Just because we’ve always done it, we still have to keep doing it.” That’s dangerous. That is dangerous. Then people wonder, “Oh, my god! What’s happening? What’s happening?” Well, you know, [laughs] things have to continue to change or evolve. Just because it’s always been done this way doesn’t mean that it’s the right thing to do.

**[2:30:20]**

I’ll just give you another example, and I’ll get back to Lake Clearance Association, of what’s different. This whole concept of having vessel agents or stevedoring companies loading a saltwater vessel, okay, is something that’s always bothered me as well when I came here. We would have a stevedoring company loading a saltie. We have the grain trimmers loading lakers everyday, each day, everyday, everything’s fine. The trimmers are on the saltie loading it too, but there’s also a stevedoring company involved. So, a number of years ago, I wanted to find out why. What was so important about having--? Why do we have a stevedoring company involved? And you know what the answer was? “Well, it’s always been like that.” That’s the only answer I could get! We do not, Richardson’s does not, have a stevedoring company involved anymore loading saltwater vessels. There was no value to it, and there was no reasonable explanation as to why that was even the case. It might have been 50 years ago. There might have been some justification for it, but that’s long past. Here we are doing things just because, “Well, it’s always been done like that!” So, anyways, that’s just one example.

But same thing with Lake Shippers, right? There is no requirement anymore because we’re all loading our own boats. The boats do not go from elevator to elevator to elevator anymore. That was part of the Wheat Board system. That was their strategy for lake freight to facilitate loading the vessels. Was it the right one?

NP: It was run by the elevator companies in Winnipeg.

GH: Yes, and the Wheat Board and the ship owners.

NP: Uh, mostly the elevator companies to coordinate their operations.

GH: No, that's not correct.

NP: For shipping Wheat Board grain. No?

GH: Oh, it was the Wheat Board? To facilitate shipping the Wheat Board grain. It had nothing to do with the elevator companies because it was all Wheat Board grain.

NP: Weren't they the owners of Lake Shippers?

GH: They were the owners, yes. And the Wheat Board. And the ship owners.

NP: Ah, okay.

GH: But anyways, there's no--.

NP: Yeah, because it disappeared at the same time as the Wheat Board.

GH: Yeah. Well, it would have disappeared anyways, I believe, if it had lingered any longer. I mean, technology has changed. You can transport information now. Now that we all load our own boats, it seems silly even then to have Lake Shippers involved in loading our own canola boat going to Mexico or going to Windsor or going to wherever. Like, really? What's this third party doing in there costing us money again? For what value? We had to report all the information to Lake Shippers. Like when we report the information to where it needs to go, why do we go there and then it goes there? "Well, we've always done it like that. That's how we do it." Oh. Anyways. [Laughs] Lots of things. Always have to keep challenging, always have to keep asking, "Is there a better way of doing it?" or "Why are we doing it?"

NP: What are your comments on the ships waiting in the harbour over the last couple of seasons, but particularly this one? What--?

GH: Isn't that great?

NP: [Laughs] I don't know. Is it?

GH: Yeah, that's my comment. Isn't that great?

NP: Doesn't that cost somebody something?

GH: What do you think? What do you think it costs? How much do you think it costs?

NP: I don't know how much it costs, [laughing] but I know it costs! Oh, twenties of thousands, tens of thousands of dollars. I like it, as I've said to people, because it's a nice view. Like the armada down there.

GH: Yeah, yeah. Tells you that there's a lot of activity, doesn't it? Tells you there's a lot of stuff going on.

NP: But sitting there, not moving is not good.

GH: Not good to who?

NP: To somebody to have a ship sitting in the harbour.

GH: Well, who's somebody?

NP: I don't know. Demurrage costs? No? That's not an issue?

GH: You could save by stacking the boats up. You could save costs somewhere else.

**[2:35:06]**

NP: Can you?

GH: Absolutely you can.

NP: So, you tell me your take on it.

GH: Can you tell me that some vessels arrive here not within their contract period?

NP: I don't know. That's what I'm asking you.

GH: Well, these are other things, yeah. Other factors.

NP: I'm asking, so what is the situation? Who is paying?

GH: Well, there's all kinds of situations.

NP: Good! Tell me.

GH: It can be the boats waiting for cargo. The cargo hasn't arrived yet. Could be a boat has arrived early. Each vessel has a contract period for loading and discharging. So, if you have other boats to load and this guy shows up a week early before his freight contract says, well, he's going to sit there because you got other boats to load. You may want to wait on a boat because of things that are going on in the river. You're not going to load him here. You're not going to send him to the river because he's going to sit in the river with a full load. What else could happen? I guess those are the main four things, I guess. So, it's not just one. It's not just one thing.

NP: What is the most prevalent one that was happening? Because it wasn't happening before, there wasn't--.

GH: There wasn't the same amount of grain before either.

NP: Which would seem to me that the ships would be getting out of here faster. So, what's--?

GH: Well, each ship loads all by itself now one elevator, right? Because it's our boat, it's our freight. It's our grain. So, we're not sharing the boat with anyone, we're not sharing the grain with anyone. It's all Viterra stuff. It's all Richardson stuff. It's all Cargill stuff. It's all Wheat Board stuff. It's whatever. So, it's all that individual company's grain. Last season in particular, I mean, we were so delayed with rail issues. That was a big chunk of it. And then this other season you have to remember, too, we lost almost five weeks of shipping, so contracts start to back up, start to back up, start to back up. Boats are supposed to be arriving for a particular time, well, they couldn't get here. They couldn't get here because there was no shipping in April here or into March. So,

they still have to get here! So, this past season, that was probably the biggest part of it was because of the delayed start of the season. We still moved as much grain as we thought we were going to—that wasn't the issue—but we lost almost five weeks of shipping.

So, you've got all these boats, all this freight booked, but now you're doing it in eight months instead of nine. Ships are most anxious to leave earlier this year too. So, that was probably the biggest thing this year, that we lost a whole month of shipping, and you have all this freight booked, and it's coming. It's coming whether you're ready for it or not. But we lost all that time. Then of course you have to catch up with the railroads, right? They were legislated finally to meet certain targets, right?

NP: So, I don't know that that has changed much as far as issues with rail shipping, but have you noticed a change over your time here in interactions with the railways?

GH: Oh, yeah.

NP: What's changed? For the better, for the worse?

GH: Well, you know, big picture I would say it's gotten a little better. But locally, the service locally has deteriorated. It's a challenge. It's a challenge. The railroads have pared down their resources about as barebones as they can get, I believe. There's more antagonism between the two railroads that we've noticed over the last short past. There used to be a lot more cooperation.

NP: And how does that impact on you?

GH: Well, they accuse each other of inhibiting their operations, and then nothing gets done because, "Well, we couldn't because CP did this." Or CP will end up pushing in some cars and actually CN was supposed to have, but they did. Now that blocks CN out, and stuff like that. That's been more noticeable. The local, local service. It's one thing to get the cars to town to the port, it's how to distribute those cars once they are in the port to the various end users if we want.

NP: Is there anything you can do about that?

GH: [Laughs] Well, we try everyday! We try everyday. It's a little frustrating, so we try and become a little bit more creative and think of different ways that we can help them out, although, they should be looking after us because we pay them to bring those cars to town. So, we have various proposals to facilitate their operations here, and one of them is that why wouldn't they just hand those cars off to a short-line operator, short-line railroad operator in this port? Barring that, then maybe there's something we can

do as a company to better the service. Just bring the cars to this end of town and we'll manage it from there. So, there's different ways, but it takes time.

**[2:40:57]**

NP: The short haul operations, do you think that's going to fly?

GH: It could fly, yes, it could. But ultimately, it's not our decision. It will be the railway's decision, right? I mean the railways have to understand that there's a cost benefit to them. If they could cut all their service in this port, what would that save them? What would they have to pay the short line to execute? The difference would be the savings, and there would be. There's lots of communities that operate--. The port of Hamilton operates with a short-line railway because the service sucks so bad there. [Laughing] You realize that, "Why don't we get someone that does this all the time and can probably do it for less than we can?" That's the issue, right? Do it for less.

So, the railways receive X dollars a car depending on where it comes from. So, if they load a car in Moose Jaw, Saskatchewan, it's X dollars per car. If they load a car in Winnipeg, Manitoba, of course it's going to be less dollars per car because it's closer to Thunder Bay. But it's all a per-car rate. So, depending on where the cars come from, there's a different price on each car. All distance related. So, the farther away, the more money—the closer, the less. So, we pay the railway X dollars to move a car of grain from Moose Jaw to Thunder Bay.

NP: One last thing about the railways, and that is, did I hear that Richardson has its own railway cars now, grain cars?

GH: Oh, yes. We have had our railway cars for a number of years already.

NP: Oh, okay!

GH: Dedicated cars primarily to haul our pellets from our crush plant, our processing plant in Yorkton and Lethbridge with canola meal pellets into the US. So, the cars stay together. They're for our own trade.

NP: But they're not used for general grain distribution?

GH: If we don't need them for moving pellets for whatever reason, they will load up a train of these cars and bring them to Thunder Bay and back to Yorkton again, because it's the quickest turnaround for these cars is to come to Thunder Bay. So, they'll load them

somewhere in western Manitoba or eastern Saskatchewan with grain, bring them here. We'll unload them quickly and get them back to the Yorkton crush plants so they can put them full of pellets again, yes. Yeah.

NP: Efficient use.

GH: So, that guarantees us cars for our pellets.

NP: In what we've discussed so far, have we covered all of your challenges?

GH: Challenges?

NP: Yeah.

GH: Well, there's going to be a challenge tomorrow and--.

NP: But to date, we've covered what you've considered major challenges in your career, major changes?

GH: Oh, sure. We've covered it all.

NP: Do you think there's going to be any change--. Like Thunder Bay used to ship, well, 90 percent of Canada's grain, but I guess two thirds up to a big shift to the eastern markets. Will the change from Wheat Board marketing to private industry marketing make any difference to volumes going out of Thunder Bay?

GH: It'll make it a lot more—what was I going to say?—a lot more opportunistic. If there are opportunities to do that, it will happen very quickly, and it'll happen. If the opportunities aren't there, then it won't. So, it's all about opportunity in it. So, if there's opportunities to market it. You know, Ukraine is a big exporter of grain to where we used to ship grain to as well.

NP: Mhmm. But then that will all be tied up with railcar availability too. Yeah. What is your most vivid memory related to your job? If you were speaking to your grandchild, talking about grandpa and his work, what would be your most vivid--?

**[2:45:31]**

GH: [Laughing] The most vivid--. [Laughs] Well, there's a lot of them! But one of the ones from here is the first time I saw a vessel loading here at Richardson terminal in Thunder Bay. I walked out on the boat, which was a surprise because it wasn't customary for a manager of a terminal to actually see what was going on on a vessel, as I learned. But that's okay. I still go on vessels. I saw the grain trimmers, and they were on the spouts. I saw one of the trimmers bend over and pick up an iron ore pellet. He's on the boat and he was flinging it at the door of our dock office. Throwing rocks at the door, off the boat across the dock. I watched this. He'd do it a couple times, and the door would open! Somebody from the elevator would come out, and they would talk on the deck there across the water to the boat. The guy would go back in.

A short while later, picks up some more of these iron ore pellets that were laying on the--. Starts throwing them at our building. What happens? Door opens! Out comes one of our guys. [Laughs] I go, "What the hell is going on?" First thing I thought of was, "What do you do when you run out of iron ore pellets laying on the deck?" So, the trimmer reaches in his pocket, and he pulls out a bunch of washers and bolts that he carried in his pocket in case they run out of iron ore pellets laying loose on the deck of the laker. "Why are you doing that? Why are you smashing our windows and denting our doors? Knocking the paint off the building!" "Well, I need to talk to the guy loading the boat. I need to tell him this, or I need to tell him that. I need to find out stuff."

This was 2004. "We do not have radios that communicate between the dock office and the boat? You're forced to throw rocks at our building to get the guy's attention?" "That's right, Gerry." "And how long have you been doing this?" "Well, we always do this. We've always been doing this." So, anyways, within a week we had radios between the trimmers and our dock office. They thought that was the greatest thing ever! Now they didn't have to go around carrying fricking bolts and washers in their pockets in case they ran out of iron ore pellets on the deck of the boat to throw! That one's still pretty vivid, even through it was 10 years ago.

NP: That's good! I like that!

GH: [Laughs] Just unbelievable!

NP: That comes under advances in technology! [Laughing]

GH: Oh, cripes! I couldn't believe it.

NP: What would have been the most disastrous incident in your history, if any?

GH: The most disastrous incident? Well, here I loaded a boat without CFIA [Canadian Food Inspection Agency] inspection and they made me unload it. That wasn't very pleasant. [Laughs] You know, I had related earlier that I could write a book on

organizational change. I mean, it wasn't a disaster that something horrible happened to me or that the company collapsed or anything like that, but personally, it was pretty trying to go through that process.

NP: Oh, yeah. What are you most proud of?

GH: Oh, the people. The people. All the people that I had a hand in, either hired or developed or mentored or something that are still within the organization. Those people that have moved onto very successful careers in other organizations as well and that I maintain contact with. Or they made contact with me, maybe that's a better way of saying it. Well, that is the way of saying it. I really believe deep down the impact that I've had on people in this organization, that's what I'm most--. The biggest thing. And here, and people here too. I've developed people here and everywhere I've been and let them be successful and have been successful.

[2:50:47]

NP: As you know, we are hoping to have a grain industry centre of some sort here in Thunder Bay to recognize the importance of especially the export grain trade to Canada's history. What do you think would be important features of such a place?

GH: Like what should be in it? Or what should be the focus of it?

NP: Well, for example, one of the things that--. Well, the focus of it, we're sort of looking at the science, bioscience of grain, to have something that has a year-long focus. But also, you said very early on as a member of our committee, you said, "The industry is interested in the idea, but they're interested in the future of the industry as much as if not more than the past."

GH: That's correct.

NP: So I think along that vein, what do you think should be featured in order to promote the industry?

GH: Well, what becomes of grain, I guess, is pretty important. That's fine to--. Grain, these are grain elevators, well, what are the different grains and what do you use these different grains for and who uses them and to what purposes? Ultimately, where does it go, the grain, ultimately? I mean, we know lakers, it all goes into the river and to elevators there and then onto other vessels, but where--? Because I hear that, now that I've been here for a while, you know, you run into different people who don't know anything about grain or grain elevators and stuff. "It's a grain elevator. It's a grain elevator." Well, grain is one thing to them. Grain

is grain. Of course, even wheat is eight different kinds of wheat. So, wheat is not even wheat! [Laughs] it has all kinds of different purposes.

NP: People used to know because people used to live on farms.

GH: Yeah, they knew what wheat made the best and what you used this for and all that sort of stuff. Then the feed business too. Now there's quite a movement in pharmaceuticals, nutraceuticals, all that kind of stuff too. Different extracts from flax and all those wonderful things.

NP: Good, well I have an opportunity to talk to you about that anyway, ongoing, so I don't need to spend much time on that. Any questions I should have asked you that I haven't asked?

GH: Nope. I'm done! I'm done.

NP: [Laughing] Thank you very much. We managed to get it into one interview. We didn't have to split it into two. Thanks!

**End of interview.**