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**Company Affiliations:** United Grain Growers (UGG), Grain Transportation Agency (GTA), Western Canada Wheat Growers Association

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**Summary:** In his second interview, director of corporate planning/affairs Paul Earl continues to track his career in the grain industry, describing his work in policy positions at United Grain Growers, at the newly formed Grain Transportation Agency, and his eventual work on a PhD. Earl details the various federal inquiries and commissions that were studying the grain system and his role at UGG to provide information to these commissions. He describes the ideological split between right- and left-wing politics in the grain industry, issues with the Crows Nest Pass freight rates, concern over the Canadian Wheat Board's monopoly, and the eventual creation of the Western Grain Transportation Act. Earl also gives a brief history of the UGG organization, its unique philosophy, and the cultural background to the Canadian grain industry's hyper-regulation, as well as shares a short biography on Mac Runciman, one of UGG's presidents. At the GTA, Earl discusses the issue of railcar allocation, the purchase of railcars by the federal and provincial governments, and the GTA's eventual demise due to its adherence to the status quo. Throughout the interview, Earl discusses his various colleagues and superiors, his advocacy for free enterprise in the Canadian grain system, and how working on his PhD changed his views on how the current system came into being.

**Keywords:** United Grain Growers; Agriculture policy; Corporate planning; Government regulations; Grain industry—laws and legislation; Agriculture economics; Canadian Wheat Board; Canada Grains Council; Crowsnest Pass freight rate; Grain transportation—rail; Government subsidies; Railway subsidies; Hall Commission (Transportation Commission); Railway branch lines; Farmer cooperatives; Grain pools; Snaveley Commission; Western Grain Transportation Act; Grain Transportation Agency; Rail car allocation; Free enterprise system; Laissez-faire system; Centralization; Government committees; Government inquiries; Government studies; Alexander McInnes “Mac” Runciman; John Edward Brownlee; Economic ideologies; Left-wing economics; Right-wing economics; The Great Depression; World War II; Western Canada Wheat Growers Association

Time, Speaker, Narrative

NP: It is November 28<sup>th</sup>, 2012, and we're continuing the interview with Paul Earl, once again at the University of Manitoba. When we left off our story, Paul had just finished the highlights of his career between 1970 and '75, and that leads us into the 1975-'80 period, and I'll let him just introduce what he was going then and perhaps a little bit about what that job entailed, what you learned from the job, and challenges, changes. We progressed very nicely last time, so I think if we leave it fairly open, we'll be okay.

PE: So, we'll just progress, right?

NP: Right.

PE: Right. So in 1975—it was actually May of 1975—I moved to Winnipeg, thinking that I would be here for maybe five years. That is how many years ago? Getting on to '75, '85, '95, '05, now almost 40 years ago, which is really quite something. [Laughs] I came to work for United Grain Growers [UGG], and I believe my title at the time was director of corporate planning. If memory serves me correctly, that's what my title was. I arrived-- Now, did I-- I think I told you this story of how I moved before people in Ottawa, some of my old colleagues in Ottawa, wanted me to.

NP: Mmhmm.

PE: They had in mind that I should be the executive director of the Hall Commission, which was set up almost on the heels of my arriving in Winnipeg. And as I said, it was a mercy that I did not become the director of the Hall Commission for reasons which we might cover and talk about as I go on here. But I wanted to focus on what did happen rather than what didn't happen. So I arrived at United Grain Growers. Theoretically and on paper, I reported to the general manager, who was a man by the name of John Wachal, but in fact and in practice, I ended up reporting completely to the president, who was Mac Runciman. Working for Mac was a privilege and an honour. There's no other way of putting it. Mac stood head and shoulders above all his peers in the grain industry. I'm not sure if other people have ever referred to Mac and said that about him, but if they didn't, they should have.

NP: A lot of people that we've interviewed, their careers didn't interface.

PE: They didn't overlap with Mac? Yeah.

NP: Yes. Now, you started with UGG in '75, and when did Runciman end his tenure there?

PE: In '81.

NP: Okay.

PE: I'm sorry. Yes, in '81. Yes. He was president of UGG from 1961 to 1981—long period of time. Mostly all the presidents of UGG actually served lengthy terms, particularly up to that point. He had taken over in 1961 following the death of John Brownlee, who had been the president prior to that since 1948. John Brownlee had a very distinguished career. He's a known person, known character in Canadian history. But anyway, to come to Mac. Mac, as I said, working for him was an absolute honour. Mac was widely respected in the grain industry. And by--. I don't know. Have I talked about this sort of great ideological divide in the grain business? I don't believe I have.

NP: Not to any extent, I don't think, from my quick review.

PE: But that's an important piece of background, and I think I should probably comment on it because this ideological divide actually goes back to the 1920s, and perhaps even before that. It really stems from the critique and the criticisms which the farmers developed in the 1920s about the grain industry, and particularly about what was then known as the Winnipeg Grain Exchange. They simply--. Vernon Fouke, who is the probably preeminent historian of western Canada up to the 1950s and '60s, in his classic book *The National*—what is it?—*The Wheat Economy and the National Policy* or *The National Policy and the Wheat Economy*. It's that way. *The National Policy and the Wheat Economy* says in his book farmers became convinced that grain should not be traded through the open market, that it should in some way be controlled. So in the 1920s it was this big dispute. The farmers were very critical of the open market, and critical particularly of its instability and price fluctuations, and quite frankly thought they were being ripped off by the grain companies. This story has been told numerous times by various people, so I won't go into it other than to point out that it was the beginning of a dramatic ideological divide between right and left, between pro-commercial, pro-business people in the grain industry and the cooperative, pro-regulation, pro-government control side of the industry.

**[0:05:59]**

When I became involved back in 1970 and through '75, being a young man, I was fairly ideologically driven on this. I had taken Economics 101 and a few other economics courses by then, [laughs] and was convinced that--. Oh, and I had also read Ayn Rand, who I now view as a total wingnut, but when I was a university student and subsequently--. She's a very good polemicist, and she writes a good story about free enterprise. So I was in that period—and up to '75—quite convinced that the grain industry should be more commercial. I have never totally abandoned that, but it has ameliorated a great deal during my career. But in 1975, I was convinced of that.

Now, to some extent, at that time, one was quite justified because the grain industry by 1975—and I'm not sure, I can't remember exactly how much I talked about this before—was totally tied up with regulation. A grain company-- I referred to the 1973 *State of the Industry Report*, I believe, that had been done on the Canada Grains Council, and that report and my book on Mac Runciman each have a section that talks about how difficult, how virtually impossible it was for a grain company to rationalize its system and to build a new modern elevator, and how if they tried to do it, rather than gaining market share and profitability, they would lose both. That elevator would be unprofitable for a very long period of time until others around it closed. It was a period when changes in the grain industry were by attrition and very, very slow evolution rather than through innovation. So, I was quite convinced, and remains so today to some extent that it was the regulation and particularly the regulation on the freight rates—the so-called Crowsnest Pass rate—which was the, as Ted Allen put it, the keystone of the arch.

NP: Which we discussed in some--.

PE: Which we discussed.

NP: Or which you discussed in--. Yeah.

PE: Which was covered before. Now, when I came in 1975 to United Grain Growers, there were these issues which had been identified through the work of the grains group, and through the work of the Canada Grains Council, as issues that had to be addressed in the western grain transportation system. And they included-- By this time, there was a realization and an acceptance of the fact that the rate issue had to be dealt with, the freight rate issue, because it was by this time absolutely incontrovertible that the railways were losing buckets of money trying to haul grain at 1899 levels of freight rates. Even most of the most staunch defenders of freight rate regulation still recognized that they couldn't go on, couldn't continue with the system where the railways were losing money. So there was the freight rate issue.

Now, the freight rate issue was part of this-- Or let me put this differently. The stagnation issue that I spoke about had not only affected the elevator system, but had affected the railway system as well. What we were faced with was far too many branch lines. There were branch lines all over the place serving small elevators and having very low traffic volumes and losing money. And by that time, if recollection serves me correctly, these lines—yes, I'm absolutely correct—they were being subsidized. There was actually a branch line subsidy program. Now, the interesting thing about the branch line subsidy program by 1975 was that it had become a hidden subsidy on freight rates as well.

**[0:10:50]**

I will explain this as briefly as I can because it is fairly important. [Laughs] The way a branch line, the loss on a branch line, was calculated, it took the cost of moving the traffic from origin to destination minus the revenue that the railway got for moving that car or that product from origin to destination. Let me go back. It was the cost of moving the traffic plus the cost of servicing the line, of retaining the line, minus the revenue. So if there was a loss--. And the difference was paid as a subsidy. Now if there was a loss on that calculation—cost of traffic plus cost of line minus revenue on traffic—if there was a loss, that was subsidized, but if there was a loss on the traffic itself, never mind the cost of the branch line, if there was a cost on the traffic itself, then that loss on the traffic also got subsidized. That was the calculation. So the railways in the early '70s didn't really realize this. Few people did. They said, "Look. It's against our interest to abandon branch lines because we're getting subsidized on the Crow." How interesting.

But in any event, the branch line issue was there. So Justice Hall—who was the father of Medicare and, again, a well known and respected character in Canadian history—was appointed to study the branch line issue. He was a raving populist, no question about it, and I attended many of his hearings across the country, and he played to the crowd shamelessly. One little anecdote that sticks in my mind is one of the hearings where the local people had taken a young girl—perhaps she was 4 or 5 years old, I don't know—and taught her a little poem that she had to recite. And she stood on the table and recited the poem. I don't remember all of it, but I remember this much: "My daddy is a busy man. He has a lot to do. He hasn't time to haul his grain to Marriott or Perdue." which was towns in Saskatchewan. Well, the judge was frothing at the mouth. He just loved it, but it didn't have a lot to do with the economics of branch lines.

So in any event, one of my--. For the period of the five years that I was with United Grain Growers from 1975 to '80, there was a whole series of studies of which they--. Hall's branch line study, and then Carl Snavely's study on the freight rate issue, and then subsequently a study that wasn't nearly so well publicised and wasn't done as a public inquiry, but it was a study on the logistics of grain. For most of that period, that's what I spent my time on doing. I was participating in and preparing briefs for these three studies. And--.

**[0:14:31]**

NP: Can--.

PE: I mean, it was a wonderful experience in terms of learning how public inquiries take place and how you participate in them and preparing briefs for them and so on. We tried to--. By this time, United Grain Growers was a curious creature because although it was a cooperative, it was never a strongly left-wing cooperative. In its early days—and I can't remember whether I mentioned this before—but in its early days, it was formed in 1906, and the first president was a man by the name of Patridge, who really was quite a radical. But he was an organizer and a leader, not an administrator, and so he was only president for one year. Then he was

succeeded by Thomas Crerar—a very pragmatic man. A liberal in the classic sense—free trader and believer in the marketplace—but still saying that farmers should control their destiny. That has always been United Grain Growers’ philosophy. They have adapted very well. They adapted and believed in the marketplace but thought that the marketplace should operate in their favour. Not so much in their favour as in a manner that was not discriminatory to them. That required gaining power in the marketplace, and they did that through the company that they formed, United Grain Growers.

In the ‘20s, there were disputes between the Pools and Grain Growers because the Pools said, “You’re not a real cooperator. You’re not a true believer in cooperation and in regulation, and you, in fact, have sold out to the--.” They didn’t use these terms, but this was the essence of it. That, “You are an old-fashioned grain company, and we want to reshape the world to be a cooperative world, no longer a free enterprise world.” So that dispute took place in the ‘20s. In the 1930s, United Grain Growers was very lukewarm to hostile on the formation of the Canadian Wheat Board [CWB]. It was really--. When John Brownlee was there as president from ’48 through to ’61, I think the company moved left to a certain extent. Brownlee had been a lawyer who had been active and supportive of the Pools, and then he became premier of Alberta, and was kicked out for an alleged affair with his secretary, which according to Mac Runciman was nonsense. That’s a whole other story. I don’t know much about it.

But he became president of UGG, and he was a very strong supporter of the Crowsnest Pass rates and a strong supporter of the Canadian Wheat Board. But you have to look at the time as well, right? This was the ‘40s. My theory—which is purely Paul Earl’s theory—about the philosophies that ruled in the grain industry is that we went through the ‘20s, and then, above all, we went through the ‘30s. And in the 1930s, free enterprise was, by everybody—not absolutely everybody—but it had failed, and people thought it was done, that free enterprise was over. It was done. It was no longer a workable system. Then you had the war, right? So you had, by the immediate postwar period, you had a situation where, I think, the people were shell shocked. They just didn’t want any more massive disruptions in their lives, and they accepted the status quo. Broadly speaking in Canadian society, it was a period when there was a great deal more faith in government than there is now.

It’s very interesting to read the two Royal Commissions on transportation. One was the Turgeon Commission in 1949, and the McPherson Commission, which reported in the late 1950s. Turgeon just accepted that the grain industry was an industry that acted in the national interest. Yes, he looked at the Crowsnest Pass rate, but said, you know, “Nobody’s complaining about them.” Very few people before the Turgeon Commission said the Crowsnest Pass rate should be changed, and he saw that in terms of national interest, not in terms of commercialism. Then you come to the McPherson Commission, and you have a complete paradigm shift. The McPherson Commission comes along and says the problems in the transport industry—they’re not talking specifically about grain—but the problems in the transport industry are because it’s not commercial enough. “It’s over-regulated, and we need to free up market forces.” So there’s this paradigm shift that’s taking place in Canadian society generally, and Brownlee, of course, was president in that period that followed Depression and war. When people, I think, came back from the war and simply wanted to live

their lives prosperously without the trauma that they had been through over the previous, you know, 15 years roughly—the ‘30s up to ‘45.

**[0:20:33]**

NP: Plus, they were sitting on huge, for lack of a better word, piles of grain that had to be--.

PE: They were, yes. Especially after the ‘50s because the ‘40s, you see, the Canadian Wheat Board achieved its monopoly in ‘43 because of the war. Then immediately after the war, Canada had the British Wheat Agreement, which people--. Did anybody ever talk to you about the British Wheat Agreement?

NP: No.

PE: Well, it was a seminal event in the ‘40s. Essentially what it was was Canada signed an agreement with Britain to help in postwar reconstruction, and it agreed to sell wheat to Britain at a fixed--. I don’t think it was quite a fixed price, but it was a controlled price. It turned out to be a bad deal for Canada because prices went up, and Britain got a lot of wheat at bargain-basement prices. But the key thing as far as the Wheat Board was concerned is that it continued to administer that. Then there were a series of international wheat agreements which, again, the Wheat Board was there to administer. Again, in this period when governments were--. There was a great deal of faith in government and international cooperation, and this tremendous—what I perceive to be—this tremendous weariness, tiredness, of the war and Depression and so on. So these were experiments that were going on, and that was the period that Brownlee and UGG was at--. Brownlee was in charge, and UGG was at its most left-wing.

Now comes along Mac Runciman, 1961, and he begins to hear and--. See, first of all, we have this stagnated industry, and he begins to hear complaints from farmers about the Wheat Board and about the systems not working and about, as you say, the mountains of grain that people were sitting on, because the Wheat Board sort of had an attitude, “Well, we’ll hold back the grain from the market, and we’ll be able to force the price up.” Now I don’t know whether you spoke to Frank Rowan about that, but--.

NP: It’s been a long time ago since I spoke to him.

PE: It’s been a long time ago, right?

NP: Yeah. But it’s not--. No, I don’t recall this, but that doesn’t mean it’s not there.

PE: Well, it's rather too bad you didn't because I have spoken to Frank Rowan about that. Frank acted as an advisor to me when I was writing my book about Mac Runciman, and so we talked about that period. And he said, "Well, that's not completely fair," and he had other points of view. But Mac thought it was true, and I think it's true, that the Wheat Board had this, "We will hold back grain from market to get a higher price," and that was part of the reason—not the only reason, but part of the reason—why we ended up sitting on those mountains of grain, particularly through the late '50s and into the '60s. So there was this dissatisfaction, and this is sort of prologue to 1975, when we come along and the *State of the Industry Report* of the Canada Grains Council says, "The problem is the Crow Rate, and the system is not going to modernize until we address that." And Mac Runciman gets that message.

NP: Before you go on to that, what was—people can read Paul's book—but what was Runciman's background?

PE: Oh, Runciman's background. He was born in Scotland. His father was a—what did they call it?—he was an estate manager, actually, in Scotland. They came to Canada in, it was just prior to the Depression, the late '20s. He was 13 and a half years old, he said, when he came to Canada. His parents, he said, had a certain romantic sense about them, and they envisaged farming in western Canada. In fact, they wanted to go up to the Peace River district because that was the real frontier at that time. But Mac had a brother who had come to Canada seven years before and lived in Regina and convinced them that Saskatchewan's a better place.

**[0:25:18]**

So they acquired a farm and almost virtually lost it during the Depression because they'd just acquired it and *bang!* 1929 came along. And the farm during-- Well, actually, during the Depression and the war at some point—Mac was never clear about that—the farm was simply lost. And so, he grew up on a farm in Belcairs in Saskatchewan, which was not quite so badly hit with the dust bowl as it was south of that. South of what today is called the Trans-Canada was really bad. It was just terrible. But he said, "You know, we could grow our own vegetables. We had milk. We had a lot of things which-- It was subsistence farming. We would be able to sell the odd can of cream." But it was not a happy time, not a prosperous time for the Runcimans. His dad ended up—not ended up—but during that period actually worked on road construction just to make ends meet. That's what people did, right?

Then came the war, and Mac went off to the war, rose through the ranks from a private to the second highest non-commissioned officer rank in the Canadian Army, and would have gone for officer training just at the end of the war—1944, I believe, it was—but he literally missed the boat. He had to go to, I forget the place in Italy, and when he got there, the boat had already sailed. The ship had sailed, so he missed officer training. Then came back. Of course, as I said, the family farm had been lost, but he wanted to farm. This was a day you knew your bank manager. The bank manager loaned him enough money to get started, and he had, of course, some money from his pay during the war. So he started farming, and '45-'46 through to '57, I think it was, he was basically



farming. But then he was invited in '57—I think it was '56 or '57, the date escapes me—to be a director of United Grain Growers, which he did. Then when Brownlee passed away, Mac was chosen to be president, and he left the farm at that point. President was a full time position, so.

NP: You had mentioned earlier on that you admired him greatly. What in particular did you think made him a good manager?

PE: A good leader would be a better term. There are some people who think he was not such a great manager. I have no judgement on that. I don't think it's quite true, but he was--. What is it that constitutes a good leader, right? I always think that there's what—who was it?—Mark Lalonde called a “scoop of the royal jelly” that you get. [Laughs] It's a genetic thing or whatever. He was a person that people looked up to. He was a person who could find consensus. He was a person who chaired endless committees in the grain industry and served on boards of directors and was invited at one point to become a minister of the Crown in the Trudeau Government, which he turned down because he was not elected. He said, “I'm not going to take a position as a minister under those terms.” They would have made him a senator and then brought him into the cabinet. It was Mac's character, his abilities, you know? He could see big pictures and could synthesize things and was respected by all sides.

**[0:30:12]**

There was this divide that I speak of in the grain industry from the '20s through the '70s and into the '80s and '90s. It was very real, but Mac transcended it. He had the respect of everyone except the most extremists on either side, right? [Laughs] People respected Mac Runciman. He told me a story of one meeting in the grain industry where Jim Devison, who had been the president of Manitoba Pool—and I don't know what the issue was—but Devison said, “Well, that settles it. Runciman has spoken.” [Laughs] And that's just the kind of guy he was. But he was also, whether you were the janitor or the CEO, you got treated the same way with Mac Runciman. Just everybody, you know, just loved him and respected him. People in the industry and people in Canadian industry broadly on the boards of directors that he served on, he was just so highly respected. So that's why it was a great pleasure—both a pleasure and an honour—to work for Mac.

NP: As you're talking about that, this is just a personal thought, that was one thing that the war allowed—the war that I'm familiar with anyway, the Second World War—I don't imagine that Mr. Runciman had much education.

PE: No, he didn't.

NP: Right.

PE: That's exactly right. He had very little education. He did complete his high school, but he did it as a mature student sometime after. You know, he left school, worked on the farm, and then he did complete his Grade 11, Grade 12. I forget. He completed it, but he did it on his own time subsequent to actually leaving school. And that was his education, was high school. Yeah.

NP: And a lot of people who came up through that system, through the sort of military system and having to lead people on a battlefield, their leadership qualities—if they managed to make it through to the end—were honed and appreciated, regardless of what their background was.

PE: Yes. And actually, in--. It was very interesting when I was doing my book about Mac, which was some years later. You know, I sat down, I interviewed him. I went through I can't remember how many interviews with Mac where we talked about his life, and he wasn't much interested in talking about his business career, but he was very interested in talking about his wartime experience. I mean, you could tell when he talked about it he just came alive, right? It was a seminal experience for him, a critical experience for him. And I think that was the time he discovered his leadership ability. He told me several stories that happened to him during the war, and he developed his leadership philosophy at the same time. He said, "I was a sergeant major." He said, "I could get people to do things. I could order them because I had the authority." But he said, "It's much better if you can get people to do it because they want to." That was just the kind of respect that he commanded amongst his people who would report to him.

He told me a story of having to wake up somebody in the middle of the night, I think, it was an officer from another regiment, another--. Needed a ride from where they were to a town in Italy. So he went over and spoke the man's name, and the man came to attention in his sleeping bag. [Laughs] So this was the type of man that Mac Runciman was. He just commanded peoples' respect and was able to lead people.

NP: Did you tape interviews with him, or you just had verbal interviews?

PE: No, I taped them all. They're taped and transcribed, and they're all over in the archives here as far as I know.

NP: The Manitoba Archives?

PE: The Manitoba.

NP: Excellent to know that.

PE: The university archives. University archives.

NP: University archive. Okay.

PE: Yeah. Yeah. Because after I finished the book, I put everything over there. So I believe the taped interviews are there.

**[0:35:05]**

NP: Well, if we--.

PE: It was a great pile of paper. [Laughs]

NP: Yeah. If we ever want to get finished this, we really need to move along.

PE: Yes. [Laughing]

NP: Although I could listen to these stories.

PE: Sorry about that!

NP: No, that's fine! [Laughing] I'm encouraging you. So--.

PE: We can do this again.

NP: Yeah. Was this policy group that you found yourself a part of in '75, was it new or had it existed? And adding onto that, how does a grain company set its policy, or how did it at the time you were involved?

PE: Well, it depended on who you worked for. United Grain Growers, my position was a new one in the company, and it came, I mean, to some extent it was serendipity. They approached me initially—I told you that story before—initially approached me to come with them, and I did. And then when I came with them, these various commissions of inquiry and studies. It was just a period of very intense work on policy issues in the grain industry. Now for the Pools, the Pools always were very interested in policy, and they had policy advisors and people in research divisions and large staff that were devoted to this. But United Grain Growers did not. They did it pretty much on an ad hoc basis prior to my being there, and largely under the control of the president and the board of directors.

Now, there was one caveat on that, and that was a man by the name of Harry Griffin, who had worked for them, had retired—probably died, I think—long before I came there. But he was an Ag-policy person, an agriculture policy person, and very highly respected too. I mean, ministers returned his phone calls, okay? [Laughs] It was a different world, of course, at that time.

NP: So did the policy division you worked with have a large staff or--?

PE: No. I mean, I was it. I was largely it.

NP: Okay.

PE: It was Mac and me and a couple of the senior managers, not including the general managers—what we would today call CEO—who wasn't up to that. The guy who worked there by the name of Jack Candlish, who had been on that *State of the Industry Report* committee, and Jack was a [inaudible] guy with some smarts as well. That was it, right? So I wrote briefs and mostly worked with Mac in hammering out—and the board of directors—in hammering out policy things.

NP: What was the connection back to the producers?

PE: Through Mac and the board of directors, that was largely it. They did have what was called a field service group, which was at that time—I'm going by memory—there was a field service director and I think they had about 12 people. Something like about a dozen, maybe 14—I don't remember—people who were what they called field service people who---. It's an interesting history because when Brownlee was—and probably before Brownlee—the field service people, actually, one of their jobs was identifying potential directors. They used to set up meetings in the country, local meetings, and arrange for directors to be there and explain the company to the farmers or get farmers' feedback. That was still a going concern in 1975, but it was also a system which had its roots back in the 1920s in the birth of the co-op movement because the Pools had the same thing, but it was much bigger with the Pools and much more intensive. They had more people. I think they called it field service as well, I'm not sure, reported up through their research branch and up through the political side. It was a much bigger issue with the Pools.

NP: And the annual meetings, were they sort of a free-for-all for people at the grassroots level to agree or disagree with policy direction?

**[0:40:05]**

PE: Generally. The policy was made to some extent through the annual meetings because each local would come forward with resolutions and resolutions would be passed. Now, there were resolutions that the company didn't want to pay attention to, and so they--.

NP: Can you give some examples of those?

PE: Well, the one that I'm most familiar with that was really, really controversial and which the company didn't want to have anything to do with was to bring what was then called rapeseed—which is now called canola—to put it into the Canadian Wheat Board. And that resolution passed. And so they benignly ignored it for a year, and then they engineered another resolution that retracted it. That's basically the way it was done. I don't know for sure. I presume it was probably embarrassing—resolutions that came up in the Pools that would have gone the other way—but the Pools were much more controlling of the system and the process. I don't think, say, a resolution to disband the Canadian Wheat Board would have ever gotten to the floor in the Pools. I mean, it's unlikely.

NP: But it did with UGG?

PE: Well, that one, as I said, it went the other way, but that got to the floor. In my whole time both with UGG and subsequently and before, I heard precisely two criticisms of Mac Runciman. One was, "He's not a good businessman," which was sad, but not particularly backed up, right? But the other criticism, which I think was valid, Brownlee used to make sure he basically controlled the director election process. He picked people from the country and said, "That's the person I want on my board of directors," and he would get all this information up through the field service. I forget the name of the man that was in charge of field service. George something. I don't remember, but this was his job amongst other things. Brownlee would pick people, make sure they got an appointment to the board, and then stood for re-election as a sitting member as opposed to--. And Runciman, Runciman said, "No, we're going to let the democratic process work." Which I think probably was a mistake because not all the board of directors were strong people. That really, when we get up to the '90s, will play quite an important part in the story. [Laughs]

NP: So the time you were there, '75 to--?

PE: '75 to '80.

NP: To '80 in that stint, what were the--. How did the company fare in relation to other companies?

PE: That is a little difficult for me to answer, but I think the bottom line is, “Not well.” They had had, up until about a year or so before I came with them, they had had a very, very competent general manager, whose name, as I said-- Driscoll. Driscoll. When I first got involved in the industry back in the ‘70s, I mean, I had people say, “UGG is a well managed company. That’s a really well managed company.” In the immediate postwar period, Driscoll and Brownlee went out of their way to draw in a group of young people, people who had been educated, to take up management positions, but the system kind of ossified. Brownlee and Driscoll saw the need for succession and brought a number of people in, but the next didn’t, and that caused a real problem, because when Driscoll retired, well, the person they put in, John Wachal was-- I don’t know whether John Wachal is alive, but he was a—and this is well known—he was a very weak manager. Very, very weak.

NP: And what goes wrong with a weak--? Or what went wrong, in general, with a weak manager?

**[0:45:03]**

PE: Well, what went wrong is you need that strong leadership at the top. Now, they had Mac, which was very good, but they didn’t have a good general manager on the operations side. Then Wachal was replaced by a guy named Gerry Moore. Good guy, fairly competent, but he hadn’t had enough experience. Gerry was unfortunately eventually fired. I’m moving up way past 1980, but the company’s management, I would say—with some exceptions of people that were good—but following the retirement of Driscoll, I think the management tended to get progressively weaker.

NP: And as a result?

PE: Well, as a result, I think the company was not as profitable as it should have been, and it was not as well operated as it should have been. But I’m speaking a little out of my area because I was not involved in the management so much. My love and my attention was completely absorbed on the policy side in that period, working through those inquiries and studies that I referred to.

NP: And what was accomplished would you say?

PE: Well, eventually we got rid of the Crow. Transportation was the one theme through all those five years was the transportation side of it, which had been my professional background and my training, so I was interested in the transportation side of things. So from 1975, from the fall or the identification of the Crow as the issue during the Grains Council, we then had to fight that issue. It was a bitter, bitter fight because the Pools, yes, they did start to recognize, “We can’t continue to have the railways lose money.” But the answer was subsidize them, right? Where Mac came along and UGG came along and said, “No, the answer is not subsidies. We’ve had subsidies and continued control and look at the mess. Subsidizing will not change this. You need to have a more

commercial system where freight rates are allowed to fluctuate, and you can build in efficiencies and incentives and so on.” That was the big fight that went on. If there was one leitmotif, one theme, of that whole period from ’75 on was, you know, do economic incentives work or does it have to be regulated and centrally controlled?

So we fought that fight over branch lines and over the Crow Rate itself. The Snavely Commission was about how much are the railways actually losing on grain traffic? That’s what it was all about. Big, big study. Went on for a couple of years with committees and what have you. In that time, I mean, there were people who said, “Well, they’re not losing anything.” And then when they got into the costing—Snavely actually got down and dirty with the costs—there were two or three really--. The biggest issue was what’s called “cost of capital.” What kind of interest should the railway--? What kind of return on capital should the railways get and how should it be calculated? It was probably the biggest bone of contention because the Pools and the left-wing wanted to say, “No, they should only get five percent.” And the railways were saying, “As a commercial thing, industry gets 12 percent, 18 percent, whatever it is, and that’s what we should get.” Big fights over that.

NP: And the solution? Did they ever come up with what was considered to be--?

PE: Well, the solution, yeah, the solution eventually was--. I mean, eventually, Snavely said, “This is the cost. This is what the cost of capital should be. Here’s the money. This is the additional revenue the railways need to be made whole.” So we now have to get past 1984, [laughs] but the result of it was in the early ‘80s—which will be the next part we talk about—was the appointment of yet another committee under Clay Gilson who was--.

NP: Right, and you’d sort of introduced that the last time.

PE: Yeah, and Clay chaired an industry committee to say, “How do we solve the Crow Rate issue?” The ultimate--. In a nutshell, what Gilson recommended, and which became the basis for the Western Grain Transportation Act in 1984, was that the government would subsidize current losses, and then as costs continued to rise—as they would just through inflation and pressures and so on—as costs continued to rise, the added costs would be divided between government and the railways. The farmers would pay the first X-percent, and then the government would pay, and that would become part of the subsidy to the railways.

**[0:50:43]**

NP: And now, how long did that agreement last?

PE: That went from 1984 to, if memory serves, either 1993 or 1994 when the government terminated their subsidies, and it just became sort of commercial.

NP: What was UGG's interaction with the private industry? So we have their status or their niche in the cooperatives. What was their--?

PE: You see the private industry in the grain trade, they were literally private companies. There was no publicly owned companies, right? They were all family-owned companies—Paterson, Parrish. Cargill is one of the few exceptions. But the big ones were the Pools, UGG, Richardson Pioneer Grain, Cargill, Paterson.

NP: And Federal would have been there as a public?

PE: Well, Federal by that time had been sold. They were sold, and the Pools bought Federal in 1973 or 4, as I recall.

NP: Oh, okay.

PE: I say there's a story there too because back in the Grains Group, the Grains Group formed an advisory committee on transportation, which consisted of the general managers—what we would today call chief executive officers—of the three Pools and one of the principals of Federal Grain. Oh, senior's moment. What was his name?

NP: Searle?

PE: Searle, no. Yes. Stu Searle. Yeah, right?

NP: We interviewed him.

PE: Have you contacted, have you interviewed Stu?

NP: We interviewed him. I took a trip down to South Carolina to interview him.

PE: Okay. Right. So, Stu Searle, Wally Madill, Ira Mumford from Sask Pool, and who was it from Manitoba Pool? It wasn't Cormac at that point. Who was it? Maybe Manitoba Pool wasn't part of that.



NP: Anyway.

PE: I can't think of who else it was. But anyway, -people subsequent--. It was just after their involvement with the Grains Group that Federal sold. So some nasty people said, "The only reason Stu Searle was there was to work a deal with the Pools." [Laughs] I don't think that's true, but the appearance was certainly there. So Federal was gone by that time, and there were other private--. You can look up the history, but those were the biggies. Yes, what I was saying was, you see, the private trade—the so-called private trade, including Federal as far as that goes—actually got quite comfortable in a regulated system. It was low risk and low return. It was low return, but it was very low risk. They handled it for the Wheat Board, the Wheat Board paid them, right? There was no--.

NP: A nice steady customer that--.

PE: Yeah, exactly. Exactly. You know, we don't really have to compete. They used to talk about competition and how vigorous the competition was between the grain companies, but it really wasn't. The competition was vigorous right down on the ground, right? At a country elevator level. A guy was there, he'd have his elevator, and other people would be next door, and he had to attract farmers in. At that level, the competition, I think, was fairly fierce amongst those people. But then they also came from the same community too, right? So you know, the guy next door was not only your competitor, he was your friend. [Laughs] You probably curled with him and what have you. But that's where the competition was was, right at that level. It didn't occur between the companies. The companies got really quite complacent with the system. And this was the criticism that farmers began to level. They talk about the "Winnipeg Club," and the Winnipeg Club was all the people that were in the grain industry. There was a guy who used to talk about the "Winnipeg half-life." If you would move to Winnipeg in the executive management ranks of a company, and if you had new ideas, and you're trying to do something, you would do that, but your enthusiasm would decline much like the radioactivity of uranium.

**[0:55:46]**

NP: And you would just settle into the comfort of the existing--.

PE: And you would settle. After so long you would be half as enthusiastic, and in that same time you'd be a quarter and down to an eighth and so on. That's the concept of a half-life, right, in radiation.

NP: Yeah. During your policy time then—and I'm speaking from a lack of knowledge here—but handling grain was fairly regulated as well, as far as storage rates and so on.

PE: Yes. Yeah, it was. Yeah, all the--.

NP: Was that ever an issue that you ever dealt with in your time in the policy branch?

PE: Yes, to some extent. Actually, for a bit there I was on a--. I can't remember. This was before. I think this was actually before I joined UGG. There had been a new chief commissioner of the Grain Commission, Del Pound. Have you heard Del Pound? You must have heard his name. Have you interviewed him? No?

NP: Is he still around?

PE: I believe so. I can't say for sure. I spoke to Del Pound, well, that's quite a few years ago now, I guess, the last time I spoke to Del.

NP: Yeah. I think he may have passed away.

PE: He was living in Calgary. He may well have passed on by now. He was--. I mean, I'm 71, and he was at least ten years older than I am.

NP: Yeah.

PE: So Del Pound may have passed away.

NP: And why do you--?

PE: Well, because Del came in with a--. The Grain Commission too was part of the lethargy in the system, and Del pound came in with ideas to change things, and I worked on a study on handling tariffs and so on. Yeah, that was another little study I did, [laughs] but that was before I went with UGG.

NP: So it was back with the Grains Group?

PE: Yes. I was still with the Grains Group then.

NP: Okay. Do you recall the name of the study?

PE: Tariff study, I think.

NP: Tariff, okay.

PE: [Laughs] I may actually have a copy of it somewhere. I'm not sure about that.

NP: So your time in policy, did you go into it the same person with the same views of the industry and issues that you came out of it with?

PE: Pretty much, I did. Pretty much, I did because transportation was my sort of primary focus and primary interest because I wanted this system to modernize. And I think during the period I was with UGG, I didn't change very much in terms of my—worship is too strong a word—my regard for free enterprise and for an open system. I pretty much thought that that was what we had to do. We had to be more commercial. We had to do away with the regulation, had to do away with the centralization.

NP: Now your counterparts in both private industry and with the other cooperatives, was there pretty much a meeting of the minds?

PE: No, there wasn't because my counterparts in the Pools were, for the most part, advocates of continued regulation and centralization. They supported the Pools, they supported the Crow Rates, and they took their cue from the political side of their own organization, which was the board of directors. The Pools were adamant really that, "No, we need regulation, centralization. The Crow should not change. The railways should be made whole but done through subsidization." That was the Pool position.

NP: That was the Pool position. Okay.

**[0:59:57]**

PE: And on the other side, there weren't that many people who did policy on the other side. Probably the most active was Cargill. Richardson Pioneer Grain, they didn't do very much. The smaller the company, the more they just said, "I have to survive. I'm here to make money. This is the rules of the game. I play by them." Actually, that's Cargill's philosophy as well, but they do business all over the world. They don't care about-- You know, they just say, "That's how that country does business. All I want to do is trade grain." So while they would—when you got them in a bar—they would talk about, yeah-- Dick Dawson and Kerry Hawkins, "Yes, should be a free enterprise system. Yes, should be," but they weren't going to fight for it because, you know, American company

comes here, all they want to do is trade grain. So there was nobody else. There was nobody on the--. I mean, there was a woman in--. Barb Isman, have you heard her name?

NP: Mm-mm.

PE: Oh, you should try to track Barb Isman down, I think.

NP: Spelled?

PE: I-S-M-A-N. Barb was both one of the early executive directors of the Wheat Growers and then went with Cargill to become their—they didn't call it a policy position—it was something like corporate affairs or industry affairs.

NP: She went with--?

PE: Pardon?

NP: She went after the executive director of the grain--?

PE: Yes, she was with Wheat Growers and then she went with Cargill.

NP: Okay. As far as you know, in Winnipeg?

PE: She was. I haven't had any contact with Barb for a long, long time. But you can try. I-S-M-A-N, Barb Isman. How old would she be?

NP: Yeah. Well, it should be easy to--.

PE: She'd be 60-something by now.

NP: Yeah. And it's nice to get some women's voices.

PE: [Laughs] Yeah, right! Right. Alana Cook?

NP: No.

PE: No?

NP: No.

PE: She's apparently executive director of--. No, sorry. She's currently Deputy Minister of Agriculture in Saskatchewan, but she was executive director of the Wheat Growers from about—I'm not sure—about 1980-something. I forget it. If you know when, oh, who was the Tory premier of Saskatchewan? Should know his name. I have all the seniors' moments.

NP: Grant somebody?

PE: No, no. Oh, yeah. Grant Devine. Grant Devine. She was part of Grant Devine's staff. And then I think when they were turfed out, she popped up as executive director of the Wheat Growers, and she's now Deputy Minister of Agriculture. Yeah, you should talk to Alana for sure. For sure.

NP: So let's—if it's okay with you, and you have nothing to add about that '75 to '80 period—let's move to the Grain Transportation Agency [GTA]. How did that opportunity come about?

PE: Well, I'd have to sort of tie up some ends in 1980.

NP: Okay, sure.

PE: Because remember I said there were three major studies: There was Hall on branch lines, and Snavelly on the rates, and then this Booz Allen--.

NP: Right, you mentioned last time.

PE: Which was the Booz Allen/IBI, which were the two consulting firms that worked on the logistics issues. And then the Tories became the government in Ottawa, and they were going to continue this commercialization of the grain industry. They started by--. There was three Tory MPs—Jack Murta, and two others. Bill, Bill, Bill something. Anyway, they formed a committee to say, "Let's look at--." It was called the Murta Report or the Murta Committee, and they looked at this whole issue of the logistics and said, "We need a grain transportation authority who is going to make this system work." Because the system was massively

dysfunctional. I mean, it kept screwing up. There were these periodic lineups of vessels in Vancouver and so on, and so they said, “Well, we should set up this Grain Transportation Agency to coordinate grain movement.”

**[1:05:06]**

So I was extremely interested in this, and amongst my last policy initiatives with UGG was actually putting a brief into this Merta Committee and pressing very strongly. Because see, as much as I knew that the Crow Rate was what Ted Allen called the keystone, I really thought there were two keystones. One was the rate itself, which precluded any incentives, and which caused the railways to say, “I’m not interested in grain.” But the other was control of transportation by the Wheat Board, which was done very bureaucratically, right? A story which goes back a long, long way even before I was involved in the industry. In the ‘60s, there was a very wet year in the west and particularly a wet year it was up in the Peace River district. There were two companies or three—two anyway—United Grain Growers and Pioneer, JRI. They put on a real effort to put driers in their country elevators and to attract farmers’ grain. And against all of the bureaucracy and the rules and the formulas, they got a very major increase in their proportion of business in the Peace River because they had really done this, and Alberta Pool did not.

So here when the year was over, they ended up-- Your percentage of business or your competitive position was established by the previous 12-month handlings that you had. It was a rolling average. So during this wet year, UGG and Pioneer really picked up their percentage of business. And at the end of that crop year, whenever it was, they had actually gained substantially over Alberta Pool. But then what happened was the Wheat Board just rolled it back. They said, “No, you didn’t earn this business. We’re going back to the old percentage.” It was largely because one of the-- Larry Kristjanson, did I talk to you about Larry Kristjanson?

NP: Yes, you mentioned him.

PE: Am I the only person that’s mentioned Larry Kristjanson?

NP: No. No, and you--

PE: Have you tried to get him?

NP: Yes, we’ve interviewed him.

PE: You’ve interviewed Larry?

NP: Or somebody did. I didn't.

PE: Yeah. Right, right. Well, the story was—which I think is fundamentally true—was that Larry was very, very left-wing. Larry was very, very much in favour of controlled markets and regulation of the Wheat Board and so on. So he was philosophically inclined—or philosophically aligned is the better term—with the Pools, and when they went to him and said, “Look, we’ve been screwed in this system because we’ve lost market share,” and the story was that Larry just said, “Okay. We’ll roll it back. We’ll go back to the old percentages.”

The companies went to Ottawa—Otto Lang by this time was Minister of-- . This actually must have been '69 or '70. It must have been in that period because Lang was the minister responsible. I was there but not privy to this, but my boss Bob Shepp was. So they came in and said, “Look, we earned this business. You should not roll back this percentage.” So Lang wrote to the Wheat Board, and the Wheat Board said, “Oh, no. It had nothing to do with drying. It was just the railways mis-spotted the cars.” That was the excuse that was given. It was, dare I say, an outright lie? I mean, the companies thought it was an outright lie. I heard this story from UGG people subsequently. UGG’s attitude, the operating people in the company said, “Why try because the Wheat Board can do this kind of thing.”

**[1:10:03]**

So fast forward to 1980, right? [Laughs] Here was the Grain Transportation Authority which was set up, and I was very interested in going there, and I lobbied for the-- . I didn't lobby. I made myself available for that position, and a guy by the name of Doug Radke-- . No? Doug Radke was from the Alberta government, and he was-- . The sequence of events there-- .

NP: Radke spelled--?

PE: R-A-D-K-E. Not a very usual name, so you might be able to track him down, although his connection with the grain industry was fairly brief. He was with the Grain Transportation Authority, which subsequently became the Grain Transportation Agency. He was there for maybe two years, maybe three. I can't remember. Can't remember how long Radke was there.

NP: And how long did the Grain Transportation Agency last?

PE: It went for about ten years. It went from 19-- . It was formed in about 1980, and I worked for them up until 1990 or so when I went back for my second sojourn with UGG. It was too long. [Laughs] But my vision when I went with the GTA was that we would wrest control of transportation away from the Wheat Board and then eventually turn it back to the grain companies because I

always thought that the grain companies should control transportation, not the Wheat Board. They should be able to negotiate with the railways as any other shipper does and get their cars and ship their grain and so on. And yes, they had to ship for the Wheat Board, but my vision was that the grain company has this sales book, which includes the things they sell privately—canola, flax, rye, whatever—and they would have a sales book for the Canadian Wheat Board. They would get so much of the Wheat Board's business. And once they had that, it was their job to move it forward, and their job to source it in the country. That's what I wanted to see happen was that.

So the Grain Transportation Agency, my first position with them was actually supposed to be the information system. I think I was director of information or something, which was setting up their computer systems and information systems and that sort of thing. But there was still so much. The industry was still in this period of intense study, so I was still involved in policy up to my neck—happily so, at the time.

NP: How big was the agency? The actual--.

PE: It was about probably a dozen people.

NP: And their--.

PE: I'd have to go back and really stretch my mind as to who those people--. [Laughs]

NP: Their backgrounds? Just quite varied?

PE: They were mostly drawn from the grain industry. There was the coordinator was Hugh Horner. Political appointee, and he was the big high honcho. But Radke, who had worked for the Alberta government under Hugh, was brought in as the--. I forget what his title was, but he was--.

NP: Sort of the day-to-day managing guy?

PE: Yeah. He was like the general manager of the place. Everybody reported--. All the worker bees reported to Radke. Radke.

NP: Peter Thompson?



PE: He came after. Peter Thompson is a story unto himself. Have you interviewed him? Yeah? Oh, I'd be most interested to know what your--. But you're not here to tell me that. Maybe after this thing is off you can tell me about Peter Thompson. Peter Thompson was a—sorry, I will say this—he was an absolute disaster. Absolute disaster. We'll go there.

NP: What was his position?

PE: Well, he replaced--. You know, the details are getting a bit fuzzy in my mind, but he replaced Radke basically, right? But there was Hugh Horner followed by Jack Horner, and the politicians were gone. Here my memory is failing me in terms of who was what.

**[1:15:04]**

NP: Yeah.

PE: In that period. I know it was Hugh Horner and Radke. Hugh was the coordinator. Radke was sort of the CEO of the place.

NP: And was it always intended that it would stay in existence, ongoing?

PE: No, you see, it was originally to be sort of a temporary body. So temporary to do what? And what I thought it should do was, as I said, to get this control away from the Wheat Board and then put itself out of business by turning this responsibility for transportation over to the grain industry. I had very close to zero support on that anywhere. Certainly, not from Hugh Horner, who was a politician, right? He wanted to quiet the politics down, and to do that if he had to sort of be in a position where, yeah, we could solve the messes in Vancouver and make the grain transportation thing work better, that was fine, right?

NP: And they had staff on the ground in Thunder Bay.

PE: They did, although they were not--. There was two coordinators. There was the guy in Thunder Bay and a guy in Vancouver, and those people had actually been established during the Grains Group days by Bob Shepp, my boss then. The idea of those guys was, "Look, we keep getting these--." The Vancouver one was the critical one. They had to establish that position, and they established the Thunder Bay position. Tony Kaplanis, have you interviewed Tony Kaplanis?

NP: No, I haven't. He's been on my list since the inception, but I haven't interviewed him yet.

PE: He'd be on your list. Yeah. Right, right. So they had to do one in Thunder Bay, but Vancouver was the difficult one because that's where the screw-ups always occurred, basically, because there was far less storage and ever-increasing throughput. I mean, storage at Thunder Bay was huge, enormous. The various reasons for that is buried in history. So those guys were, I believe, Transport Canada people. I think they created the position of coordinator in Transport Canada. Those guys were just facilitators basically. They used to go around and keep their nose on what was going on, and they produced these reports that went into the Grain Groups, and then when the GTA was set up, those coordinators were made part of the GTA. The GTA was about a dozen people, I think. Big mistake number one was to get a guy by the name of Gordy Davis who was the--. Have you heard Gordy Davis's name?

NP: Mm-mm.

PE: I don't think you'll get much out of Gordy Davis, frankly. But Gordy Davis had been in the Wheat Board's transportation department, and so he was transferred over to the GTA, and he basically did the so-called allocation. He sat down with the railways, said, "How many railway cars you got?" And then the way it transpired is that the GTA ended up coordinating non-board movement, but the Wheat Board retained the board movement, and that's what I wanted to pry away from them was that whole thing.

NP: So was the Wheat Board given an allocation?

PE: Well, the way it worked was that there was the so-called allocation, the planning of grain movement, took place on a weekly cycle. And generically—setting aside the relative roles—generically how it worked was there would be a meeting with the railways and the grain companies and the Wheat Board, and then later with the GTA, but I'll describe it the way it was before the GTA. Okay? There would be a meeting with the railways, the Wheat Board, and the grain companies, and the Wheat Board chaired it. And they basically said, "Okay, given the movement, how many railway cars are there going to be available next week to load grain?" And the railways would say, "Given our fleet, given the unloads we've been getting, so many cars at Vancouver, so many cars." And then the Wheat Board would divvy them up between grains and between companies. That's how they basically did it. So a grain company would get its quote "allocation" each week that said, "Next week you've got so many cars to load and as far as the Wheat Board is concerned, you'll load so many of wheat. And of the wheat, so much will be No. 1 and so much No. 2 and so much No. 3. And then these are your cars for canola—called rapeseed in those days—and this is what you get for flax and rye and whatever else."

[1:20:13]

NP: Why did they bother allocating according to type of grain?

PE: Well, because that's what the market was calling. Basically, they'd analyze the sales situations.

NP: But why didn't they just say product?

PE: Because the Wheat Board controlled everything. [Laughs] That was their mindset, right? Centralized control. Control, control, control, control.

NP: Now that was the description before, and what about after?

PE: The other thing, the reason why they controlled it so tightly as far as the wheat was concerned, the Board was the only one that knew what the sales were. The companies never knew exactly what the Board needed. They were only told, "Thou shalt ship so many cars of this product of wheat next week." That's all they did. And then the Board just carried that kind of control over to the non-boards, although the companies had a little more control over it. A bit more control because they knew what they had to ship. They were their sales. Now after what happened, after the GTA was set up, then the control of the non-boards went over to the GTA, and the chairing of that meeting went over to the GTA, but it didn't change very much. What happened, this meeting would take place between the railways and the grain companies, and instead of the Wheat Board, it would be the GTA. They'd say, "How many cars available?" "Well, there it is." And then the GTA would divide it, would divide those cars between board and non-board. The sales information began to go to the GTA instead of to the Wheat Board, but the Wheat Board sales information was so sketchy. They didn't give that up. They would just say, "We need so many cars. These are our--."

NP: And why do you think they were protective of that information or--?

PE: Oh, because they wanted the power. They hated the GTA. They were bitter about the GTA. They fought it tooth and nail. And they not only fought it tooth and nail, one of the incidents that happened on the GTA was we had--. We used to get two pieces of information on the ships that were due in. One came from the Wheat Board, and I believe the other one came from Vancouver, although I'm a little fuzzy. But anyway, the two of them didn't agree, so the Wheat Board said, "We'll solve that. We just won't give you our information." That's what they did. They just stopped this information after we had said, "They don't agree. Look, this is messing things up." "Oh, well. We just won't give it to you." So that was the way the Wheat Board treated the GTA. They hated that it was there. So our relations were not good.

NP: But I assume that even though—or is it fair to assume—that even though their reason for disliking the GTA was that they wanted to have the power, that would not have been their official face? Because that wouldn't play very well.

PE: Absolutely.

NP: So what was their official face?

PE: Oh, their official line, which went on for years--. I mean right up to the time when the grain industry finally shook off its lethargy and agreed with me after about 20 years. Well, ten years anyway. That they should control transportation instead of the Wheat Board. This was during the [**Estay**] thing that came in the late '90s. The Board was, "Well, it's our sales. We're the salesperson. We have to control transportation." No major shipper--. Sales were not controlling transportation. Well, the grain companies did, of course, because they sell rapeseed and everything and control that.

NP: Yeah. What--. And maybe you don't have this information. If we take 1,000 cars as a number--.

PE: Number, yeah.

NP: What was the relative split?

PE: Between board and non-board?

NP: Yeah.

PE: It was—back in the period we're talking about—it was probably about 70/30.

NP: For the Board?

PE: For the Board, yeah. The Board had a majority of the movement.

NP: Yeah.

PE: And sort of earlier. The big increase in non-board movement came with canola, right? Because before that was rapeseed, and rapeseed was not a food product originally. It was they mostly used the oil for lubricating. So you had the Board controlled wheat,

oats, and barley, and the trade controlled—sold, they didn't control it, but they sold it—rapeseed, rye, and flax. Those were the big six, right? And probably--.

**[1:25:34]**

NP: So the Wheat Board would, just by virtue of its size, would have a fair bit of clout.

PE: Yeah. Well, it got its clout, really, from the war. You've got the monopoly power, got transportation control because, again, everything was controlled during the war, and then subsequently they did the British Wheat Agreement, and so on. I think it was '48, the Wheat Board Act was actually amended to put transportation control in the act.

NP: Now, given your view of history—I'll just toss in a Thunder Bay connection here and see if the stories percolated up—C. D. Howe was in charge of an awful lot of those.

PE: During the war.

NP: During the war and after until he lost his positions. So was his reputation still there when you started your--?

PE: No. C. D. Howe was gone by that time, but you're right. There is a document written by Charlie Wilson. Charlie Wilson wrote the big fat book, right? But he wrote another document called, I think, it's called, "C. D. Howe--." It's about C. D. Howe and the grain industry. It's over in St. Paul's College Library. You might try to look it up.

NP: So it's unpublished?

PE: Yeah. It was unpublished. It's more of a monograph thing.

NP: Okay. I would really like to see that.

PE: Yeah. There's quite a bit about--. I've looked at it a couple times and have pulled out some very select pieces that I've been interested in, but I don't think I've ever read it through. It's about so thick.

NP: I might be the only one in the world besides Charlie Wilson who reads it right through. [Laughs]

PE: You might do. You might.

NP: And it was C. D. Howe?

PE: It's called something like--. It had C. D. Howe in the title, so if you--.

NP: And the grain industry.

PE: Trundle over to St. Paul's College before you get out of here and ask them for a type-written manuscript that has C. D. Howe in the title and is by Charlie Wilson. C. W. or C. F. Wilson.

NP: I'll be able to find him.

PE: You should be able to find it, yeah.

NP: Yeah. In fact, John O'Connor gave me a huge unpublished thing that Charlie Wilson had done.

PE: It might have been his draft of the--.

NP: I don't think so.

PE: No? Something else?

NP: Yeah. I'll try--. I know I've got it in my collection, and it was out of the Grains Group apparently.

PE: He did that--. See, when the Grains Group was in existence, somebody said, "You know, we really should have a history on this." "Yeah, that would benefit us. Who could do it?" Well, Charlie did it, and he produced his *Century of Canadian Grain* book.

NP: Yeah. Not sure if they were the same, but it's certainly big enough to be. [Laughs]

PE: Yeah. I at one time had actually the draft copies of Charlie's book.

NP: Yeah. Well, it's probably the same.

PE: And it was thick, thick, thick, thick. But it might be something different, you never know. I mean, Charlie loved doing that. Charlie was--. It's too bad he's gone to his reward. He would be a--.

NP: Just encyclopedic.

PE: Charlie was one of nature's gentlemen. He really was.

NP: Which, while I'm thinking about it, the other person I'm trying to track down I don't know if he's still around, and I don't know his name. The author of *Grain: The Entrepreneurs*.

PE: Oh, Charlie Anderson.

NP: Yeah. Is he still around?

PE: I'd have no idea.

NP: He just seemed to disappear.

PE: Probably not. I doubt he'd be still alive. If he would, he'd be very old.

NP: Mmhmm. Well, we digress.

PE: We digress.

NP: So just covering the--.

PE: So we're up to the Grains Groups days. [Laughs]

NP: Well, actually--.

PE: Or not the Grains Group. The Grain Transportation Agency days, yeah.

NP: So accomplishments, challenges, disappointments from your time in that.

PE: Yeah. The biggest disappointment--. It was nothing but a series of disappointments. The first few years, again, were very fascinating. Did I ever tell you about how my career has gone? [Laughs] Can I digress for two minutes?

NP: Well, sure. Yeah.

PE: When I was in my second sojourn with UGG, I was on a management retreat where the leaders of the retreat said, “We want you to go away and plot your career. So the axis is time, and the vertical axis is your career. Whatever measure you want to do it.” So I did it, and it was an almost perfect five-year cycle from the Grains Group on. Starts off really terrifically, and then it sort of peters out, right? Then I went with UGG 1980, and the excitement of that went way up, and then is sort of tailed off. Then I went with the GTA. First few years was fascinating and challenging and fighting with the Wheat Board and having this vision in front of me. And that petered out, but I stayed at the GTA too long. But up to that time it had gone through this almost perfect cycle. It’s changed a little since then.

**[1:30:57]**

So my early time with the GTA was really quite exciting because what was happening, you see, in that period was not only we were trying to establish the GTA, and I was fighting for this notion of, “Let’s get this over.” The Gilson inquiry was going on in that time, so we were involved in that. Then the establishment of the Western Grain Transportation Act, which I was involved in that up to my ears trying to get the Western Grain Transportation Act not only to address the rate issue but to address the logistics issue. So failures. It was just a continual line of them because we had, first of all, Hugh Horner, who really wasn’t interested in any of the details whatsoever, and I had trouble convincing people that logistics was a real issue, right? I had trouble. I said before, you know, and I started to say this, Gordy Davis coming over from the Wheat Board. I mean, Gordy Davis, with all due respect, yeah, he was I suppose a good operator, but he had no imagination, and he would not be one who said, “Great. We’re here to make grain transportation work. Here’s all these problems, and let’s solve them.” No, it was, “Well, let’s get the allocation done.” I mean, that was it, and that’s the way we did it before. That was it. He just didn’t have it.

NP: So who were your allies?

PE: Within the GTA? Well, this guy I mentioned once before, Bob Martinelli. He worked with the GTA for a couple of years, and he had the vision. He was one of the rail guys.



NP: He was the CP guy.

PE: Sorry? He was the--?

NP: With CP?

PE: With CP, yes. Exactly.

NP: Right.

PE: He came to work for the GTA for a couple of years, so he was an ally. That was sort of it. I mean, Radke, he wasn't opposed to what I was trying to do, but he also wanted to make the system work. So between Radke and myself and Martinelli, we were the ones that were really saying, "Let's try to make this system work." And what's his name, Davis, was a dud, and there was another guy, Jimmy Mance, was kind of--. He'd come from UGG. Jim was pretty good. But the GTA sort of went downhill. Hugh Horner, first disappointment, not really interested, right? He wanted to make it work but didn't care how. No interest in the details. Then, you see, the dispute between the Wheat Board and the GTA never got healed, but then came along Mazankowski, who was the Minister of Transport. And Mazankowski was only interested from the politics. He was not going to back the GTA on making fundamental changes, and eventually, Jack Horner--. Hugh Horner quit. He went off back to Alberta, didn't tell anybody he was going. We found out about it before he announced it, and then he came in all, "I'm sorry. You're such a great bunch of guys. Ah, I should have told you before." And everyone's sitting there, "You dink." Right? [Laughs]

NP: Well, it sounded like it wasn't any more fun for him.

PE: No, it wasn't any more fun for him. So then Jack Horner, his brother, was--. And then Doug Campbell. Have you had Doug Campbell's name?

NP: No.

PE: Oh, you should talk to Doug Campbell for sure. Doug Campbell is in Alberta. Doug was actually the first executive director of the Wheat Growers, and he was there for quite some time, and then he worked for who? He worked for somebody, some minister in the--. A Tory minister in Ottawa. Then he went consulting.

[1:35:15]

NP: And he was on the GTA?

PE: No, no. He was not on the GTA. He was not on the GTA at all.

NP: So how did his name come up in this?

PE: His name came up, why did it come up? It came up. What was the thing that took me to Doug Campbell's name?

NP: You were talking about Mazankowski not being particularly interested.

PE: I can't remember what. There was some--. I don't know what.

NP: Okay.

PE: I don't know what synopsis closed in my brain. But Mazankowski--. Oh, I remember.

NP: Oh, Horner, yeah.

PE: I remember. Horner, yeah. According to Doug Campbell--. Doug Campbell told me, and Doug was always very well connected politically, that it was--. By this time the Liberals were back, and Lloyd Axworthy was Minister of Transport, much to his chagrin because he didn't like that. He wanted the big picture Foreign Affairs, but he was made Minister of Transport for a while. So he was actually our minister at the GTA. And according to what Doug Campbell told me—I have no basis for this other—is that Lloyd thought it'd be really neat to have a Horner follow a Horner, okay? And Jack Horner had crossed the floor and become a Liberal, right? So Jack Horner became the coordinator of the--. I think by this time, yes, by this time it was the Agency. I think that was the sequence of events. It was the Authority, and then there was the Western Grain Transportation Act in 1984, and that created the Grain Transportation Agency. And the mere creation of it was the only thing we were able to get in to the WGTA because there was a few of us who were really fighting to say, "Put the GTA in the Western Grain Transportation Act and give it the authority so we can get this control away from the Canadian Wheat Board."

NP: Now, where did grain cars come into this or did it?

PE: Grain cars? The purchase of them?

NP: Well, there was a time where the purchase of them, the sort of negotiation of them--.

PE: That was back--.

NP: That was back in the '70s?

PE: Yeah. That started in 1972. In fact, I wrote the Cabinet memo that bought the first thousand cars. I have a copy of it. [Laughs] Yeah, see at that point, the railways didn't want to invest any money in grain, so how did they keep the grain fleet out? All other traffic was starting to move in specialty cars. Boxcars were no more. They still had them, they still used boxcars too, but not very many. Mostly boxcars today have been replaced by containers. So what they did was when this industry stopped using boxcars, they moved the boxcars into grain. It was called "cascading," and they cascaded down. Eventually, the railways were saying, "We're going to run out of cars, and we're not buying any more." The shortage of rolling stock actually began to become a problem. This wasn't half the problem that everybody thought, but it did become a problem. So Otto Lang said, "Well, the railways aren't going to buy them, the Crow is unresolved, so we'll buy." I think the first purchase was 2,000 cars.

NP: Could I have a copy of your memo?

PE: I imagine so.

NP: If you can find it.

PE: Yeah, I can find it, yeah.

NP: Yeah. Great. Just email it to me. It would be great to--.

PE: I can't email it. I would have to scan it to email it to you. I'll put a photocopy--. Did you give me your card by the way?

NP: I don't have a card.

PE: Oh, you don't have a card.

NP: We're a very frugal organization, but I will give you my--

PE: Well, write your name and address and everything on a piece of paper. Anyway, this became quite a popular thing with governments, right? Spend money, get lots of accolades for it.

NP: And have all of those thousands of logos floating by.

PE: Yeah, exactly. Floating around the country. Exactly. And so, it really made you look so--. Once they got the taste for buying cars, I mean, they kept on doing it. So they were followed by more purchases, and then the provincial governments bought some, and then the Wheat Board bought some. It ended up there were something like, eventually—I used to know the number—it was about 16,000 railway cars that various governments bought between about 1972 was the first purchase, and it was probably--. When was the last purchase? It was when I was with the GTA, I know that. I think the Tories bought them.

**[1:40:13]**

NP: So just as an aside and sort of a prediction, who buys the next round? Because a lot of those cars are--.

PE: Oh, the railways will have to. The grain companies might. If they can. There's lots of shipper-owned cars in the railway system, so it might be the grain companies. Might be the railways.

NP: Do you see the government stepping in again?

PE: No, I can't. I don't think they will unless things go to wrack and ruin, which it may do. One never knows in food and agriculture, right? [Laughs] So--.

NP: So--.

PE: Jack Horner replaces--. This is all disappointments, right? The disappointments were Hugh Horner, to a very small extent Doug Radke. I would not call him a disappointment. He was good, and he was smart, and he wanted to make it work, and he was a good boss. He never bought in completely to my vision, but I don't really fault him for that either. As I said, he was okay. But then the federal government itself, they were not interested in really solving the problem, they just wanted it to be quieted down. When Jack Horner was appointed, Jack came in and knew all about this dispute that was going on between the Wheat Board, and he was going to come in and settle things down, right? So he went and had a meeting with the Board, and the Board was just absolutely delighted because they knew this was a guy who was not going to make any changes and that they would be able to manipulate with nice

language about, “Yes, we’ll cooperate. It’s just those buggers over there who are so upset with us and trying to mess things up.” “Don’t worry. I will smooth over the waters.” Well, Jack was pretty much a disaster too. I mean, he didn’t really do anything.

So the GTA simply became less and less relevant. It sort of fell into this--. And then Peter Thomson came along, right? Jack was appointed by the Liberals, the Liberals lost power, the Tories came back in, and then Peter Thomson was appointed to replace Jack Horner. We were then asked to do a review of the Western Grain Transportation Act—the GTA was asked to do it—and that was an interesting—a fun thing—mostly, except Peter Thomson was in charge of it, and he didn’t really--. He wanted politics and simple solutions to everything, but it was not a simple thing. It had--.

NP: And what happened to the review?

PE: God, nothing, I think, as far as I can recall. Not very much because by this time it was sort of getting to the end of it. Because, yeah, it was formed in 1980. There was the, “Let’s make the system work. Let’s do the WGTA.” WGTA was 1984. I can’t remember exactly when--. Well, when Peter Thompson came in, we did the review, roughly ’85, I guess it was or ’86, and then I took an educational leave. I thought, “I’ve got to get out of this goddamn place.” Because it was messed up. Then I went back there for a while when I was working on my PhD, but by that time the GTA had just become another little bureaucratic organization with no vision, no real mandate. It just petered out. Then eventually, of course, it was about ’94 it was finally terminated. There was no more GTA. So the disappointments were Mazankowski, who didn’t--. First of all, the two Horners, who were just pure political appointees, and there was Peter Thomson, who was also basically a political appointee, and nobody really interested in allowing the GTA to do anything. And bureaucracies tend not to do things very well anyway. They tend not to be proactive, so it just sort of steadily went. I stayed too long there. I should have left beforehand, except then I started to do my PhD, which added a whole different dimension to my life.

NP: Now, I recall the last interview we had, you did mention your PhD, and I believe you said what the--. Well, even earlier today, you said what the focus of it was, but you said it also started to change your attitude a little bit about--.

**[1:45:14]**

PE: It did. It did because now we get--. We don’t get away completely from the grain industry, [laughs] because just to sketch things out, right, I started my PhD in 1986, and it was about 18 months that I was on—as I recall—about 18 months that I was on leave. I think it was partial leave for a while, and then a year while I completed my coursework, and then I went back when I was working on my thesis.

NP: And the coursework was in--?

PE: It was various things because it was--. I think, can we pause for a minute?

**[Audio pauses]**

NP: Coursework was really--.

PE: Oh, yes what the coursework was. It was an interdisciplinary--. Sorry.

NP: Can you start that again? It was a--.

PE: It was an interdisciplinary PhD, and it was in—you ready for this?—history, agricultural economics, and religion. [Laughs] Because that--.

NP: That might explain some of the shifts that took place! [Laughing]

PE: Yes and no. At that time, I kind of got interested in the--. There was quite a dialogue that was going on at that point between religious people and the business world, right? Mostly you might remember the council, the Canadian Bishops, who were way to the left and said, “Business is vile. Free enterprise is vile.” That became a personal interest to some extent. My professional interest, or the interest that grew out of my professional career to this point, was how did all this start? How did the Pools become so left wing? What was the problems with the grain industry that caused the formation of the Pools and created this industry that was so badly divided? So I put together a PhD proposal, and I first asked Clay Gilson if he would supervise it and he said no, he couldn’t. So I went to Ed Tyrchniewicz, and he would. This is obviously interdisciplinary, who’s going to be the--. You know, you need a committee for this, and somebody suggested—it might have been Ed, I can’t remember—Gerry Friesen’s name came up. So I went to speak to Gerry and yes, he was interested.

NP: And Gerry was--? What was his--?

PE: He’s western Canada’s preeminent historian. Oh, he was here on campus and had just written a book called *The Canadian Prairies*, so Gerry was interested in supervising this kind of a PhD. Then Ed suggested Gordon Harland from the Religion Department here, and so I pressed ahead and yes, everyone was interested, and yes, I had a committee. So I applied to do the PhD, and that’s when I applied to Peter Thomson, who was a dork about it and wouldn’t give me paid leave. So Ed Tyrchniewicz gave

me a position in the Transport Institute here to earn some money. So I went back at great—well, not great—but it was not an insignificant cost financially to do this PhD. Well, I'll just sketch what went on from there on. [Laughs]

NP: Yeah. Just what--.

PE: The roughest sketch of my life because we'll have to pick up and go back and talk about things. Because what happened was things were lousy at the GTA, right, but I was concentrating on trying to get my PhD work done. I then had another year that doesn't appear in my CV.

NP: CV.

PE: When I worked for a thing called the International Institute for--. No. No, sorry. That came later. Then I was approached by UGG to come back to them, which I did, but I was still working on my PhD at that point. That was a really difficult period personally. Then I worked for UGG, and in that second period when I was working for UGG, I got cancer. [Laughs]

NP: Oh.

PE: So things did not go terribly well in that period with UGG. It was mostly my situation. I don't blame the company, although the company was changing too, which we'll have to talk about.

**[1:50:11]**

NP: Yeah.

PE: Not now, but we will have to talk about it. Then I had that year that doesn't appear with that institute, the Sustainable Development Institute, and then I went with the Wheat Growers, and then was with them through to 2003 when I came here.

NP: Right.

PE: So that was kind of the sketch. And my PhD period, I started the coursework in '86, and I finished in 1992, which I was still with UGG at that point, but it was also in 1992 when I was diagnosed with cancer. [Laughs] So I had another year in there that was, well, I was busy. [Laughs]

NP: Difficult, yeah.

PE: Right. So you want to talk next about the PhD?

NP: Well, just the summarization of what impact it had on you and your views of the--.

PE: Well, it really was a turning point, there's no question about that because here's essentially what happened. I'm not sure if I told you this little story before. I did the coursework, right? And the coursework is grunt work. I was doing all these courses, which some of them were a waste of time, but not all of them. The things that were of most interest and use to me were, first of all, the history courses. I took a course in historical methods, which was interesting, and then Gerry was teaching a course in Prairie history, and that was very relevant to what I was doing. Then it was the religion courses that were really quite interesting because what Gordon Harland—who has now gone to his reward—introduced me to was Reinhold Niebuhr. He said, “Looking on society and economics and history and social issues and economics, you have to read Reinhold Niebuhr.”

NP: How is that last name spelled? Because we transcribe this, it's always nice to have the spelling. [Laughs]

PE: Yes. N-I-E-B-U-H-R.

NP: Okay.

PE: Reinhold Niebuhr. And Reinhold Niebuhr, yeah, his thinking influenced me a lot. He was a theologian, but he was as much or more a social commentator as he was a theologian. He wrote--. A lot of his books are about, really, more social issues, which he always brings a Christian perspective to bear on it, but in some cases it's rather secondary. So--.

NP: And how did his philosophy--?

PE: Because what he said--. I think that the key idea--.

NP: Impact you thinking about--.

PE: The key idea that I took away from Reinhold Niebuhr—this is the tremendous, the unjust consolidation of Niebuhr—was he said, “You have to recognize the reality of power. Control of property conveys power, and that's true in either the public sector or the private sector.” And in either case, he didn't actually use Lord Acton's words, but power corrupts. But he says not so much that



power corrupts. It's not so much that we become bad people is what happens is you begin—and we all are victims of this—we confuse what's good for us with what's good for everybody else. We confuse with what's good for society. What's good for General Motors is good for America, right? And it's not that you're wrong, it's just that it's so incomplete. [Laughs] So there was these ideas about power and about the role of self-interest in human life and the way self-interest itself can become a corrupting force in your life. That's what I got out of Niebuhr. Niebuhr was fascinating stuff for me.

**[1:54:45]**

But then I moved into the--. I did the coursework, I went back to work, and then I had my thesis to do. I had started my thesis, but then I was back to the GTA, which was just as bad as ever. By this time we're talking 1986, '87, '88, in this period. So I was looking to do something else and ended up at United Grain Growers again. However, the thesis, and the way that really changed or began—changed, perhaps, is the wrong word—but I began to see things differently. I go back to a conversation that I recorded and a couple of things that I've written with Gerry Friesen, and it was a very seminal conversation. Because I was at that point constructing the idea for a thesis. What was I going to do this thesis on? I said to him one day in the hallway—this is just, as I recall, a hallway conversation. It might have been in his office. I said, “Jerry, you know the trouble with the Canadian grain industry is it's been so ideological, because,” I said, “in the United States, it's been more pragmatic.” And he stopped me right there. He said, “Paul, you have to understand that free enterprise is just as ideological as socialism is. And you have to understand why.”

So that took me on a quest of, “What are you talking about?” When you grow up in a free enterprise society, and particularly when you grow up, I think, like I had, had seen the incredible damage that radical left-wing thinking, radical interventionist thinking did in the grain industry--. Because it did. There was no question about it. The regulation, the centralization, did untold damage to the grain industry. Untold damage. It was just awful, and it should never have gone on the way it did, but it did. There was the experience in the grain industry reinforced, if you will, my general feelings that, “Yes, free enterprise is the best system there is.” Of course, looking globally at that time, the Soviet Union was a mess. Lineups for bread and what have you. Socialist countries were not working. The '50s, the '60s, were a golden age in many ways in North America. I mean, things were prosperous, people were getting jobs, the middle class was growing and thriving, and the working class was too as far as that goes. I mean, unions and so on were getting--. A lot of workers got really great salaries. It was the '50s, '60s, and even into the '70s was a period of tremendous growth and prosperity and harmony. It really was.

[inaudible], right, whom I now consider a wingnut, but at that time I didn't. So get in the grain industry, you see the opposite. People on the right always saying, “This is like the Soviet Union it's so controlled.” Some truth in that. A lot of damage done. Stagnating industry. You didn't think this was ideological. That's just the way things should be, right? But Gerry says, “It's

ideological.” So I then went on a quest, like I say. “What the hell does he mean that this is ideological?” And I then am in the library looking at and reading and running across all kinds of people who make it very clear to me. The light finally dawns. Yeah, you know, free enterprise is really based on some fundamental assumptions which are really quite controversial. They’re challengeable. How interesting.

I wrote the most difficult thing—one of the most difficult things—I’ve ever written in my life is a chapter in my thesis entitled, “The Received Tradition: The Ideological Underpinnings of Laissez-Faire.” What I discovered then when I went into my research on the grain side was that the grain farmers, the farm organizations back in the 1920s, were in fact challenging these fundamental assumptions of laissez-faire. In my own intellectual journey, it wasn’t saying, “Here’s what the farmers were saying. My goodness, is this true?” It was saying, “What is the ideological underpinnings of laissez-faire?” And then going back to the documents of the time and thinking, “My God! That’s what they’re doing!” They weren’t aware of it. They never said exactly, you know, and they didn’t quite get it all right, right? Because one of the philosophical or ideological underpinnings of laissez-faire is it’s based on utilitarianism, and utilitarianism can be a very vile philosophy, right? [Laughs] You can justify slavery on utilitarianism. But they were utilitarian. They said, “No. The greatest happiness for the greatest number. That’s utilitarianism.” And they adopted that. So they weren’t themselves philosophers or intellectual critics of laissez-faire, but the things they said fundamentally challenged these assumptions.

**[2:00:54]**

So this was like a whole new perspective for me, and so I wrote the thesis, in which I said, essentially, the farmers, here’s the way they challenged these ideological principles, underpinnings, of laissez-faire. Didn’t really realize they were doing it. They didn’t think philosophically, but that’s what they were doing. I still ended up being critical of the impact that that farmers ideology, that left-wing ideology had had on the system, but a little less condemnatory of it. I said, “Yeah. You know, they had a point. They were coming at this from a perspective that had to be respected,” as opposed to saying, “You’re wrong absolutely.”

NP: Well, also their experience in which that was born, those attitudes or ideas were born, was quite different than the one you’re mentioning as we grew up.

PE: Well, it was, and to a very large--.

NP: So their reality was quite different.

PE: It was, but then to a very large degree, they did misinterpret their experience. They had a critique of futurist markets, for example, it was just wrong. It was just wrong. There's no two ways about it. They developed the critique from their philosophy rather than from--. There was a guy by the name of Musselman back in the 1920s. Musselman had been an official of the Saskatchewan Co-Operative Elevator Company and was quite active in the farm movement. He wrote a series of articles in the *Grain Growers Guide*, and he said, "here's how futurist markets work." And he got drummed out of the movement. He wasn't ideologically pure. You were supposed to condemn these markets as being dens of thieves, right? And he didn't do that. He said, "Well, you know, this is how they work." And so I ended up being critical of the farmers, but a little more respectful of where they were coming from, and recognized that there was another view over here that power corrupts and that commercial power can be just as corrupting as political power. And that self interest plays into this.

Somebody who read my thesis—my thesis was actually read by a lot of people, unlike a lot of PhDs [laughs]—and somebody said, "Earl, I thought you'd gone over to the other side." Right? Which I hadn't done, but I had started to ameliorate my views quite considerably, and I began to start to realize that free enterprise was not the perfect system that it's touted to be by today's neo-conservatives. It's subject to its own ills, right?

NP: Balance.

PE: Balance, right.

NP: Balance of picking the best from both.

PE: Exactly.

NP: Now, you moved—or at the same time as you were writing this thesis—you moved back into UGG country services, which is quite a different, I would think, kettle of fish from--.

PE: Yes, it was a position in operations, and I did it very, very badly.

NP: [Laughs] Why do you say that?

PE: Well, for two reasons. My first reason was I've never been interested in operations. Every time I've brushed up against it, I've not done well. I'm not a good manager of people, certainly not a lot of people. I'm certainly not a manager of--. I could never be a manager of an organization enterprise. It's just I'm not cut out for that.

NP: So how did you even get into the position?

PE: Well, because they wanted me to come back. I had a pretty good reputation in the grain business by this time. I had been in senior roles, and actually, in the GTA, I wasn't in the operations side, but I designed some of their operational procedures for controlling inventory and controlling movement. I can think that way. I mean, I can think about that. I just don't like doing it. [Laughs] I like implementing something. "This is the way it should be done," but actually being a manager and doing it--. But I didn't have to be the manager to do it. In fact, in the GTA, some of the things I developed, it was actually Jim Mance and under—to some extent, I won't say under duress—but under instructions, Gordy Davis, implemented them.

**[2:05:52]**

NP: Did Jim Mance just die? Because I think his name--.

PE: He is dead. I don't know how long ago he died. I can't remember.

NP: Because I think he was on my list, so.

PE: Yeah, I'm sure Jim probably did die, yeah.

NP: So I noticed that you have it listed here that position from 1989 to '95, but you also mentioned you were sick during that time.

PE: Yeah. See what happened, I switched over to UGG, and I honestly forget. Then 1992, 1993, what did I say?

NP: '89 you have.

PE: '89. Okay. So it was '89, and so remember I started my PhD in '86, done the thing, I started my thesis. Can we just pause again?

**[Audio pauses]**

PE: So '86. I started my coursework in '87. I think that was fall of--. So '87 into '88, perhaps, I was on leave. Yeah. So it was about another year. That's right. Now, at that point, I was still working on my PhD. So why didn't I do well in UGG? Number one, I

wasn't interested. I didn't really--. I really was not a manager, and I was not interested in operations. And the other thing was that my mind was consumed with the PhD work, and that's what I was spending so much of my energy on was the PhD work. So I basically screwed that job up. I mean, no question about it. That's why I say I don't blame the company.

NP: So did it take you to '95 to discover that you were screwing up on the job or--?

PE: No. No, no. Because I only did that position for a little while, and then the company realized that wasn't my position either. [Laughs] And so, I then changed, and I began to work for the president, for Ted Allen, and I reported to him as--. Oof. Was I by that time--? I think at that time my title was manager of corporate affairs. Okay? The idea was it was more of a--. I was back into policy, which was what I enjoyed. Government liaison and that sort of thing, and I enjoyed that more. Now, I still wasn't doing that--. I can't remember when that change actually occurred exactly, but I was still working on my PhD. I know that. So I finished it, and it was in January of 1992 that I was diagnosed with cancer. They said, "Come in next week. We're going to start your treatment." And I said, "I can't come in next week. I've got to finish my thesis." I took about three or four weeks of another month before I actually started treatment to finish the thesis because I was right at the end of it. It was just the last few revisions. So I finished the thesis, and then I started cancer treatments. Well, in the first year and a half, I mean, the company was charitable to me. They kept me on. I wasn't really functioning very well at all because of the illness, right?

NP: During that time--.

PE: Then my marriage broke up, so that was another--. I mean it was--.

NP: Oh. A wonderful time in your life, right?

PE: Yeah, I mean it really was. I lost--. Eventually, they actually--. They didn't actually fire me, but they sort of sidelined me out of that position, and as I said, I mean, they were being charitable because they kept me on, and I was sort of working, but I wasn't working very well.

NP: And what was happening to the company at that time? There was a new manager or a new--.

PE: Yeah. Now that, you see, takes you into a whole new dimension of this whole entire drama and saga because, you see, the '90s were the period of intense change in the grain industry. It's 3:30, do you want to do this again?

**[2:10:11]**

NP: I certainly wouldn't mind doing it again because I think I'd like a fair bit of time for the Western Canadian Wheat Growers Association.

PE: There's a whole story associated with the '90s and with UGG which is terribly important for the story that you're putting together.

NP: Yeah. Well, the other thing--. And maybe we should just call it for the day, and I'll end this off and I'll tell you what the possibilities are so that not too much time goes by between this one and the next one. So thank you very much. The time has sped by. I very much appreciate your taking time, especially since you're writing a proposal, and I know that the timelines are always tight on those. So I'll just close off here.

PE: Right.

**End of interview.**