

**Narrator:** Richard Kroft (RK)

**Company Affiliations:** McCabe Grain Company, Conviron, Government of Canada—Senate of Canada

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**Interviewer:** Nancy Perozzo (NP)

**Recorder:** Bea Cherniack (BC)

**Transcriber:** Sarah Lorenowich

**Summary:** Former Senator of Canada Richard Kroft discusses his brief experience in the Canadian grain trade, as well as his father's career as former president of McCabe Grain. He begins by describing his entrance into McCabe Grain shortly before the company's sale to National Grain, and he describes the reasons for the sale. He surveys his career after McCabe, including growing the company Conviron, working in various government departments, and becoming a Senator. He then shares the story of his father joining the grain trade with McLean and Company, and he explains the history of McCabe Grain Company in Canada, as well as his father's joining the company and ascending to president, turning the company into an international business. He discusses memories of his father in the business and events like the introduction of canola, the opening of new international markets, and the excitement of trading in the Winnipeg Grain Exchange. Kroft expresses the importance of relationships in the grain business and describes the company's interactions with farmers, customers, the Canadian Grain Commission, the Canadian Wheat Board, other private trade companies, and the cooperative companies. Other topics discussed include his and his father's time on the Canadian National Railway board, the grain trade's close connection to politics, his interactions with McCabe's Thunder Bay terminal, his family's pride in Canada's global impacts, and people in McCabe mentored by his father.

**Keywords:** McCabe Grain Company; Conviron; Government of Canada; Senate of Canada; Prairie Provinces—History; International trade; Agricultural policy; Country grain elevators; Terminal grain elevators—Thunder Bay; McCabe Elevator—Thunder Bay; Grain export destinations; Amalgamation; Winnipeg Commodities Exchange; Grain trading; Inland grain terminals; Farmer cooperatives; Canadian Grain Commission; Canadian Wheat Board; Dust control; Canola; United Grain Growers; National Grain; Cargill Grain; Richardson International; Paterson Global Foods; McLean and Company; Canadian National Railway; London; United States of America

Time, Speaker, Narrative

NP: I started off on a good footing. And then I'll have you introduce yourself and your connection to the grain industry and say whatever you like. Okay? Ready to go. Introducing a session with Mr. Richard Kroft at his business office on Berry Street in Winnipeg on October 22, 2009. We'll start the session just by asking Mr. Kroft to introduce himself and tell us a bit about his connection to the grain industry.

RK: Okay, well, thank you for coming. My connection to the grain industry was by inheritance, really. My father, Charles Kroft, best known as Charlie Kroft, spent his life in the grain industry, and it's really his story that has fascinated me about the industry.

I grew up in Winnipeg. He'd lived his life after coming as an immigrant when he was age 6 in Winnipeg. Our whole family life has been here. I did my university undergraduate degree in Winnipeg and a law degree, and in 1963 I joined the company of which my father was president, which was McCabe Grain Company, went into that business as in-house counsel and a general administrative person on all sorts of things, and began to learn the business of the grain trade, and got involved in all parts of the business—whether it was development of property for the feed industry or the seed business or overseas trading.

I was just generally introduced to the business from the period of 1963 to 1967, which was my main time there. I had worked in the company in my school days before that, working on trucks or in a feed mill or in the office on summer breaks during university. So, that started in '56. The period, really, the decade from '56 to about '66 was the time that I was close at hand. But, of course, having grown up with it, there was really never a time that I didn't feel part of the grain industry.

In the time that I was with McCabe, I spent some time away. My wife and I went to London in '63, '64. We had an office in London. McCabe had an office in London, which was a partnership of a British grain trader and South African interest. The McCabe company had a trading office in London. I spent a year in London working in the office there and training in a merchant bank in London—learning about international trade. So, my education was sort of kept ongoing.

Then in '67 I took a leave from McCabe to go to work in Ottawa. Mitchell Sharp was then the Minister of Finance, and he was an old Winnipegger and had been very involved with the grain industry. He had started out with Richardson's. Then during the war went to Ottawa as part of the wartime administration and really never came back. He was responsible as minister for the Canadian Wheat Board [CWB], and he was Deputy Minister of Trade, and then Minister of Trade. So, he had a deep connection with the business of the grain industry.

He invited me to go to Ottawa on his staff, well, in the winter of '66. So, in '67 my wife and I moved to Ottawa, and we spent two and a half years there. I was his special assistant and then his chief of staff—or executive assistant—when he moved from Finance to what we then called External Affairs under the Trudeau Government. In the period that I was working in Ottawa, McCabe was

sold. So, I was on a leave of absence from a company that, by the time I finished my term, didn't exist anymore. So, I went off to other things. But I'll just mention what happened in that period with the selling.

**[0:05:21]**

It was sold in two parts. The line elevator business was sold to United Grain Growers [UGG], and that was a transaction arranged between my father and Mac Runciman—great figure in the Canadian grain industry—who was then president of UGG. The line elevators were sold to UGG. Then in '68, the balance of the business, which was the feed part and the seed processing and the terminal elevator in the Lakehead and the marketing and international trade portion, was sold to National Grain, which was the Canadian arm of the Heffelfinger family out of Minneapolis.

The Peavey companies out of Minneapolis, they operated as National Grain in Canada. National bought McCabe and then, I recall, three or four or five years later—maybe 1974—Cargill bought National. So, it was the fish eating the littler one and the littler one. My direct involvement ended, really, when I went to Ottawa and as the company unwound.

But I've been fascinated with the industry my whole life, and in the process because of working in it, and because of my father, and because of work I did in Ottawa, I've kind of seen it from different angles. So, I'm happy with the opportunity to talk to you about it.

NP: After the company was sold from under you--.

RK: Good way to put it. [Laughing]

NP: Did your other careers ever sort of draw upon your--?

RK: Well, actually, it's interesting that you ask the question that way. While I was involved with McCabe in 1964, a couple of fellows came to visit me. One of my jobs was to look at other related or extended business opportunities, because in the grain business we were always looking for new ways to apply what we knew. I had a visit from a couple of fellows who thought they had a new idea for agricultural research. They had been in the commercial refrigeration business, working for a company called Fleming Pedlar Coldstream—those were two companies owned by a guy by the name of Charlie Fleming in Winnipeg. They made coolers for the food industry and that sort of thing.

But the two people who came to see me said, “You know, there’s a new—based on what we know—there’s a whole new business opportunity for making rooms and chambers,” which are really small rooms, things like the refrigerator, “for researchers to use in growing seeds and other type of agricultural research and controlling the temperature and humidity and other elements having to do with growing. And because you know all about the grain business, you’re a natural investor in this.”

Well, I was 26, and sort of very wise and experienced. But it was interesting, and it was one step before a start-up. They had never sold anything. They had made up a couple of test products and they were operating basically in a garage. But we kind of got intrigued, and I said, “Let me try to do something with this.” So, we invested some money, and in return for that, as long as we were owed money, the arrangement was that we could control the business.

So, I went about putting that business together—found space and found some people and figured out how to do the accounts and engineering and all this. We set up a company to produce these products for agricultural research—growth environmental rooms and growth chambers.

**[0:09:56]**

Got that started and then I went off. I helped do that, and then I took a leave from that too while I was in Ottawa, and somebody else kind of oversaw. But when I came back a couple years later, I got very much back involved. That was one of things because what I did was, after the grain business had sold, there was some non-related businesses that were not part of what was sold. I came back to take hold of those because my father and most of his associates were retiring or going onto other things. That business then that I had started called Controlled Environments, which we now call Conviron, is where we sit today. Forty-five years later, we have product in 80-odd countries, and we are the, really, the leading company in the world in making this kind of product for agricultural research, and now into biotech and all other kinds of things. So, that was a grain story starting, and it’s gone onto many other things since.

So, I did that until, worked at this business, and then I was starting to think of what I would do to-- I was getting around 60, and I figured I didn’t want to work at this forever. What do I do? And always what happens in business, people get interested in your company and have all sorts of ideas for you. But one day my-- I have three children—two boys and a girl—one of them lives in Winnipeg still, and he was a lawyer practising, very good litigator in Winnipeg. Got talking, and he said he didn’t really want to be a lawyer the rest of his life, even though he was doing fine at it. I said, “Well, I’m kind of busy trying to figure out what to do here. Why don’t you come and spend some time with me?”

There were some things that we didn't have internal capacity for—intellectual property issues and international agreements—things that he could immediately get his hands on. So, he came in here in March of '97 at the age of 30, and in May of '98—15 months later—I got a phone call from Jean Chretien asking if I wanted to go to the Senate. That was a Thursday, and the following Monday I was sitting in my seat in the Senate.

So, things happened pretty fast. A lot of meetings of the summer with management and directors and everybody, and, lo and behold, by September 1st he was—having arrived a year and a half earlier—was CEO of this company. So, for the last 10 years, he's been building this business.

I went to Ottawa to the Senate and chose not to stay my full age 75 term, but when I retired from the Senate I came back here and returned to the board of Conviron. I'm chairman of the company, but I didn't go back into any operating role, which is fine with me and fine with them. So, that's sort of the Conviron story, and I do seem to find other things to do.

NP: When you were talking about the Senate a question popped into my mind about the agricultural issues come and go. Were there agricultural issues during your time in the Senate?

RK: Oh, yeah! I never served on the agricultural committee in the Senate, but the Senate being what it is, everybody is involved in everything. I chaired a committee called Internal Economy, which is the committee that sort of runs the administration of the Senate. And I chaired the Senate Banking, Trade and Commerce committee, which was the last thing I did before I left. But agricultural issues were never far from us.

The way our caucuses worked, as each party caucuses on a regional basis and on a national basis. So, there was a western Liberal caucus. Every week I would be facing directly issues in western Canada which were most often, or very often, agricultural issues. In that period, we had enormous swings in the viability of farms, farm pricing issues, and the need for support of the grain industry at that time because there were some very dramatic swings in pricing. Of course, we had issues of cattle and disease problems that absolutely ravaged the cattle industry.

**[0:15:23]**

So, very close. Very close to all these things. And, of course, I brought a real interest in it. I was never far from keeping on top of those issues. Good friends of mine were in the government and in parliament were very directly engaged, so I was able to keep pretty well informed. It wasn't my particular interest while I was there, but it's a great place to sort of keep your eye on everything that's happening. [Laughs]

NP: I guess. I'm going to go way back again. You were talking about your dad coming over when he was very young. Where did he come from, and why did he come to Canada and here?

RK: Well. [Laughing] There's nothing unique in his story. I really find his story to be quite a remarkable thing. I have my own attempts at recording it, so we do that. But it's really the personal side of the story. His family was one of the many, many, many that came from Russia in the early part of the 20th century. They came here. Dad was born in Russia in 1906 and came here in 1912, as near as we can figure. It's a little tricky to pin down because I have a cousin who has another date, and another cousin who figures another date. But anyway by 1912 his parents and brothers and sisters who were then born—there was one more born after they got here.

It was a tough time. By the time he was 12 or so he had one or two jobs, and when he was 17, he dropped out of high school after Grade 10, I guess, because he was the eldest and the family needed to be supported. He had sold papers on and near Portage and Main in the mornings for a time, and I think he became--. You know, looked up at the Grain Exchange building and sort of saw the world go by as a young kid. He very early became fascinated with the trade and the people, and he had a great interest in geography. The idea of things going out all over the world from here caught his fancy at a very early stage. So, when he went to work when he was 17, he trotted off to the Grain Exchange and somehow found himself a job as an office boy to a grain company then called McLean and Company, I think. Now, whether it was him or the times, but within the first year that he was there, that company went bankrupt. So, he claims he wasn't responsible.

NP: [Laughs]

RK: It was taken over, absorbed, by what was called McCabe Brothers Grain Company. So, that's how he entered McCabe as an asset of the McLean takeover as an office boy. So, McCabe was where he began in 19—what would it have been?—about '23. Have I got that right? He was born in--. Yeah about 1923. That's where he had his entire career and life.

McCabe is an interesting story, and not unlike a number of the other companies. The McCabe family were originally from Duluth, Minnesota. They were general merchants in the Duluth era. [Coughs] Excuse me. Going back into the--. Well, I don't know how far back. I've got some knowledge of them back into the 1880s and 90s, and they were a major family there. Like many general merchants, they would take grain in payment and began to trade. Then they would have to build storage for this grain that they took in and very quickly found themselves as grain dealers. They would be trading in these products.

**[0:20:20]**

Somewhere in the early part of the 20th century they moved the base of their operations to Minneapolis. That's where they were based and built a substantial grain business in the northwestern US as McCabe Brothers Grain Company.

In 1913, they first opened an office—first began to operate—up into Canada. The story as I understand it—and again probably not unique amongst other families who were grain trading families in the Minneapolis area—they followed the railway. So, James Hill, who had developed the Great Northern Railway, wanted to come up into Canada and create traffic on a rail line up to Brandon. The story that I grew up understanding from the McCabe family as I knew them—because there were still parts of that family in the time of my memory—there was a friendship or relationship between Hill, out of Minneapolis, and the McCabes. He said, “Well, I want to build a grain line, and why don't you build elevators because I need something to put on my railcars.” So, they moved up. And the Winnipeg Grain Exchange, of course, was an active place by then.

So, the McCabes sent somebody up to Winnipeg to open an office here, and they began to build some facilities on the line. A man by the name of Carl Austin came here in, I think 1913, and established the McCabe Brothers Grain Company in Winnipeg and began to build a Canadian grain company. It was owned by the McCabe family. But that's what he did. There were others doing the same thing at the same time.

Carl Austin was a very talented and farseeing man. He obviously did a good job of starting to build this business. One of the very bright things he did was spot my father as a young kid around the business. They developed a relationship that was, really, for 40 years that it lasted. I find it hard to picture now. I find it actually quite exciting. But dad was 17 when he went in there as an office boy. When he was 20, they bought him a trading position on the floor of the Grain Exchange. He couldn't actually use it until he was 21 because the rule was he had to be 21. So, for this kid who had come here when he was 6, 15 years later he was trading for an international company on the Winnipeg Grain Exchange. He had pretty good pace.

He grew up with the company. He and my mother were married in '33. So, he would have been all but 31 by then. They built the business just the way the Searles and the Sellers and everybody else were building their companies. They were starting to get more interested in export and European relationships, but then of course the war intervened.

In '38, a fellow by the name of Walter Reif from London, he and his father had a grain trading agency in London—they were originally from Austria—came looking for supply people that they could represent in the marketing of agricultural products in Europe. Walter came here in the fall of '38, an auspicious time. I had just arrived. They started to plan. The idea was that they would build some connections for trading, and the war just stopped pretty much everything for the next few years.

But not long after the war, obviously they were in touch through that time, and I honestly don't know what, if any, business went on. But by shortly after the war, they were then getting very active in international trade, so that the office in London, Walter's firm—Schwartz and Company was the name of it—associated itself with McCabe and with a company out of South Africa, a very large integrated company called Tiger Oats and Milling, owned by a family by the name of Frankel, who continue to be generations of friends of ours.

**[0:26:03]**

This was globalization. This was taking off at an early stage. We had this South African company and the whole range of products from all the grains to fishmeal to the protein grains and everything from here.

London became the hub of all this trading. So, Schwartz and Company in London was the arm of both the South African and the Canadian companies. My father became a regular. He became a part of the grain industry scene in London and in Europe because they built their relationships. They sold to millers and traders and various people all over Europe, and those people started to send their next generation over to here for training. So we always had somebody living in or around the house and in the office from Germany or from France or from South Africa or London or whatever. That's the house I grew up in. You never know who was at the table or what the language was because we were in what was, I guess, really, the first grain international business out of this area. Many of us do it now, but the people in the grain business were really unique in that.

NP: So, your dad travelled a lot then?

RK: He travelled a lot. He was in Europe two or three times every year in those years, a lot of back and forth. I made my first trip over there in '57, just a student trip for the summer, but in '63 we were living there and working in the office there.

NP: Was that the same company? Were you working for the same company then at the time?

RK: Same company, yeah. Same company. But then I'll just jump because you asked a question about Conviron, and did I relate to any of my grain connections? And the answer is yes, very much, in all sorts of ways. As we started to develop Conviron, you need all the things that a business needs, and the first thing we needed was some knowledge as to if you're selling something to somebody somewhere else, you need to know about foreign exchange and letters of credit. So, where did I go? I went trotting over to the guys I knew in the business in the Grain Exchange. We just drew on that experience because that was enormous expertise that this company brought.



And that's something that really is probably not appreciated is the fact that somebody can be dealing in grain and I can be dealing in growth chambers and somebody else can be dealing in tractors, but the fundamental pieces of how you carry on those transactions—the knowledge of foreign exchange, and letters of credit, and bonding, and all this—is exactly the same no matter what the product is.

So, my learning experience out of the grain business was very, very valuable in terms of taking this company, a local business, into an export business. Because our product is so narrow and specialized, there's not a big enough market in Canada to build it. In addition to that—then go back you asked about dad's travelling and who we sold to—out of the grain business. We had people who had been distributors or agents of some kind or another that product was sold through. So, I went trotting over there and finding these people and saying either, "Do you want to become an agent for something, for an agricultural research product?" or "Who do you know that might?" It was absolutely through the use of those relationships that I had a real head start in being able to both understand what I was doing and have some context.

**[0:30:35]**

But the time that I—jump around a little here if you don't mind—but when you look back on it, there were a few things about McCabe that were quite, I find, quite particularly interesting. One is that when they, right after the war in 1946—just trying to pin down the date—the Canadian company had become more distinctly a Canadian and global company. The American company, their interests were separating a bit, in that the US company was, I won't say winding down, but didn't have the same interest in growth and pursuing the diversification that came through Canada, and the capital support that came with that.

So, in 1946, Carl Austin, who was then just about—that's the guy who came here in 1913—was just about at the end of his career. My father was effectively running the company then. He didn't have the title of president, but he was effectively running. They did what in today's parlance would be called a leveraged buyout—an LBO—and they went to the Toronto financial markets and did an equity, stock, and bond issue, became a public company, raised money on the Toronto stock exchange to buy themselves from the Canadian parent. I suspect they were the first Canadian grain company to do that. I don't know. The Richardsons always had their Canadian roots and have always been private. The Sellers and Federal Grain and Searle and the Leachs and all those went different directions, and of course the co-ops were always Canadian.

But the McCabe's story in terms of an American company that bought it's-- Like the Canadian child then then bought itself and became a public company, publicly traded company, because there's not many publicly traded grain companies in Canada altogether. Now, of course, I mean, my father would be astonished to find that the old mortal enemies, the co-ops, and all these people are just another public entity trading on the stock exchange. But in those days-- So, I'm sure they were the first. I don't

know who else actually became a public company in that way, but it was a very creative thing to do, a very imaginative thing to do. It allowed them to raise the capital they needed to get into this post-war growth period.

I mean, the terminals in Thunder Bay needed work. The line elevators, what used to be a line elevator, small scale, was suddenly having to become larger. We grew quite a bit and quite extensively in the feed manufacturing business, so feed plants were built in Winnipeg and Brandon and Moose Jaw and Edmonton and Brooks. That all required capital, and this was done by going to public markets.

But even then, scale was the enemy. By the mid '60s, my father was then later in his career. He was still a relatively young man. But the team that he had built the business with---. The company needed to go into this next round. The inland terminals that were being built were enormous, the work at the Lakehead and Prince Rupert---. The world was just changing. McCabe with, I guess, about 120 line elevators through to the Port Arthur—or sorry, to Thunder Bay, that really dates me—to the terminal, was just not big enough. So, the decision had to be made and the management group decided that they had had their run. To start over on this was a big challenge. So, that's when they made the decision to sell the line elevators and then the balance of the business as I described earlier, which happened in the '60s. My timing of entering the grain business in the early '60s was a wonderful experience, but it wasn't propitious in terms of that opportunity.

**[0:35:56]**

NP: When we had talked earlier, a phrase that you had said stuck in my mind—at least I believe you said it—and it was in relation to when your dad decided that the next round was for somebody else. I think you said he said the industry wasn't as much fun anymore.

RK: Well, I'm not sure. I might have said that. Certainly, if I would observe it, I was probably sitting---. It wasn't as much fun in that when everybody was smaller and nimble and the emphasis was on trading—the emphasis was on being there fast and seeing the next idea and finding the next market, and getting into the Russian market or the Chinese market ahead of the other guy—it was that intellectual exercise. He dearly loved that, and he was wonderful at it. He was just a fantastic guy.

But when it became a battle of balance sheets, when your ability to take your position meant building massive facilities in Prince Rupert or Thunder Bay or inland terminal or whatever, and just the capital that it required to do crushing plants and the oil seeds—and everything was happening explosively—it was an industrial game rather a trading business. So, if I said it would have been in that context.

The thing that had excited him about the business was not that it wasn't still there, but it just wasn't possible to do it from the scale that they had. By then he was in his early sixties, and he stayed on actually after the sale to National in '68. He stayed on as chairman of the board of National and saw that into the Cargill acquisition. Then at 65, ran into Cargill's carved-in-stone retirement policy. He just found another way into the--. In the mid '70s, he was still engaged in the—I mean the mid 1970s—still engaged through as he followed the company into its new forms.

NP: Did he stay active in the Exchange?

RK: Yeah. He was always around the Exchange. I remember he did a one-man commission or study for the federal government on the future's trading that they had some issues with. He was on the board of CN Rail [Canadian National Railway] because his knowledge of the Canadian rail industry was massive. He went onto the board of CN in the early '70s. He died in '84. He was on the board of CN until a year or two before he died.

Then, interestingly, eight or nine years later, I went onto the board of CN and had a great time there. We took it from being a Crown corporation to being a public company in those years. That was just a sheer coincidence, but it was great fun to go back there. He was only 78 when he died, but he kept his grain roots and his grain understanding actively employed, really right through his whole life.

**[0:39:57]**

There was some other historical things in a more personal note. How interested somebody is will depend on their perspective. But my dad was a young Jewish immigrant coming into Winnipeg, and the culture and environment of the Winnipeg Grain Exchange was not a natural habitat for young Jewish people at that time. And there were a handful around the Grain Exchange—some great people. There was Charlie Schwartz, and there was the Ripstein family. But they generally operated as brokers, independent brokers. Charlie through Northern Sales developed a fairly active company. Joe Dreman, who was a marvelous grain trader for his whole life. But dad went into this American-owned company as a kid and came right up through that business and ended up running it completely, which was a very unusual thing to happen at that time.

It was sort of capped by the fact that in 1952, he became chairman of the board of governors of the Winnipeg Grain Exchange, which was really—in the eyes of those who understood the history and culture of the institution—it was quite a remarkable thing. He had been on the board for some years before that, but he became chairman. Actually, it was the same year that Sam Freidman went onto the bench and became the first Jewish member of the Manitoba judiciary. So, it was an indication that things were changing very, very rapidly. He had wonderful support from some of the families in the Exchange who all recognized that it was a

new world coming. It was a world of merit, and that's how you proceeded. He had a fabulous career. My fascination with the industry, it'll be clear to you, is really because of my interest in his story and the way it came through.

There are other family stories. The Leech and Searle families have been lifelong friends of ours. Searle Grain was one of the great companies—then they put that together with the Sellers at Federal Grain—and the Smiths and the Murphys and all the others. It was an amazing place. And the Grain Exchange, when I started first working in there—I guess the first summer I worked in there would have been the mid '50s, '58 the first time I worked in the Grain Exchange—it was a very special place. I mean, there was great action and great vitality, and of course the trading floors were still trading floors. They were open pit. They were auction markets. You were in there with your live bid. I was trained in all that stuff. It was a very, very exciting place, and it was no wonder why so many bright young people looking for a career over through the 20s and the 30s had come there and seen that, “Wow! This is real action! This is really something.” Then, the Exchange left the auction bid and everything became electronic. It's just not--.

NP: Bo-o-ring. [Laughing]

RK: It's boring. But obviously it's fascinating, and computerized trading and all the other things to those people who are engaged in them are just as exciting and just as wonderful and just as dazzling as the other was. But that's the way history is. It's got to move on.

NP: If you had to think about your dad again in relation to—I think you've said a lot about what he liked about the industry—what didn't he like about the industry?

**[0:45:02]**

RK: You know, I don't think there's much that he didn't like about the industry.

NP: Nothing that annoyed him?

RK: Oh, yeah! There were things that annoyed him. There was a huge evolution with the co-ops, with the Pools. Manitoba, Saskatchewan, and Alberta Pool were seen by the private trade—of course they all worked together and compete together—but there was a long time when an enormous amount of energy was addressed to government policy, to what was perceived as the Pools operating at a tax advantage to the private trade because they were co-operatives, and they didn't pay taxes in the same way. They saw it for a different way. But that was one of the grand policy debates. But there wasn't, in terms of what he didn't like about the business, I can't ever remember him complaining about very much. There were some very exciting times.

One of the most amazing things, when he was closely involved when they were looking for more tradable crops on the Exchange, and the whole evolution of rapeseed to canola. He was involved with the Rosner chair at the university and the funding of the research that was able to get the assets out of the old rapeseed and move it from a product that was basically producing oil products for industrial uses and converting it over to a food product.

That happened relatively very quickly. Rapeseed had been around, I mean, as an ancient biblical crop, but the emergence of canola as a food product and as a trading product was a massive thing. I don't know what the relative numbers are this particular crop year, but canola is a huge crop in world trade, and canola oil, the whole thing. That was created because a handful of people said, "We need some research here to make this thing into another kind of a product." It just transformed western Canada. It was an amazing, an amazing thing. So, you know, those were triumphant things. Anybody alone thinks there's canola, there's always been canola, but in my lifetime, there wasn't and then there was. They knew exactly what they were doing. They said, "Here's the potential. It needs first funding, then research. Then get it recognized as a market, and then go out and find a market for it." Today, you go to Hong Kong, every restaurant is cooking with canola oil. It's just amazing what happened.

But I don't think there was much he didn't like about the business. He would have liked to do more. I think the competitive nature in him would have liked to get bigger rather than take it the way it did. But that was the way it went, and he was never sort of--. It was just the time, you know?

NP: Was he politically involved, in the small p way, as far as--?

RK: You couldn't not be when you were in the grain trade because there were so many policy issues that came into play. First of all, in the grand scale, if you were in the early days of trading into Russia and China and wherever you were, you were immersed in the political issues of the day wherever you were. I remember he was into Eastern Europe and the trading into East Germany, and very often the business precedes diplomacy very often because that's how the walls come down often because of business first.

NP: Break the ice.

**[0:49:59]**

RK: So, on that scale, the trade was never far from the diplomats in terms of what they could do. But in the more basic domestic, day-to-day thing, lots of policies. As I say, tax issues, and the development of the St. Lawrence Seaway—I mean, a huge thing. All the private trade, the shippers, played enormous roles in creating the impetus. Mainly federal government, but having Ottawa know

about the commitment of policies and the commitment of funds to things that were going to expand the trade meant that you just had to know who was in Ottawa and what the policy issues were. I said I worked for Mitchell Sharp. I mean, Mitchell grew up in the grain trade here as long as he lived. I was in the Senate, and he was across the street as a dollar-a-year man with Jean Chretien when he was 93, and he was still figuring out, “What can we do on grain and policy issues?” I worked with him during the ’68 election, during Trudeau’s election, and with guy by the name of Bob Esdale who was, I don’t think he was Agriculture, I think he was in Trade and Commerce. Out of that came what’s called the Canadian Grains Council, which is the forum where all the different players. Well, that policy emerged then.

But the grain trade is like the lumber business: You can’t be in that business without working constantly with those people who are negotiating border-tariff issues or shipping issues or whatever. So, they had to be very knowledgeable about what was going on in that political way.

He was never particularly political in the big P way, except, interestingly enough, towards the end of his career, he got quite active on behalf of the Liberal party. Actually, he spent a period of time as the senior fundraiser for the Liberal party here after he had retired. He just sort of got interested in it. But he was never, in partisan political terms, terribly--. He had a sort of philosophic bent, which I’ve never quite figured out what it was because every time I’ve tried to categorize him one way, there would be something the other way. I would think, “Gee, you know, you’re being conservative!” Then one day he said to me—he would have been 75—he said, “Don’t you think they should loosen up in the terms of decriminalization of marijuana?” I don’t know where that came from! But it just didn’t seem to him right that all these young people were ending up with criminal records and all this kind of stuff. So, I never quite figured him out in that regard.

He was a tremendously active person in the community. The early years, I guess, were nothing but work. I mean, he was travelling constantly. But as he moved into a more senior executive position, he did--. He was years as the trustee of the pension fund for the city of Winnipeg on the sinking fund. He was on the Winnipeg Foundation. He was on the executive of the Bombers, and he was president of the Canadian Club. He was on the board of the Winnipeg Enterprises. I don’t know, he just seemed to find time to do all it. Because he was passionate about Winnipeg and Manitoba.

NP: Did any of your--. You have--?

RK: I have one brother.

NP: One brother. Did he become involved at all in grain?

RK: No.

NP: No.

RK: I followed him in the law, and he practiced the law. He became involved to the extent that he did work for the company because he was with Thompson Dorfman, with that firm. Don Thompson, the senior in there, was the lawyer for McCabe and for a number of different interests in the grain business. So, he professionally did some work, but no he never became involved. Then he went onto the bench at quite a young age.

But again, I was articulated as a law student to Isaac Pitblado. Isaac Pitblado was then the oldest practicing lawyer in the British Commonwealth when I began. He was 91 when I started, and he was still acting for the Northwest Line elevators and going to Ottawa and presenting on the freight rate hearings and things like that. It was absolutely astonishing. So, I figure another thing about this business, it keeps you young and it keeps you vital.

**[0:55:58]**

Isaac Pitblado was there when I got my call to the bar four years later. I articulated all that period. He lived to 97, you know. He had been born three months before Confederation, so that was kind of an interesting thing.

But one way or another, if you were practising law in this city, one way or another you touched the grain trade—whether on transportation issues or government issues or whatever. I mean, it was just so central to the city. It's hard. People don't really understand today in the same way what the grain trade was in the city. It was really the centre of where everything happened. Even the things that spun out, like the insurance companies and everything, if you go to their roots or where the capital was or where the families were, these things, so much of it came out of the grain trade.

You've got amazing families. You've got the Patersons [inaudible] an amazing story. Whether I look as a senator and their story of Senator Paterson and that phenomenal career, and you can't grow up in Thunder Bay without the Patersons being a pretty important factor.

NP: That leads me to shifting gears a little bit, because one of the questions we have is—and you've touched upon it a little bit, so you may not have much more to say—the historical connections of your family business, both you and your dad's time, with the port of Thunder Bay.

RK: Well, of course, you couldn't be in the business without something everyday having to do with Thunder Bay. I remember [laughs] when I got to know it best was one of my assignments when I was in there—what year it was?—whether it was '64 or '65 or something. There had been, I guess, it was a Province of Ontario regulation, or it came out of the labour code or elsewhere, but it had to do with safety in the terminals. Up until then, everything had been open-cage. The electric motors that drive the legs that move the grain were open-cage type—and some of them had been up there for 50, 60 years. An electric engine will run forever and ever, but regulations required that it had to go to a whole new closed-type engine because of the heat of the sparking and the combustion and the terrible danger of explosion and fire in the terminals.

So, I was directly engaged on behalf of McCabe in getting through that, and that meant the financing of the changing over of all these motors, and dealing with the authorities in Thunder Bay, and the provincial authorities, and making sure that there was compliance. Syd Halter of C.D. Howe Engineering was our major electrical consultant on that, as he was for much of the industry. So, that was a time when I was sort of almost living in and out of there for a while, while we got that job done. But, you know, I mention C.D. Howe, I mean, there's another fabulous story. The way that he built his company, built so much of the infrastructure.

**[1:00:09]**

NP: Did your dad know him personally?

RK: Oh, yeah. Oh, yeah. We had a guy, an engineer. Well, he came out of the Norwegian apprentice system. He was never a graduate engineer—by the name of Reuben Seabloom. Reuben had worked-- I guess he'd come over as an immigrant and worked as a carpenter, but by the time I remember, Reuben had become the guy who was responsible for building all the McCabe elevators. Built an elevator, he would run the team that-- We didn't use outside-- He knew everything there was. Or rebuilding or repairing or moving or anything.

I don't remember this, personally, but my father used to tell me that during the war there was a rapid build up of storage capacity at Thunder Bay. Designs were being done as to how to fast-track these buildings of this storage. Reuben had a way that he thought they should be built, and dad went with Reuben's judgement, and they were getting all sorts of contrary-- They ended up with the best dry grain count, the lowest loss of moisture and anything of any of the construction done in that period. So, we always had a sort of a one-up against the professional engineers on that.

But, no, Thunder Bay was a-- As I slipped before, it was Fort William and Port Arthur for a long time, as I knew. It's interesting, just absolutely of no direct consequence, but I, today, sit on the board of Wellington West Financial, which is the company that Charlie Spiring has built, and a colleague of mine on the board is a woman from White Rock in BC by the name of



Nancy Shufelt, who was C.D. Howe's granddaughter. Sitting and talking one day about something—I can't remember what it was—and, "Oh! That's my grandfather." Amazing. The world just gets smaller.

But I can't pretend to have any sort of expertise about Thunder Bay. It's just that I grew up knowing where it was, what it did, and if it had a problem, if it had a strike, if it had an ice issue—whatever it was—I knew what it was. I have a very good friend here by the name of Richard Anderson who recently sold but built up a company called Powell Equipment, which was the caterpillar distributor for northwestern Ontario and Manitoba. That began in Thunder Bay. His grandfather was a Powell. That was the third agency for caterpillar tractors in the world. The third distributor in the world for caterpillar tractors was in Thunder Bay, so there's a long history of that. It seems so long ago now. I don't know.

NP: Do you remember your first visit to the terminal elevator?

RK: [Phone chimes] I'm just going to let that go. I can't tell you what day it was and when it was, but I remember it because I equate it really with a family trip we made to Egypt in 1981—the first time I saw the pyramids. You know, I was taken aback by scale. I'm looking for something here and then suddenly there's something there. It's just so out of context with expectations.

I remember the first time that I went to Thunder Bay and came in and drove around, and even though I knew all about what these things did and what a ship's size was relative to storage capacity, I hadn't related it, and my mind hadn't understood the scale of these facilities. That, as I say, I can't remember the date or the time, but I remember the feeling. Going in and the roar of the engines, and the power, and then saying, "Okay. Get on the Humphrey lift. Step on and go up the belt." I'm up there, I mean, it was an amazing time. I'm many, many times back there since, but I do remember just being blown away by the massiveness of the--.

**[1:05:31]**

And the things you learn. I was just out at the lake with some friends a few weeks ago, and we were talking about ice and the boats and everything, and somebody was saying, "I've got this idea, you know? We're going to put a pipe out and we're going to have some bubbles come up, and we're going to keep the ice back in the slip so the boats can--." I said, "So? What's new about that?" I remember bubbles in the slips keeping the slips open beside the terminals and bringing the warm air up with the bubbles by putting these bubble machines up the slips and getting an extra few days or whatever you did out of ice-free time in the slip. These things keep, you know, bouncing back.

NP: Now, McCabe's elevator, I thought I knew which one it was but maybe I'm incorrect. Is it in the stand near the Parrish & Heimbecker [P&H]?

RK: Yeah, I think so. You know, it's so long since I've really--.

NP: And it was beside Saskatchewan Pool 7, the big one?

RK: You know, I'm afraid I couldn't be--. But I seem to remember by the P&H on the Port Arthur.

NP: Yeah. I think so. Actually, it started out, I think, as a Government of Canada elevator, designed and at least supervised construction by C.D. Howe. I think that was it.

RK: Mmhhh. Yeah. And I'm sure that that seems right in my mind. But I can sit here and draw you a map of London and show every bridge and every square and everything for the whole of London north of the Thames, but I couldn't do it for Thunder Bay I'm afraid.

NP: What do you think your dad, and in your shorter career--.

RK: Much shorter. [Laughing]

NP: Let's start with your dad. What do you think he was most proud of in his career? Was there a particular achievement rather than the general, obviously, big achievement of taking that company and working from the ground up?

RK: Well, he was incredibly proud of Canada, in sort of narrow ways, that he was able to do what he did here, with the opportunities. Proud of the country that did it and proud of the fact that he was able to do it. I mean, that was just a big [inaudible]. Anything else that he did was coloured by that. I've come to understand, you know, when he would go--. In the early years, most of the export business was built in Europe, but then they started shipping to Russia and to China, and he became a member of the board of directors of the Export Development Corporation. He would travel to Japan and Hong Kong. This business of being a Canadian and reaching out in all these places and being there. I know that was always a--. Going to London and having a place.

I mean, I feel that. London today is still like home. I established an office in London for my company afterwards. [Laughs] But when I go today, wherever I am—in India or South American or Singapore or Europe or wherever—and walk into a research lab and find our equipment there, that's a mind-blowing thing. There's a scientist excited about showing what he or she is doing and what they're doing. It's very significant on a personal level that it's your company doing that. But it's a powerful Canadian thing. I know when I travelled with Mitchell or what I travelled on my own--.

**[1:10:13]**

I'll tell you an interesting story that really sticks in my mind. When I was in the Senate, three or four of us went to the Czech Republic. Dan Hays was speaker of the Senate. He was the official representative and three of us went with him. It would have been about 2003, I guess. You probably wouldn't remember, but that summer there were terrible floods in the Czech Republic, historical floods. All the one-in-a-thousand-years things happened—rivers peaked at the same time. There was risk that some of the Prague, which had lasted through every war and everything else, might really be at great risk. We were there just a couple months afterwards, and Canada had provided some assistance, so we were invited out to see part of how that assistance had been put to work and show some of the damage and recovery. We were taken to a headquarters outside of Prague—it was in actually a building in an oil refinery where the tanks had been floating around, and oil cars, tank cars had been floating around. That's how bad it was. You look at a building and they'd date it, "The last time the water had been that high was 1811."

So, we were taken into a boardroom and there was a PowerPoint presentation that was going to show us how their emergency team how they organized to deal with this because we knew Canada had given some assistance. Screen comes on. What's the first picture on the screen? [inaudible]. The first picture in this scene is if I'd walked down five miles down my street out onto the Prairie where they'd built that last emergency dyke in '97 that swung around to keep the river from coming in. That is the first picture—Manitoba, the floodway, everything. That's what they're showing us in Prague. Why? Because Chuck Sanderson and the guys from the emergency measures group were the first call that went out from the Czech Republic when they needed help with this. And they went over and took charge of a certain section of the flood fight over there. Well, I mean, that's great stuff. That is just terrific stuff. I don't think dad got over that any more than I have.

Specific things? I think I mentioned before the creation of the canola crop was really a transformative thing in the industry. The young people that he trained that ended up in all parts of the business was another really proud thing.

NP: Who were some of the people who were part of his team?

RK: Well, his contemporaries—well, they were a bit older and a bit younger. The older team that he trained under—and most of them, there's really nobody around—man by the name of Harold Thomas, and by the name of Burt Frith, whose son Don Frith worked with me in McCabe. But the team when I was working there and the legal secretarial, the corporate guy, that I worked with was a man by the name of Scott Neil. Scott was a terrific guy. He had come as a lawyer out of Aikins MacAuley when the company went public and went on. He was a president of museum here and all sorts of things. Eddie Gould, I don't know if you've come

across Eddie's name. But Eddie was the VP of sale marketing, and he had responsibility. Marketing included the terminal operations, so Eddie was the senior guy on the sales and marketing side of McCabe. I think Eddie's still around.

NP: Out west, I understand.

RK: Oh, is he?

NP: Yes. I think with one of his children.

**[1:15:01]**

RK: Yeah, well his daughter married one of Ken Powell's sons. Ken Powell was another amazing guy in all this. Then, functionally, the company was--. My dad had a brother Bill who did the seed division, there was a guy by the name of Barney LeBeau who was the great character who did the feed division.

Then the younger guys, this is all relative terms, [laughs] but the next sort of my contemporaries, there was a fellow by the name of Dave Champion who went onto a terrific career in the industry with Richardson, with Pioneer. Tommy Chapman, who we had had an old connection with a company called Topfer in Germany, and he opened a Canadian operation for them and headed that. Ken Carswell, I think Ken's retired now, but he, after the sale—I lost track of where everybody went in the different companies because I wasn't around. There was a whole bunch of--. Human resources guy, Bob Johnson, who just passed away actually last month, but stayed with Cargill through the whole Cargill thing. I don't know, I guess it's hard to pick out--. Just sort of doing it is what the pride is. The pride is just in doing it.

NP: Well, I mean, that's a big accomplishment and there were so many things that contributed to it that--.

RK: Yeah, there's lots of pieces, but it--.

NP: Was he a hands-on kind of guy? I ask that question because I talked to George Richardson yesterday, and, I mean, he was truly hands-on right down to the welds in the ship bottoms.

RK: Oh, yeah. No, no, no, yeah. Dad was very hands-on. There was no part of the operation that he wasn't intimately engaged with because as a young guy, he knew western Canada like nobody ever knew. I mean, every town, every elevator point, every rail stop, everything. I can remember as a little kid, we'd go out, in the fall particularly towards the end of the summer. We'd be driving out

in the country. He'd pull over and stop, go through the ditch, jump over the fence, into somebody's field and see how the crop was coming along. I used to watch this, when I was too little to--. He would say, "I just want to see how the crop's doing." That was an answer for me. But then, years later in the summer when I worked in the office that was part of my--. I got moved around quite a bit, and I'd go into the sample room. All the buying and selling is, again, sampled grain. Pop the door and open, here you'd be looking at the oats or the barley or whatever. So, I mean, he had--. There was no gap. Nobody was telling him what that barley crop was looking like. He was taking it.

Barley comes to mind because he had developed a particular expertise in malting barley. So, Duluth was another place that he knew well because the maltsters—the people who took the malting barley and made the malt that makes the beer—so that was an area that he knew and was very, very hands-on about. But, of course, with the Richardsons, the range of their activities was so wide. Anyway.

NP: My next question--.

RK: Oh.

NP: Fortunately, a lot of my questions are already answered through what you say rather than my having to ask. I have a question here about what are the ingredients of a successful Canadian grain company? And I deliberately use the term *Canadian* because my sense is that Canada's a small country—I mean, it's big, but population-wise it's small—and a lot of the players on the international market are big-population countries. So, how did the little guy, and really in many instances the new guy on the block, do so well?

[1:20:05]

RK: Because we controlled the source.

NP: Say more on that.

RK: They had to come to us for the grain. You could have Bunge, for instance, out of Belgium, or you could have Dreyfus out of France, or whatever, but in the end, they had to go to Australia or Argentina or Canada to get the quantities of the raw material that they could trade. Without something to trade--. So, that's what we controlled. The seed and feed—the seed processing business and the feed business—was to meet our local market, and there was really not much international about that. But in the end, there's not many places where the international trading giants could come for. They had to start somewhere, and they had to get the--. Then the more specialized you get, for instance, you get the durum wheat. So, the Italians want their pasta. There's only one place they

come, which is to come to Canada for durum wheat. That's why. That's what allowed-- Well, we can sort of play above our weight, so to speak.

NP: Questions about interconnectedness of the McCabe company—and this is, I think, a more general question than just during your dad's time. Connection with the producers?

RK: Well, personal, there were lots. Dad knew farmers all the way across the country. They're our customers. We compete with service and mainly with service because pricing, as years went on, was less in our control. In order to get a farmer with grain to deliver, to come to your elevator and not to somebody else's, it meant having relationships. So, like in any business, you have to build those relationships and know people.

NP: Hire the right people as your interface with the farmer?

RK: Hire the right people, and I know my father, by his personality, was an extraordinarily approachable person. I mean, I never saw anybody walk into a room that was uncomfortable with him. You walk through a plant or walk through an elevator, he was known by his first name. He was Charlie wherever he was, and that had a very easy relationship with the people. That's one main connecting point with the producer is at the elevator door when they deliver.

There's, of course, larger growers who would do hedging operations on the Exchange, and as a trader you get to know those people. That's a different kind of relationship. You don't see them so much in their overalls and Massey Ferguson cab, but there's somebody there who's taking a position on the Exchange and wanting your advice on where to go. Those relationships were very, very good.

Then on the processing side, on the feed and seed side, we built brands that were meaningful for poultry producers and cattle producers—a branded product where you manufactured grain and add all the elements that you do to enhance it as an animal feed. That's a manufacturing business. Those people, that will take you into very large, industrial operations. But, in the end, no business is any different. The chemistry between, the connection between, the customer and the producer—and whoever is customer and whoever is producer sometimes reverses itself—it's sort of irreplaceable. And there's usually people somewhere in the core. There's somebody that everybody identifies with. There's a personal chemistry there.

**[1:25:15]**

NP: With the carriers, the connection of the company with the rail carriers and the water?

RK: Nothing special for McCabe. They were a service provider, and I don't think there's anything unique. Obviously, the knowledge of the shipping, particularly on the water side, the freight markets—particularly on ocean freight. I'm thinking more than on lake shipping, but on ocean freight, where you're positioned on your freight availability on the bottoms, as they'd say, was usually very often the margin on a transaction because commodity trading is not a high-margin business.

NP: High bulk, but not high margin.

RK: High bulk, low margins. So, factors of foreign exchange and your cost of your freight were often the things that made the difference on whether you had a profitable transaction or not.

NP: Connection with the Canadian Grain Commission [CGC]?

RK: Well, you know, they were--.

NP: Connections and reaction to, let's say.

RK: Well, I don't think of it ever as being problematic. I understood from my earliest days that the thing that made our business successful was that when we went anywhere in the world, the fact that it was No. 1 Northern or whatever it was meant something. That was going to mean something because the CGC was doing its job. The maintenance of standards in the industry, in any industry, is what you live by. The Wheat Board's another matter.

NP: Well, actually, they're next on the list.

RK: [Laughing] I figured they might be! I figured they might be. The Wheat Board was obviously a major player in everybody's life, but for somebody who—and I guess there was always sort of two or three different faces to the relationship—for somebody who grew up in the industry, with basically unrestricted trading markets and without a Board—in the early years there of dad's there was no Board at all and then fewer grains—there's naturally going to be, if you like, a dynamic tension between somebody who's controlling the market-- . I mean, you watch it today in New York. They battle between more or less regulation or whatever in the financial market.

But here, once the Board had their grains, and then the role of the grain company became very different. You started off by buying-- . Everybody started off by buying at the same price because they established that price. Then, of course, going back to your earlier

question, your position on shipping and exchange and customer relationships and all these things become everything, because if everybody's got the same starting price, then your variables are all these other factors.

The question on the Commission is clear. Standards are--. The entire success of the Canadian grain trade is built on the fact that there is never a doubt as to what a customer is getting when they're taking delivery of a Canadian product. It is impossible to exaggerate or overestimate the importance of that.

NP: I'm asking this question because sometimes things that were at one point and then become established as, "This is how things are," and then become myth in the long run because--.

RK: Well, I don't know--. You've got to appreciate, I'm now looking, I haven't related to these things in a personal way in a very, very long time. But I just don't see these as things where there were huge issues.

**[1:30:17]**

NP: Reality matched, yeah. The Wheat Board is an interesting one because--. All of our company owners, we ask these questions about the relationships, and we get quite varying answers. Some that are quite very strongly, "The Wheat Board shouldn't have been. Shouldn't be," whatever. More of a reaction, "Well, I see a place in it." Did your dad come down on one side or another? Like did he--?

RK: It was a necessary evil, I would think, is how he would--. It was there. He didn't go through his life saying, "Boy, maybe we'll get--." The context today is different. The issues have been reraised that were not--. There was a point in time when things were pretty settled fact from the '30s through to the '60s. The political issues of today are much different than they were when he was active. My direct dealings with that, I have to be careful, because most of my thoughts or impressions of this would be things that I picked up in other contexts—in Ottawa or in other ways—but not as an operator. My career, such as it was in the grain business, didn't bring me into--. I would know the senior people because they were people who would be at the house or people who I would meet in some contexts, but I was never hammering out issues with them or fighting with them. That just isn't anything that I could address. To me, they had their part of the market, and a lot of what we were doing was trying to find the commercial opportunities outside the ambit of the Board. But in the export business, we were fine for the Board, making our deals, and trying to find our customers.

NP: You mentioned something earlier on about, well, what led to the Conviron set up, so connection with researchers. Were there other situations where McCabe's was sort of involved, but not beyond the canola and the--?



RK: Not really that I can think of. Not really. That was by far the principal one. That was, you know, right toward the end, so there was never really--. Conviron was quite a separate thing, it didn't really have any McCabe connection.

NP: Relationship of the company with its competitors. Was it a--?

RK: I think there was a lot of respect. I found it--. It's hard to measure these things I guess, but the people who headed the different companies—George Sellers, George Richardson, my father—I don't put them all in the same lump because some of them were very different sized companies. Mac Runciman at the UGG. These were all very close friends. These were people who really got along awfully well. They battled out everyday on the floor and around the world, but it was a very collegial--. My impression growing up was that it was a very collegial group. Of course, they had whether Northwest Line Elevators, Grain Insurance and Guarantee, and other things that had been developed. They were partners in these.

NP: Industry-wide.

RK: Yeah. And the industry did so much together: Negotiating with railways they'd do together, negotiating with government to a large thing, the private trade worked together. I remember putting together one relationship. Northwest Line Elevators were sort of the spokesmen for the private trade on a lot of issues. They were the Western Elevator Companies, and they were the ones who would get most frustrated about the co-ops and tax policy. That was the big thing.

I didn't think that they were always as sophisticated as they might have been in some of their arguments. So, I arranged to get Izzy Asper, my good friend Izzy—who was then, what he was famous as was being one of the top tax lawyers in the country—was to get him together with Cec [Cecil] Lamont, who was the executive director or whatever they called it of the Northwest Line, to talk about trying to put a proper framework on the tax debate. That led to them commissioning Izzy to do some columns, some articles, on the subject, which began Izzy's career as the columnist for the Globe and Mail on tax, which went on for years until he went onto other things.

**[1:35:54]**

But that sort of relates a bit to the policy thing before. There were some areas where the—and as I got more involved in government and more involved in politics—I did feel from time to time that the trade weren't as skilled or weren't as sophisticated as they should have been in advocating their position. Co-ops were very good. The producer groups knew how to use their political clout very well, and the trade kept on getting painted into a position of being these fat cats on the Grain Exchange. So, that was always a

bit--. The private trade, whether it's Cargill or Richardson's or the others, are obviously in another world of sophistication on that. But there was a time there where—and it probably goes to your question—where they may have felt that the world was sort of ganging up on them and, “Why can't it be like the old days?” and that. I think there was a period, in my view there was a period, in the '50s and the '60s that was like that.

NP: So, my sense, which could be completely wrong, is that there was the private trade—so largely the family companies—then there was the Pools, and then there was UGG. So, is UGG sort of straddling the--?

RK: UGG was sort of a hybrid between being--. It was a producer-owned company, but it was—and I'd have to actually go into their corporate structure to figure out—but it was always viewed that way. It was, right. You're right. It was a hybrid between a private and a--. Its own rules were different. I don't know if it operated on the co-op patronage dividend system or not, I really--. It'll all have to do with how their financing worked and what tax clauses.

NP: So, the friendship groups that you're talking about then, did it include the heads of the Pools?

RK: The Pools?

NP: Now, Runciman you mentioned was a good friend.

RK: Mac was always, I always saw him as being more part of the private trade, but I shouldn't say that. Bill, anyway, who was head of the Manitoba Pool--. The guys who the head of the Manitoba Pools were—I've just gone blank on the name—but actually in Manitoba anyway, the head of the Manitoba Pool was always a close friend. So, somehow, I'm ending up thinking that Sask Pool was always the toughest challenger, but I don't want to overstate that.

NP: Well, and part of that could be that their head office was not here.

RK: Yeah, they weren't in this--.

NP: Quite a small operation out of Winnipeg. Okay. How're we doing for time there?

RK: Yeah, how're you doing?

BC: We're at one hour and 39 minutes.

NP: Yeah, we've got about, I'd say, five to ten minutes to--. Let me just check my notes here and see what--.

RK: My voice is just about gone, and I'm looking at my watch and my time is getting close, so.

NP: I know, I can tell. Yeah.

RK: But I don't want to cut you short.

NP: No, and I--.

RK: It's too much fun. [Laughing]

NP: I take a look at these questions, and again, I think you may say, "Well, I think I've covered that." Significant events in the growth of the company, major achievements, and setbacks—anything to add to that?

**[1:40:06]**

RK: No.

NP: And I think the sights, sounds, people, experiences, and stories you've peppered your--.

RK: I think I've sort of--.

NP: Yeah. Now, take a couple of seconds to think about this one, because the question is, "Are there any questions we should have asked that we haven't asked?"

RK: No, I always think of those about ten minutes after you've left. [Laughing] No, I think we've covered a lot of ground, a lot more--. I have to tell you, when you were coming, I was wondering what I was going to talk to you about for ten minutes let alone an hour and 39 minutes. No, I think we've covered an awful lot.

NP: I've asked--.

RK: I'm sorry I'm sounding the way I am. It's going to be ridiculous when you've got it taped.

NP: Well, good thing we have that high-quality equipment. [Laughing] The other people we should interview. I've taken down a couple of names like Don Frith, and I think Dave Champion is actually on my list already.

RK: Dave would be a very good person to talk to because he spanned really a critical area, and he's about my age.

NP: Do you know where--? He's in Winnipeg, or you don't know?

RK: I haven't seen him in a very long time.

NP: His name is on the list, so I think he probably is around a bit. Memorabilia including pictures that you feel would be important in publicly commemorating the history of your family's contribution to the Canadian grain trade?

RK: You know, it's a sad thing that I wish there was—like I said, yes there's this, this, and that—there's all the sort of wealth of personal things, but, you know, I don't think there really is very much.

NP: What happened to all the files and stuff when the company was sold?

RK: Oh, God, I don't know.

NP: Was there a Kroft archives or a McCabe's archives?

RK: I have no idea. I mean, there were from time to time articles done and things, but I wasn't around the time when the company was--. And I'm sure that things just got--. People aren't very sentimental about that stuff. I try hard to keep my own stuff in order and it's very--. I'm always told, "Do you really need all those?" Recently as this week, "Do you really need to take up all those shelves with all those boxes?" "Well, I want to get to them one day." Anyway.

NP: Good. Well, if anything ever comes to light somewhere.

RK: I won't hesitate to call you.

NP: Yes, and please let us know because we're going to scan things in and not necessarily keep the original.

RK: No, no, I will. And I'm always going through stuff, so I will be happy to call you if there's anything.

NP: Anything, Bea, that you can add?

BC: No, I think we can--.

NP: We've got a really good picture of that. Thank you.

RK: I hope it's going to be of some use to you.

**End of interview.**