

Narrator: Doug Livingstone (DL)

Company Affiliations: Alberta Wheat Pool

Interview Date: 17 June 2013

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Summary: In this two-part interview, former president of Alberta Wheat Pool Doug Livingstone describes his ascent through the cooperative organization and discusses the challenges and changes the Pool faced during his tenure. In part one, Livingstone describes joining the Pools in an active role and shares some of the major issues at the time, like the price of farm supplies, country elevator rationalization, and the divisive Crows Nest Pass freight rate. He shares the history of why the Pools developed, how they cycled through three generations of use, and the differences between the three Pools. Other topics discussed in part one include the different responsibilities between a CEO and a president, difficulties of transport due to Canadian geography, AWP's major competitors, the growth of farm sizes, and new-gen co-ops. In part two, Livingstone expands on the complexity of the system and the major changes that occurred in the industry, like regulations and licensing, agriculture financing, the growing animosity between industry players, advances in technology, and increasing operating costs. He describes AWP's focus on educating its members on the unique Canadian system, its work with the Canadian Grain Commission, its terminal operations on the West Coast, and its early talks with the other Pools about amalgamation. Other topics discussed in part two include the divisive Canadian Wheat Board debate, the Pools' XCan Grain trading organization, the value of having a niche in the world grain market, and the importance of developing agriculture leaders for the future.

Keywords: Alberta Wheat Pool; Grain farmers/producers; Farmer cooperatives; Prairie Pools Inc.; Farmer meetings; Farmer delegates; Country grain elevators; Agricultural policy; Grain trade—laws and legislation; Crows Nest Pass freight rate; Government lobbying; Farming—equipment and supplies; Farm suppliers; Fertilizer; Prairie Provinces—History; Grain transportation—rail; Grain transportation—ships; Inland grain terminals; Terminal grain elevators—British Columbia; Terminal grain elevators—Thunder Bay; Boards of directors; Pool 1 Elevator—Vancouver; Rationalization; Rural communities; Producer railcars; Canadian Grain Commission; Canadian Wheat Board; Grain marketing; Grain trading; XCAN Grain; Free enterprise systems; Government regulations; Agricultural financing; Federated Farm Credit; Automation; Amalgamation; Agricore; Canadian International Grains

Institute; Saskatchewan Wheat Pool; Manitoba Pool Elevators; United Grain Growers; Cargill; Richardson Pioneer; Viterra; Glencore; Canadian Pacific Railway; Canadian National Railway; 4H Clubs

Audio part one

Time, Speaker, Narrative

NP: Nancy Perozzo with my second interview of my western tour. I'll have the person who is our narrator today introduce himself. But I'll just say we're sitting out looking at one of the most beautiful views that you'll see in Canada. And we are just outside of Vermillion, Alberta, and the date is June 17th, 2013. So if you'd go ahead and introduce yourself and just tell us a little bit about your connection to Canada's grain trade.

DL: Okay. Well, Nancy, welcome to Red Feather Ridge. You just expressed it as one of the most beautiful views in Canada, and I've travelled a bit of Canada. We think it's beautiful, but lots of Canada is absolutely gorgeous, particularly the area you come from. So, welcome. I'm Doug Livingstone, and you had phoned me and suggested that we could talk a little bit about my involvement in the grain industry over the years. I guess one of the interesting notes, Nancy, as I became involved in the grain industry, I came from a cattle ranch. We're actually sitting in some ranch land country right now. It's more hilly than was able to be farmed, lots of bush, and those kind of things. But over the years, I've been involved in trying to preserve heritages, trying to preserve conservation of the view that we see here. And I guess because of my involvement in the grain industry, I've been a co-op supporter all my life, Alberta Wheat Pool. I never shipped a load of grain to any other company in my life until things started to change in the industry a few years back. Believed in the mission I was on.

Started out in the grain industry, I guess, as a young fellow that thought he had all the answers, found out I didn't even know most of the questions, [laughing] but I was an absolute pain in the neck to what we call our PR people in Alberta Wheat Pool. And our delegates at that time, they were elected as a co-op system allows them to do, and they would come and report each year to the members, which I was a member, about the year's progress of Alberta Wheat Pool. I used to ask hard questions, and it finally got to be a pain in the neck to the point where the delegate was quitting and retiring, and one of the PRs come out to my farm. I was harrowing at the time, and he said, "Livingstone, if you think you're so smart, why don't you get into this organization where you can actually do something instead of just complain?" And I took him up on it not thinking that I'd get elected because there were two or three other people who were much more qualified and wanted the job as well. Lo and behold, I was the delegate. So, I had to start doing a little more homework instead of just being a critic. I had to try to understand this organization of which I still had a lot of respect for even though I was asking a lot of questions.

So over the years then it became almost an obsession with me because I enjoyed it. I loved the people that we worked with. There were 70 of us as delegates that we met for a two-week annual meeting, can you believe, each year. Went into the business of Alberta Wheat Pool in minutia. Like it was unbelievable the information we had given to us. I gained a respect for Alberta Wheat Pool that started to grow on me to the point where I took on responsibilities within the delegate body—chaired the annual meeting, sat on resolutions committees, and these kinds of things—and became very involved. One of the directors at a later time in my life—and I was a delegate for nearly 17 years, I guess—one of the directors was retiring, and he said, “I looked around the room in the board meeting,” and there were nine board members at that time. There were nine districts. He said, “I looked around the room,” and he said, “I was the oldest member there.” He said it was time for some new ideas, and he wanted to know if I would be interested. Well, I said, “I’d never really given it a lot of thought, but I probably could. Why not? If I’m going to really learn about this, sit at the board table.” And I got elected at the annual meeting. The delegates met, there were ten of them, and they said, “Sure. If you would like to do this.” There was an election. I wasn’t just a shoo-in. And I won the election, so I trundled off, and once a month I’m now going to a meeting for Alberta Wheat Pool in three days and learning the inside outs of things that I didn’t even see as a delegate, as much information as we had.

During that first year, I ended up--. The first vice president of that time had a little bit of a health scare, and he was thinking about retirement, and he announced at the board meeting that he was going to retire. So, there’s an opening, and one of the directors of that time of that company said, “Would you be interested in becoming the first vice president?” because they were two fulltime positions. [Laughs] I look back on it, Nancy. I’m on a farm with my parents, needed all the time I had fulltime here, and thinking about leaving the place because I had to live in Calgary if I won this election.

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So, I talked it over with the family, and I don’t know whether they didn’t think I’d win or it would be a temporary thing or what. [Laughs] I never went into these things--. I guess I’d never take on a job of any kind, and like I said, if I’m going to be any good to the Pool, I might only be a delegate, but I’m going to be as good a delegate as I could be, but I want to be president someday. Because if I want to be president, I will certainly be a good delegate, and probably if I get to become a director, I might even become a good director. Never thought I would be in the office fulltime. In that fall election, one year of directorship behind me, I was the first vice president and sitting in Calgary fulltime. Right after Christmas I moved, got a basement suite for six months until my family could move with me. A whole bunch of issues at that point because all of a sudden, I’m no longer with my parents farming. They had to hire some help. I mean, we talked about this, but this all of a sudden was a reality. My family moved in the summer months, started school. We have two kids, and they started school in Springbank, and I stayed with the Pool in a fulltime position for six years—three as the vice president, and three as the president.

NP: Before we touch upon each of these, plus another topic that I had told you I was interested in discussing with you related to the international aspect of the grain trade—at least North America—when you think back to those early years, and I think you said it was 1972 you started as a delegate, can you recall what the issues were at that time that you felt you needed to have an input into because you kept asking questions and stirring the pot?

DL: [Laughs] I could, Nancy. It's funny. A lot of those issues haven't gone away. I'm a bit of a history buff. Not that I read a lot of history, but when you look back on things, there's really nothing new in the world. I go back to Greek mythology and things like that, and they used to put gladiators to fight in a ring, and everybody sat and cheered. We have better uniforms today, we don't feed them to the lions, but we have hockey teams and baseball teams, and we sit in the stadiums and cheer them on. [Laughs] The issues are not a great deal different in agriculture today. Basically, in a different disguise. Our technology changes some of them, our corporate structures of companies, the international aspect of companies today. We don't look locally, we look at a global industry—be it fertilizer, be it grain trade. We look at the research end of it. And all of those were issues at the time, and we've seen things change, but they are all the same issues that were changing.

NP: Were there any that, as a young farmer helping out your parents, that you identified that you really wanted to get some changes?

DL: Well, one of the issues in agriculture, of course, is that we try to save money where we can because it's very difficult to earn money on a farm or generate it. I mean, we have a great deal of faith when we plant a crop in the spring, huge amounts of money spent now based on faith, and hopefully Mother Nature cooperates, and we get a crop. It wasn't a lot different then, although the size and scale of farming and agriculture in particular wasn't quite the same, the precision aspect of agriculture wasn't quite the same, but we were moving there. But the suppliers of our inputs—be it chemicals, be it fertilizer, be it seed, or whatever—it was starting to consolidate. And of course, again, Alberta Wheat Pool was the supplier of all of those inputs other than our fuels. I was always concerned about our subsidiary WCFL, Western Cooperative Fertilizers Limited, which I later became a part of. I was vice president of Western Co-op Fertilizers. But our subsidiaries, I wanted to know why I could buy fertilizer cheaper in the US and couldn't buy it for that price here when it was our own company that was producing it in Calgary, just as an example.

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NP: And what did you find out? We want the answer, you know. [Laughs]

DL: Well, it took me a long time to get a grasp on it because I'm a slow learner. It wasn't that the answers weren't there. But companies—just as an example, Nancy—companies---. You have a staff that are highly trained, be it research people, be it chemists,

or whatever. And in the fertilizer plant, for example, the people there were highly expertise in their areas. You don't shut a plant down for four months or three months if you're losing money. Sometimes you produce a product at cost, but you don't give your local people the break. You average it out over the year. Hard to explain to a farmer when he's trying to buy fertilizer. And we would move our fertilizer. Some of our excess product would go into the US. Sometimes it would come back to us, to a farmer who went over across the line and bought it. That was a retail issue in the US. I mean, they bought it wholesale, and you always supplied suppliers with wholesale products, and they had their own market.

Sometimes, for whatever corporate reason they had, they would sell excess fertilizer just like a clothing company say, "Look, there's 20 percent of our product left here, and we're not going to carry that inventory." They'll sell it off at their cost. And it got loaded on a truck and come across the border, and the guy actually did buy it cheaper. But another side of the issue--. And I remember sitting in the office one day in Calgary, and I got a phone call from a very irate farmer, and it came directly to me. He said, "I'm going to the top." Apparently, he thought my office was the top. It wasn't. [Laughs] I said, "Look, I don't have any answers, but I do have some question." I learned to ask questions at that point. I learned that I did not have all the answers. I said, "There's three or four things I need to know before I do a little research for you." I said, "Did you buy it in metric tonnes, or did you buy it in short tons?" Long pause. He'd never thought about that. 2,000-pound fertilizer versus 2,240 pounds. "Did you buy it in American dollars or Canadian dollars?" Well, he didn't know. He hadn't thought about that. I said, "How about freight?" We talked about a number of different things like these were issues. I said, "Was it a back haul, for example? That's why your freight was maybe cheaper." Hadn't thought about that.

And when we got done, and I asked our people downstairs in the marketing department about these, and they came back to, and I finally got a bill of lading from him. I said, "Look, I don't want to get anybody into trouble. Cross out anything you don't want on there. I just need to know some numbers on this." So, he sent it to me and apologized. He said, "You know, I could have bought this fertilizer from Calgary cheaper because," he said, "when I looked at the product I got, the quantity I got, and the price I paid, it was actually cheaper if I would have bought it in long tonnes, Canadian dollars, et cetera." But those are the kind of issues we had to deal with, and those are some of the kinds of issues that a producer going to a delegate meeting--. I'd asked these questions. I thought I was really on top of things and found out there was simple answers to it that I'd never even thought about. So that became sort of my issue was to explain these kind of things.

I also got involved with the farm political end of agriculture. We had an organization called Prairie Pools Inc., and it was Manitoba Pool, Sask Pool, and Alberta Pool. We had a presence in Ottawa—I actually had an office in Ottawa—and we tried to represent the producers' interests there to the politicians. We dealt with a couple of major issues with my time there. One was the Crow Rate. The government announced they were going to change it. It was not in perpetuity. Perpetuity had a length of time that was finite, apparently. And I found that the issue was very divisive as most agriculture issues are. I used to go out to meetings, and I was told

I'd be crucified at most of them. I had a different attack than what we had used before, and I would take a piece of paper, use some simple numbers on a flip chart, and I'd divide it in the middle, and I'd say, "Now, here's two 1,000-acre farmers. One's a rancher, and one is a grain farmer. We're going to pay the Crow Rate out based on \$10 an acre." Just used solid figures that were simple, so anybody didn't need a pencil and paper in the audience. And I would divide it out and talk about, "How should we pay it? Should we pay it in summer fallow? Should we pay it on irrigation land? Should we pay it on dry land? \$10 an acre." I said, "Production levels are different." I just kept posing questions for the farmers to think about how would they do this if this was in there?

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And quite often. Nancy, no one had thought about those questions. They either were for it or against it. There was no happy medium. And it divided families. It was almost like a civil war in some cases, and most of the farm political issues are that way, unfortunately. Unfortunately, the other side of it is quite often they're not always based on a complete knowledge of the issue. That doesn't mean to say it isn't available. There are several aspects to participants in a political discussion on farm issues. "Don't confuse me with the facts." There are those who sit out there. There are those who don't want to read anything and only believe what they've heard, and most of the hearsay is based on innuendo and sometimes not complete stories, and it builds, and that becomes a real difficult one to overcome. So when you go out to try to correct all the inaccuracies or spots that are missing in the political end, it's difficult because people already have their mind made up, unfortunately.

And it wasn't much different in running the Pool. Everybody--. And one thing I found interesting, and I made a speech to some of the groups one day that were down to Calgary, and I said, "You know," to our senior people that lived in Calgary and worked in head office everyday I said, "You know, there wasn't a farmer that got up this morning as was worried whether I went to work or not. Never even crossed their mind. The only thing that concerned them, was their elevator open, would it accept their grain, and would they get a fair deal." I said, "If there was a problem, they might wonder about head office and whether they should even keep it because it was just an expense." That didn't always sit well with the people, but I said, "I come from the real world, and head office in Calgary wasn't the real world." It was the hub of our business, but the real world to our producer that liked Alberta Pool, dealt with them daily, bought all of their products from and everything, it started with the frontline people that were in the elevators in the country.

NP: A couple of the points that you raised bring up some questions in my mind. You had said that you were a bit of a history buff and that you were a staunch supporter of the Alberta Wheat Pool. Knowing what you do about the three major Prairie Pools and UGG [United Grain Growers], which is a hybrid, how would you describe Alberta and the farmers of Alberta and their support for the Pool operation?

DL: Interesting you ask that question because it goes back, again, to both the political end and the business end of it. If you drew a central line through Red Deer, you would find a loyalty that was hard to move anybody from. It was almost scary, Red Deer north, and more of a free-thinking spirit, less loyalty, Red Deer south. If you wanted to talk issues-- I guess the best way to describe it, Nancy, is a very strong belief in a co-op system, Red Deer north, less so Red Deer south. Part of it probably with maybe more of an influence, at least to Calgary, from the American side. People could experience the American side, they could actually cross the border and shop and do things, and they saw things differently than we did when Alberta Wheat Pool was the only presence in some case or the presence that people wanted in northern Alberta.

We were a strong competitive group anything north of Red Deer. Like Alberta Wheat Pool had 65 nearly 70 percent of the business in any town, and sometimes 100 percent of it. Really a struggle for our competitors. I mean, people trusted us, the whole bit. That wasn't so much so Red Deer south. And it's not just that simple, but if you drew a line through it, you could say that was the difference in Alberta. That spilled over into Prairie Pools. When Sask Pool-- Hugely dominant within the whole province. Co-operativism, hugely dominant through the whole province. Credit union system, everything. Like co-op people-- And at the time, NDP governments. I mean, if you wanted to put it in—and I always hesitate to put it into political terms of left and right and NDP versus Conservative or whatever—but I mean they had an NDP government and they had a strong support for co-ops. And Manitoba Pool was different. Manitoba Pool, of course, was based-- Like, the lower half of Manitoba was where the grain industry was, and again, they had a close proximity to the Americans, but again a strong loyalty. And the smallest of the three Pools. I mean, we were the second largest grain handler in Canada next to Sask Pool, and our subsidiaries were huge, and we had XCan Far East and XCan Grain in Canada as our trading arm, and we did non-board grains through that.

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And if you look at those kinds of things, we were different, and yet we were the same. I guess I was extremely fortunate to work with absolutely superb people. I learned so much from them. And I guess if I had any strength at all, there was two things I had strength in. I was probably the youngest person for a long time to be a president of one of the Pools, but I worked with people like Ted Turner and Charlie Swanson, and I mean, they were just-- Ken Edie. I think of all of these people. They just lived and breathed co-op, lived and breathed the essence of why it was right, and it was fair, and they were just super people. Like I watched them-- Like Ted Turner made a comment to me one day, and I thought it was really an interesting one. He said, "You know, Doug, co-ops were never designed to maintain status quo." And we were accused of that at the time because we'd been around for 50, 60 years at that time. He said, "Actually, the Pools and co-ops were started to change status quo." And of course, there was a time when we were accused of being "one of them," whatever *them* meant, but you know, the corporate world, that we were no different. It always stuck with me. It was an interesting phrase, and he was right.

The other phrase that always stuck with me and picked up from people--. And, like I said, I worked with a whole bunch of people who made me look good because I learned so much from them. We had the idea that the loyalty of co-ops would always be there. Well, things started to change, and that wasn't the case. But I also heard that the first generation builds the co-op, second generation uses it and learns to run it, and the third generation loses it. If you look at the decades that the co-ops come together and the Pools, and we lost it on our third generation. The loyalty had disappeared as much as anything. But unfortunately, I guess, what happens is in cases where producers in particular put a co-op together, there's a reason. Status quo is not satisfactory. Got to change status quo. Ted Turner's statement. So, they put something together, and they look after it. They become directors. They put as much time that as they do the business because they know it will serve their business well, and it is in their interest to do it, and they don't want to send the profits anywhere else, and they build a good business to supply their inputs—be it grain handling, be it livestock, whatever. And they hire good people to do it. I mean, I worked with some CEOs who were absolutely superb. They were businesspeople that would have sat in any boardroom in any corporation anywhere in the world and be top people.

NP: Can you remember the names of some of them that--?

DL: Well, Milt Fair was one from Sask Pool. He was just a prince of a guy. I did some international work with Milt, issues on grain with Milt, Canadian Wheat Board [CWB] review, those kinds of things, and Milt was generally a presence there. Respected throughout the whole industry by everyone, and that's what determined whether these were good people or not. I mean, every corporation and every group has people that, it's not that they don't have respect, but they don't have the acumen or the whole industry doesn't look at them there as a special person. I just think of those kinds of people, and Milt always comes to the forefront. I watched Ted, and Ted Turner could be absolutely--. Like there was no question where he stood on an issue, whether he was dealing with CPR [Canadian Pacific Railway] or Canadian National Railways [CNR] or agriculture minister or whatever, but he always showed respect to the people. But there was no question of--. He was not a pushover.

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And I guess that's where I gained a lot of my knowledge of how to deal with some of these issues because you could walk out of most meetings that I was sitting at, and everybody went and had a cup of coffee. We tore each other apart in the boardroom, but we did not make it personal. It was the issues that we talked about. And I learned that from all the professional people that I dealt with, and they weren't all with the Pool. I mean, they were with the railways and the government and that. The odd time you'd run into somebody who was supposedly professional, and he was anything but. And I lost respect for some people.

NP: I interrupted your trend of thought. You were talking about the three generations. The generation that started it up and could remember what things were like and why they came into being. The second generation that--.

DL: They used it and had enough business sense that they were running businesses themselves that, “We can’t do this all ourselves,” and hired good people to do it. That’s when they got people like Milt and Ted Turner and elected them. Or they were prepared to leave their own business and put more time into it, like myself. I’m not bragging about that, but it was a commitment that was a little more onerous than a lot of people want to do, and only some did it, but we were prepared to give time because we thought it was important for our businesses back home as well. I mean, I never intended to make it a career, and I didn’t, but it would have been a little bit longer if that hadn’t been second. But there’s a time for everything, and I watched that too. I watched that in co-ops, and sometimes people stay too long, whether that’s a credit union or whatever on the board of directors, because it looks good. They can tell their neighbour they’re still on the board, but there’s a point in your life where you can make a contribution, and there’s a point in life that if you haven’t made it you should move on. If you have made, you probably should move on anyway and let somebody else take it even further because they have good ideas, the energy, all of those kind of things. So I wasn’t looking for a career option that my resume would look better because I was president of Alberta Wheat Pool. When I left, I had to come home, and it didn’t make my farming any better, but it made me respect the industry a lot more. I had more knowledge of it. Yeah, it probably helped my farming too. [Laughs]

NP: The third generation, what happens there?

DL: The third generation becomes so involved--. And I don’t think it’s any different. We could talk about it as today the people are different—they’re not. But everybody at some time in their life thinks they have a sense of entitlement, or they just assume that things will carry on, and so they take it for granted in some cases, or they say, “Well, I’m just too busy to do that. John or Joe should be looking after it. I’ll certainly support him, but don’t ask me to do anything.” And we lose it by default. Quite often we just lose it by default because it’s always been good, therefore it will continue to be good. That was one of the most dangerous statements that people would make to me in management. They’d say, “Well, the reason we’re not doing it differently is because it’s never been done differently before.” And I’d say, “Maybe that’s a good reason that we should do it differently.” We just take things for granted, and we’re just sometimes scared to take something different. It goes back to Ted Turner. Have we become status quo? That’s not why we were there. [Laughs] That’s why I use that phrase a lot, like, that stuck with me for years, and it was so true. So.

NP: And what is your understanding of why the Pool came about in the first place?

DL: Well, human nature being what it is, Nancy, there’s always opportunity for people to be less than honest. Integrity doesn’t run rampant in most human minds. It’s something that probably has to be worked on, and once in a while you have to trip over yourself and say, “This isn’t right. You don’t do that.” And the opportunities in the grain trade at that time were huge to make money. A

farmer didn't have the communications we have today, for example, and they trundled off to town with a wagonload of grain, and they needed groceries for the family that was basically eking out a very poor living on the land at that time because it was difficult to be a producer in the 1900s. We were moving up to the Depression, and I mean, it was a struggle for the Pools then to carry on too. Grain Growers basically pulled the Pools out. We talked a little bit about the United Grain Growers being somewhat different, but they were one of the first co-ops to get off the ground.

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But I guess the farmer would go to get this, and there was an opportunity. There was lots of phrases in the grain trade at that time, like "A grain manager could make his wages on the scale." Well, it should have been in the farmer's pocket, and farmers are not stupid, and they knew. They knew what a shovel of grain, a grain scoop weighed, and they knew how many they threw on that wagon, and they were short 20 or 30 scoops when they got on the scale. Well. The other thing was the grain grade and Canada Grains Commission [CGC] and all these kind of things had to come into existence and be supported and used. And we needed a watchdog over us because human nature being what it is, an opportunity to be less than honest was there, and people were taking advantage of it, and generally it was coming out of the farmer's pocket.

So they said, "We don't need this. We'll build our own elevator. You can't tell me it's costing you \$1 million to build this old wooden elevator. We'll build our own and prove it. Our scales will be inspected, and we'll pay our elevator manager to buy our grain. He won't have to make his wages on the scale from me. And everybody will have an opportunity to vote on it, and we will share our earnings, and we will build a bigger organization." The pioneers that started the Pools, they has a vision, Nancy, it was way, way off an on the horizon. You have to admire them. They tramped over and through snow, like uphill both ways to school kind of a thing [laughing], with the commitment that they had to start an organization that really didn't have a hope. I mean, you enter an arena with three strikes against you, no sword in your hand, and the lions come bounding out. I mean, the lions are out there already to eat us alive, and they could play games. The Pools should never have got off the ground. The people with that vision and the commitment stayed with it through thick and thin. They could have done better had they taken their opportunities from the grain trade, but they said, "No. There's a reason we started this. We're going to see it through, and we're going to make it work."

That commitment isn't generally there with the third generation. First of all, they've never experienced the lions. They have an innate trust that competition is out there. Competition has learned a long time ago that competition destroys profits, and there isn't as much competition as we think in corporate trade. And it's true of cooperatives. I'm not just talking about Pools when I say cooperatives. I've watched cooperatives, and one of the worst things I've watched cooperatives do is compete with themselves. It's not in our best interest to do that, and we haven't learned that competition destroys profits within our own system.

NP: So, give me an example of that.

DL: Well, I'm not suggesting that we should have collusion and underhanded agreements and these kind of things, but if you've got a co-op that's selling fuel and a co-op that is producing fuel—and I'm using two different co-ops now, but United Farmers, they supply inputs—so they've got to buy their fuel from somewhere. Federated has their own refinery, and it gives them some opportunities, but the co-ops should not be competing with each other. They should take a look at it and say, “Look, I can buy the fuel for this amount of money, and I'm not going to shaft another co-op so that they have to deal with Imperial Oil or Shell or somebody like that.” Then they get in a price war within their own town. It's dumb. That is dumb because where is the profits going? If they're actually undercutting prices to try to get an advantage, the farmer's paying for that. Their members are paying for that. If Federated wants to compete with Imperial Oil, fine and dandy. That's the rules of the game. But not two co-ops.

It's always bothered me that that happens. It doesn't mean that you have collusion or price fixing or those kind of things, but it is not in a member's interest to have two co-ops fighting against each other, and you're going in and trying to decide which one you should deal with because the price is better. There's a reason that co-op was started, and it wasn't to be price competitive. It was to be as competitive as you could be with other entities that weren't supply either service or price or both. And that's why you started a co-op. But when two co-ops start in for the same reasons and are competing with each other, the member is losing. And it has always bothered me to watch that in small communities in particular.

NP: I have a question about the connection--. You moved up to first vice president and president, so at that time there were also chief operating officers--.

DL: Chief executive officers.

NP: Yes. What's the connection between, let's say, the president and the chief executive officer? And when does that work well, and when doesn't it?

[0:35:03]

DL: Interesting you ask that question, Nancy, and it's a very fine line. I used to kid Wally Madill and Milt Fair, in particular, at times and say, “Look, you've got probably one of the most difficult jobs in the world because if you were in any other corporation--.” And this is where a co-op gets itself. I use a term that gets a chuckle out of some people, and some people see the meaning in it and don't think it's so funny. I guess that boards of directors tend to become meddle management. Not middle management,

meddle management. That isn't a board of directors' job. I wasn't a CEO. I didn't do the day-to-day operations and instruct the management people of how they should be doing. But as I used to say to Milt and Wally, I said, "The final meeting, if we ever have a final meeting, will be held by the board of directors. The CEO will be gone, and all of our executive people will be gone. Our final meeting to pick anything up if there's anything left in the ashes will be done by the board of directors."

Our job as a board and mine as a president--. And we thought it should be fulltime, and that was the case with all the Pools. Other cooperatives decided that their board of directors, and their president in particular, would be parttime. He'd come into the office maybe twice a week or once a month or those kinds of things, but ours was fulltime. I think I delineated it. I was the political end of it. I dealt with the member issues. I travelled all over the province, all over Saskatchewan, Manitoba, too much time in Ottawa. I was to deal with the issues and the broader public interest, and the day-to-day operations were to set a vision. "This is where we would like to go." And to monitor it on a basis and give support to the CEO that our direction from the board was being followed. If there were issues that day, the buck would stop on my desk if it actually come right down to it. We hired the CEO. We could fire the CEO if we needed to or suggest that he get rid of people as well, but it wasn't our job to do that.

The CEOs of the organizations and the Pools—Alberta Pool in particular—they were hired by us. We set salary. He reported regularly to us. The responsibility of Wally, for example, was to the board, not to me. We always had in-camera meetings, and we talked about issues in the Pool if we needed them, but our senior management, they reported directly to the board as well with Wally. But too often, in co-ops—and that's another reason that co-ops fail—is the board of directors become management, or they interfere in management anyway, and it isn't their job to do that. They are only to set a vision and to see that it's followed throughout and to hire the good people to make it happen. The Pools were very fortunate. They had generally good boards of directors. We got our fingers rapped once in a while. Wally or Milt or any of those people would say, "Guys, this is my area."

NP: Can you give an example of--?

DL: Well, you didn't go out as a director or a delegate--. And quite often the delegates were the worst at that. The directors had kind of learned their lessons, and we knew a little better, but a delegate would go ahead and say, "Look. This is my organization, and you, Mr. Manager, are going to accept my grain. Or so-and-so's member, he needs to move his grain in." There was a reason that the manager was making that decision, and if he didn't, the delegate was to phone head office and get a hold of either the traveller or directly to Wally if it was a management issue. But it was for Wally to deal with or for the traveller to deal with. It wasn't for the delegate to go in and say, "Look, I'm a delegate. I know, and you must," because that wasn't their position. [Laughs] But sometimes the delegates interfered with management in the country, and we tended to do it when we had our annual meeting because we owned this place, you know? [Laughs] That sense of entitlement again. So that in itself was an experience that it takes a long time to learn.

Like I sit on the board of directors of our local credit union right now. Don't ask me why. It wasn't because I needed another job. [Laughs] But I believed in it, and we use it, but we also use the other corporate banks as well for our business. We do this not through the credit union, although we do bank in the credit union for this. But that trends today. We're going to have a meeting here on Wednesday, board planning, setting a vision for a credit union. And I sit with some interest with the new members of the board and the older members, and most of us that have been there for a little while know our role, but there are a few of them that would like to take the CEO on and manage a little better. [Laughs] So it's a learning process, I'd say. Yeah.

[0:40:21]

NP: I've got lots of questions.

DL: Great I'll try to give you short answers. [Laughs]

NP: And I don't think that they naturally split up into when you were a delegate versus when you were a vice president versus when you were president of the board. So we'll just deal with them more broadly.

DL: Sure. These are homemade cookies by the way.

NP: Ah. I was looking at them. [Laughing]

DL: Help yourself. I didn't bring that plate for myself. [Laughs]

NP: I'm going to ask you some general questions, and you can answer them both from your own personal experience and from the Alberta Wheat Pool perspective.

DL: Okay.

NP: So it's obvious the connection between the Alberta Wheat Pool and producers. What about your experience with railways? You said that you learned a lot that you didn't know about farming after you became a director, and I assume how the railways operated and interacted was one of those things.

DL: An interesting perspective that you get when you leave home. My perspective from the tractor seat and within my own fence lines, Nancy, broadened a great deal once I got off the farm and started looking at the intricacies of probably the most complex country to move grain, to market grain, in the world. We're the furthest from port position of any producer of grain in the world in Canada. We don't have an intercontinental river system which allows us cheaper transportation to put it into position, and we go through some of the worst terrain that's ever available. I mean, Australia has got about 90 miles average. We've got nearly 900 miles to move grain, averagely, to port position. Whatever. And some of the worst weather comes to port in Churchill, and getting it up the St. Lawrence and all these kind of things and through the Great Lakes. When it's cold and there's ice, we don't do things quite as fast. We don't move grain across the Prairies when it's 40 below fast with a train. The bearings seize up, and we have trouble, and we have snow slides. It goes on.

But what I learned, I guess, I learned the astuteness of huge corporations like railways, transportation, shipping, port authorities, all these kind of things. I'll give you an aside, and I probably shouldn't even use this one. [Laughs] But I remember meeting with the Vancouver Harbours Association, and Vancouver's an interesting port. There were some issues at the time, and this was just before I left. A lady, a Harbours Commission commissioner, was meeting with the Pools and other users, and one of the issues at that time was the fact that we had Seattle as a competitive port. A lot of business was going through there, and actually the meeting was called by the Harbours Commission in Vancouver. What should they do about it, and what was going wrong?

I listened to the discussion a while, and I wasn't the most diplomatic person in the world, I guess. If I had a bur under my saddle, I kind of didn't come unglued, but there was no question where I stood on an issue. And I said to the lady, I said, "You know, the problem that we have here in Vancouver is the fact that when you learn that you're no longer a yacht club, and you actually have a business board, then perhaps things will improve." What did I mean by that? Well, I said, "We've got access--." Like Sask Pool's terminal was on the north shore. Ours was on the south shore. We didn't have this problem, but the Fraser River had a low enough bridge going across to access the north, and a 100-unit-car train would be sitting there, and some guy had radioed the control tower in the harbour that he was going to take his sailboat up the Fraser River that morning. They's swing the bridge around so he could get his tall mast to go through and there's a 100-car train going across. There's a boat around at Sask Pool's docks that's collecting demurrage because they don't have enough grain to ship, and this train is waiting, and this guy is *put, put, put, put* because he was going to take his boat up there. I said, "That's not right. That's what I mean." Well, they didn't know what they were going to do about that. Well, I said, "That's one of the problems."

[0:45:13]

I said, "The other problem we've got in this port," I said, "We have a union of stevedores that we have a destuffing clause. So, you get a container in and it has 100 television sets in it, and you have to take them all out and check them. But there's only 98 go back

in. There's two of these people go home with a brand-new television set that night." I said, "That doesn't happen in Seattle. The guy that had 100 television sets to sell only has 98 in Vancouver, but he has 100 in Seattle." I said, "These are issues you have to deal with." I don't know whether it's improved or not. But this is sort of where I come from in meetings once in a while. Anyway, I wasn't the most popular guy at the meeting, but those of us who had been asked to come in didn't disagree with me, but they didn't really want to hear this story. But this was part of the problem.

It is an absolutely wonderful port short of Prince Rupert. Like, we had the largest tidewater port in the world in Pool 1 on the south shore. Marvellous plant. I still shake my head. Cargill owns it now. [Laughs] I was very proud of that terminal, and that's what made us money. Our country system didn't make us money. Our terminal positions did because of what we could do and because of the management there. We had absolutely superb managers. I mean, I knew Sask Pool's managers. They were the same. We did a lot for producers because we had terminal positions.

NP: Since you raise the topic-- Well, actually, let's go back to the port of Vancouver. We started talking about railways.

DL: Yes. [Laughing]

NP: And the fact-- Are you trying to get out of this one? [Laughs]

DL: I'm not skirting it. [Laughing] Very astute.

NP: I do want to come back and talk about ports, particularly the port of Thunder Bay. But back to the railways. So just comments that you have to make about the Pool and connections with the railways.

DL: The railways, Nancy—and I'm not trying to skirt the issue—they were a study in themselves. I mean, we have a very unique system in Canada with two national railways or railroads. It's not exactly as competitive as they might suggest. I mean, we don't have CPR running through Vermillion, but we do have CN, and if we want to go to CPR, we probably have to drive a long way, and is it cost effective? So the western Canadian grain provinces are divided up the railways. Whether it was by design, I don't think so necessarily, but it's the way it happened in the developing of the west years ago. But I did watch with a great deal of interest the changes that the railways could bring about within the grain industry because of their power. They came to us, for example, and it would be more efficient for everybody, and we would get some cost savings—which was in our interest to do—if we could load on weekend because, like everybody else, you need a seven-day week and a 25-hour day and become more productive.

It would cost us more. We would either split our management practice up so that one guy would work five days or four days and another one would work three, and we could load over the weekend. We had pretty good facilities to do that. But quite often we were located in a town—and this is another point I’ll get to in a minute, Nancy—we were located in a town. It was in the interest of the town because we did business there, but as the elevators consolidated and the railways gave more incentives for larger car loadings, we didn’t have big enough spots. You were lucky sometimes in a town-- . Some elevators only had a three-car spot on each side. So they could load three cars and move it over here when it was loaded, and they had to wait until the railways moved it out. Well, then they started giving incentives that if we had a 25-car spot, there was extra money in it. But the weekend loading one was really an interesting one, and it didn’t last very long because we would load on Saturdays and Sundays, and the railways would pick them up next Friday. It just wasn’t working as it was supposed to. Now, I think the railways had good intentions, but they couldn’t put it together either. And so, we just dropped it. It wasn’t in our interest, and it wasn’t working for the railways, and it was costing the producers Money because we were paying staff to do this. It just didn’t work. So that was one issue.

[0:49:51]

But I watched with a great deal of interest. Basically, the railways were designing the grain handling system slowly. When it got to 100-car spots, we moved into the country. When we built an inland terminal elevator, we could load 100 cars, and we had the capacity to do it quickly, and we had incentives to do it. But what I watched happening with that, Nancy, is that we passed the costs onto producers. The railways got savings, the Pools got savings, but the customers, our owners, they had to truck further in some cases. They had to get better equipment in a lot of cases because that old beat up, single-axel truck was not road worthy to go 50 miles to deliver to a terminal elevator. When they arrived at the terminal elevator, it took them 10 or 15 minutes to unload 450 bushels of grain. A Super-B would drive in and unload 2,200 bushels of grain in 5, and there was one invoice made versus four or five. We started to fall into the trap. It was in our interest to do it, and yes, we could probably save the producer money, but it cost us a huge amount of money to deliver that service, and we didn’t pass it back to the producer. We paid for the facilities we were building. They had better facilities, but we couldn’t give that money back. We needed it like--.

We had a country elevator system that was relatively efficient with 540 some elevators. Manitoba Pool took it differently. They had what they called hub and spoke. They would build a big elevator, and they would feed it from their smaller elevators. Because we had a lot of good elevators that were paid for that operated pretty well, and we tore them down and built \$16 to 20 million facilities that would do it all by themselves, but they were 50, 60 miles apart. And for a producer to keep any loyalty to us, he had to buy a new truck. And when he went to town to buy a new truck and found it cost him \$50 to 80,000, he wasn’t quite as loyal. [Laughs] We actually pushed customers away from us and changed their opinions of us, I think. Now, that’s a personal opinion, and I watched it with a great deal of interest, and it was just beginning when I left. Sask Pool at that time had an “Operation Horizon,” and I even had the audacity to talk to Leroy Larson one day on a plane going from Vancouver back home that if he wasn’t careful it

could be called “Operation Sunset” because I said, “There’s no way you can tell me you can borrow \$200 million and tear down a system that’s paid for and expect the producer to pay for it and keep loyalty.” I think the history proved me right on that one, unfortunately. But we did build a system that other corporate interests were really interested in buying at two bits on the dollar. [Laughs]

NP: Is that what it actually sold for when push came to shove?

DL: I don’t know the exact numbers, but I do know I watched the US system do it, and this is why I say we don’t learn from history, and if you don’t learn from history, you’re doomed to repeat it. Land O’Lakes, Senix, and others, farmers built them, and they sold all their corporate interests for two bits on the dollar.

NP: Because they could no longer--.

DL: To the Cargill, Bunge, and all--.

NP: They could no longer cover the capital costs.

DL: They couldn’t cover the capital costs.

NP: Or the interest on the capital cost.

DL: And I made a statement in Ottawa once. And you don’t want to use these kind of comments. We should have the recorder shut off, but--. It was actually back into Alberta Pool before--.

NP: Did you want me to--?

DL: No, no. Anything I tell you it’s all--.

NP: Well, as someone said, “The Pools are history.”

DL: That’s right. I said to an Ottawa meeting, I said, “What we are doing in the West right now is we’re building monuments to stupidity.” That was back in head office Calgary before I got home. “Did I really say that?” I said, “Yes, I did.” Because I said, “If we build them in the wrong place out of cement,” I said, “they will not be a tourist attraction, and they will be a monument to

stupidity.” Sask Pool did it. We did it, and we decided where we were going to build, but who’s to say that if you build your elevators 50 miles apart that 25 miles apart in between us, the competitors do it. They’re set up just the same as us, but they’re strategically located, and we’re wrong. And that happened. I knew the industry well enough. Like, I watched it with interest because some of the things I did in Ag-consulting afterwards—I called it Ag-consulting, it really wasn’t—but projects I did for the federal government or the Pools or whatever, it was still going on. I met people in the industry that were strong competitors, and I can name a few of them, and it’s nothing derogatory. Like Brant Randall coming in with-- Ah, I need names. They had a corporate interest moving into Canada that was so different, and I loved what they were doing. He’s an absolutely superb CEO, lives in Calgary. Still there. I worked with him on the railway costing thing, the Kroeger Process.

[0:55:04]

NP: Is that Weyburn?

DL: No. No, no, no.

NP: Who is Brant Randall? The name is familiar.

DL: Brant Randall, oh, not Louis-Dreyfus. Hm. Now when I need names, I can’t get it. Anyway, they came in, and they were very flexible. They built tin bins and a workhouse strategically located. If it didn’t work, they could pick it up and sneak away in the night just like tents and stuff like that. Not a huge investment, and they could give superb service. Brant was a visionary. He strategically placed the Canadian interests, and they were strong competitors, did a good job, and could afford to do it. Could afford to be competitive. They didn’t build \$16 million monuments to stupidity. If it didn’t work, they could move to where they should. And we didn’t do that. If we would’ve used the elevators that we had—and we had some double composite wood elevators—they were absolutely superb operations, and we could get managers in them. They were built for million-bushel handling, and they were putting 5 million bushels through. They could do it. They managed their customer base. They didn’t take a bunch of bins and have a 5,000-bushel bin half-full of grain. They loaded wheat for three or four days, and they Moved 50 cars out of it, and then they took barley in. They managed those elevators, and it took a while to do that, but we had some strategic people out there who were really, really good.

Our success as a co-op, and it always has been, is our frontline people. The guys that meet the public, the guys that meet the customer, the owner, and give them service and have a smile on their face and nothing is too difficult. And also keep it on a businesslike basis that, “No, you don’t get special treatment. I know you own this place, but so does the next guy.” They treated everybody fairly.

NP: Who were the—in the early days before the inland terminals, in the days of the wooden terminals—who were the major competitors? So, if you think of those larger towns or cities with more than one wooden elevator, who were the--?

DL: Well, I guess it was another--. We were the major player everywhere. Excuse me, Nancy. And I guess, you tend to get pretty secure, especially if you're in a head office in a town like Calgary or in Saskatoon or Regina or wherever you might be. We didn't realize the enemy was sneaking in. [Laughing] If you want to put them in the terms of the enemy. But our major competitors, we really didn't have any. I mean, National Grain was a big one, and they decided corporately one day that probably Peavey Mart was a better investment than trying to handle grain in beat-up old elevators, and they weren't renewing anything. And they disappeared as far as a grain handler goes. United Grain Growers was a major competitor because of their history and everything, and they had some very good people, and they supplied--. Again, it was sort of like two co-ops competing against each other, but they were never viewed as another co-op. They had a different structure, albeit that they were a co-op, and they were major competitors in a lot of places with us.

NP: Any of the private--?

DL: Not for a while, but it was interesting. Probably the one that became more evident—and it was of interest to me because I had been watching it from outside, and then when I moved into Calgary, they were becoming major—and strategically placing themselves for non-board grains, and this was Cargill. They weren't a major player anywhere other than internal positions in the east, but they became a major presence on the Prairies, and they were strategically coming as canola developed, for example. Lentils and some of the other non-boards were not a major thing. But they were dominant in the canola areas, and they had become major competitors. They supplied farm supplies. I always admired Cargill in particular. They had a corporate presence and a corporate culture that was just a study in itself, and I still admire them.

NP: What in particular did you like about the way they operated?

DL: Well, they were strictly business. They didn't play games in the sense--. Like, they had the ability to play games, but what they did was very businesslike, and because it was their strategy, they could come in, and they didn't--. For examples, co-ops sometimes put restrictions on themselves. I'll give you an example in Alberta. Credit unions can't lease equipment. That's a legislated thing. So, if I wanted to lease a piece of equipment—which I have done—I end up with a Saskatchewan credit union financing me, and that's a restriction. We had decided in our XCan Grain operation, our Prairie Pools export arm, that we would only handle Canadian grain. Well, Cargill could come in, for example, and buy 25 percent of their barley two bits under us because they

supplied the remainder of that shipload at another place—be it the US or whatever—loaded it with 75 percent of the grain that they had bought cheaper.

[1:00:43]

We did not give ourselves that ability and couldn't do it, couldn't explain to the producers why we were buying American grain or Australian grain or whatever. Then they would come back in with what they made on that shipload. And they made more money on shipping than they had on the grain that they held because they also had ships. I mean, huge competitors and very different than us. Then they'd come back in the Canadian system and undercut us 50 cents on the next product. Major competitors. They weren't playing any games. Strategically because of their international presence and the ability to deliver product with more infrastructure than we had, they could cut us to ribbons in some cases. So, it was very different. It was a whole new approach.

NP: Yeah. And I'm going to insert a question that comes in here that's beyond the time that you were with the Pool, but it raises the question. I followed with interest the demise of the Pools and also the purchase by Glencore and wondering what a corporation such as that—which is, I think. Probably even larger than and more present than Cargill—what that will do to private Canadian companies in the business. There are few to begin with. But the scenario that you just mentioned where Cargill could undercut the Pool's pricing, Glencore and Cargill able to do the same thing with private companies?

DL: Perhaps. I too have watched this with some interest as to how it's shaken out. Probably the dark horse in this whole race, if you can call it that, is Richardson's.

NP: Number one grain company in Canada now.

DL: Yeah. To make an educated and even a valid comment around the question you just asked, Nancy, it would be difficult for me because I'm--. I'd have to sit at their board tables and listen to the vision that's being expressed to the board. Why they did what they did at Glencore, for example. Our competitive competitions act here has forced, for example, Viterra to divest themselves of, supposedly, a terminal position and some strategic country positions, otherwise they weren't going to allow this to happen. This has been similar in Glencore's. And I look at what Richardson's have picked up. I know Kurt Vossen from his Cargill days. I met him out in Prince Rupert a long time ago. Another man that I've admired greatly. He is very strategic, very visionary, very astute, and not unlike Brant Randall.

Richardson's have been very quiet, and I'm not telling tales out of school, but they had a huge war chest of money looking for a home for a long time. And they just quietly sat on it, did a few upgrades, did a little bit of strategy in a few areas and built a new

plant, inland terminals. There's one out just past Marshall and close to home here. But they now have Levoy, one of Sask Pool's Operation Sunrise. Huge elevator, easily managed, 100-car spot, strategically in the right spot, and Pioneer owns it. They got some absolute cherry picking for expanding into now becoming the largest private grain handler in Canada. Took them a while to get there, but they had that vision a long time ago. I know Kurt Vossen could see some things. He probably didn't see it just unfolding quite as it did, but they were ready, and they took it. It will be interesting how it shakes out. But they are strategically placed at port position, they now have a country system to complete it, and whether they make money in the country doesn't matter. They will make money at the port position. So it's an interesting development as huge international players have moved in that a Canadian family-owned company became the largest grain handler, albeit private. It may not be co-op, but they're back where the Pools were. Like they are strategically located, and Kurt Vossen will see, I'm sure, that they will do very good business for the customers. It will be interesting to watch this one unfold. But it was kind of neat.

[1:05:49]

I was concerned when Viterra was doing what they did, and I think that we had-. When I talked about some of our management people, CEOs and that, and I watched some of the CEOs of Viterra and others, and I watched Sask Pool's CEO of late put it all together eventually. Commendable because it was going broke. It was almost like a Disney. They brought in--.

NP: Eisner?

DL: Eisner, Michael Eisner, paid him a huge amount of money, and he turned it around. I mean, it was an impossible task, but he made it happen. But I also watched some other management people go through this transition, and I think they were more enamoured with their own position and short vision than they were long-term because they all left with a very sizeable amount of money in their pocket to retire but didn't put an organization together like Kurt Vossen has done for Pioneer, for example. You know, I don't think their vision was far enough out. So, I had my moments when I was cynical and bitter. [Laughs]

NP: Well, and maybe some of the control was beyond them because it was a contentious takeover.

DL: Yes. Yeah.

NP: So, you have less flexibility, where from the standpoint of Canadian interest, Richardson would be sitting in a--.

DL: But I watched egos get in the way too, Nancy, and I can say that from a personal point of view. I knew some of the players at that time. It was unfortunate. There was a bit of—not just a bit—but there was a lot of egos fighting each other, and they lost the intent of the war. They were more concerned with the battle.

NP: Within the Viterra--?

DL: Within the Pools, yeah, and within the Viterra too. And I mean, that's when we lost Pool 1. It should never have gone to Cargill. Somebody didn't read that right. I mean, if I had been sitting across the table from Cargill, I would not have worried if they pulled 3 million tonne—3 million?—300,000 tonnes of grain out of an agreement we had because they weren't going to build a terminal in Vancouver. There was no place to build to start with, and they weren't going to spend that kind of money, but they played a strategic game with players that thought that They had to keep that little bit of grain and allowed 49 percent of it to be sold, and part of it because they were spending \$200 million in the country.

NP: So, you're talking about the Vancouver Pool 1?

DL: Yeah. That terminal should have remained as Viterra's or whoever's. It should never have been sold to Cargill, but more power to Cargill. They corporately bought an absolute gem. It was, like I said, the best tidewater port in the world, and it had the ability. It was deep, it could take in any saltie it wanted, and could load more efficiently than anybody at the time and had absolutely top management in it. But I mean, that's all history. [Laughs]

NP: Yes, yes. Now, we keep skirting away from the--.

DL: Railways? [Laughing]

NP: Railways. Now perhaps because there's nothing more to say about the railways. And we're not going into area that I wasn't going to be covering anyway, so it's not a--.

DL: The thing is, Nancy, as I said, the railways--. And I don't know if it was strategically--. They have a long-term vision too. I mean, I watched CPR, for example, divest themselves of all of the rusty rail and used railroad cars and keep their real estate in their ships and hotels, et cetera. A strategic move that was marvellous. I mean, if I had been on the board of directors, I would've patted myself on the back and said, "Wow, did a job today." Then they could go to the government and say, "We can't make money with a railway that's wore out, and we can't do it on the Crow Rate." They strategically placed themselves and had enough power to--. And they were a constant presence in Ottawa. I mean, any corporation that's worth their money knows the political situation.

[1:10:03]

NP: Now, I have a question about that—not the Ottawa presence—but I don't know a whole lot about railway history, but I do know that I think it was pretty important at the time that the railways be given something to encourage them to build in a situation where most smart people wouldn't have. [Laughs]

DL: No, that's right.

NP: So, they were given a lot of--.

DL: Property.

NP: Given a lot of property, and as a result, they had what I refer to as a treaty that said you would be providing this service for this amount of money forever. And so, I can't imagine that negotiations to get rid of the Crow Rate didn't take into account the other assets that they had and that had grown in interest to offset what was obviously not a very decent rate.

DL: I agree.

NP: So--.

DL: Your assessment is very astute. I guess, Nancy, what I'm looking at, the land, the property, was divested from the railway. It wasn't initially, but when they made it Marathon Realty, all of the land they had been given--. And I have to say, the people that sat around building a nation, developing the west and eastern Canada, had a huge visionary epiphany or whatever it was because who would have ever thought of an idea that would grow in value and actually would probably finance the initial costs of a project? Like, you're right. At 4.5 cents a bushel to move grain, it was great in probably the first year. Second year, maybe they began to wonder about it, but the land values escalated accordingly and should have looked after it. But the strategic move that CPR in particular did and divested themselves of that land, they sold that land and made huge amounts of money with Marathon Realty. They don't own much of it anymore, and they probably look at it now and say, "Look at the money we could have made if we had kept it for a while." But it actually, the forefathers that put that together actually provided a way of financing in perpetuity. If they want to look at the value of the land escalating accordingly, it should have kept up with the cost of running a railway.

NP: And perhaps should have said that “You have to take this on, the rates on as a liability and fund it out of--.” We should have been out there negotiating! [Laughing] So I understand, I’m sure. Anyway. High priced lawyers working on that one. I understood from talking to Mr. Swanson, because he was involved in Saskatchewan Wheat Pool when the Crow Rate decision was finally made, and I was asking whether the Pools had a united front. And he made mention of Alberta Wheat Pool and saying that “Well, they had a bit of divided loyalty because of the--.”

DL: Yeah, he’s right.

NP: Because of the two industries that they were serving. Can you say a little bit about that? That must have been a tough line to walk.

DL: Corporately, we were better off—if I can use the term “corporately” in a co-op loosely—our corporate interests would have been better served if the Crow Rate had changed as it did because it would have given us reason for rationalization a lot quicker. We kept elevators in operation strictly because they still made some money and wouldn’t have done with the changes in freight, et cetera. We could’ve justified to our members rationalization quicker. The Crow Rate did it. We had somebody else to blame rather than--. [Laughing] And that’s sort of where the divided loyalties came if there was, Nancy, in that sense. We were always looked upon as being a little more ambivalent to the Crow Rate change than both Sask and Manitoba Pools.

NP: Well, he had also mentioned the fact that the cattle producers were in favour of getting rid of it and the farmers--.

DL: Yeah. This is where the divisions come. I mean, it destroyed the farm organization in Alberta. What was called UniFarm at one time, cattlemen pulled out because of their stand on the Crow Rate because the Pool’s dominant position, we had a huge amount of funding going into UniFarm. We were blamed for getting the cattlemen to pull out, and they were providing \$80 or 100,000 a year into our provincial farm organization because of our stand on the Crow Rate. We were the ones that were supporting the Crow Rate to remain as it was, status quo, and we tried to walk that fine line that, “No, that wasn’t the case.” [Laughs] You’re right. You’re wearing two peaks in your hat there because a lot of our grain people were cattlemen as well. I mean, the president of Alberta Wheat Pool was a rancher, and he’s out there supporting the Crow Rate. It was in my interest as a cattleman, I thought, but I mean, in my peer group a couple of times everybody reminded me once in a while, “What’s a cattleman doing in the grain industry? Why did I have that stand on the Crow Rate?”

[1:15:51]

I guess, like I said, it wasn't just a simple question of providing money to the railways or rationalizing a grain elevator system. There were issues out there about who was going to get the money, how it was going to be paid out, and what it meant to the industry. I mean, this is an example, Nancy. As a cattleman interest, if they paid it out on an acreage basis—and this is how I used to proceed with this thing—so let's assume we pay it on an acreage basis. Let's assume we pay it on a production basis. So the guy that's on irrigation has twice as much production as I do as a dryland farmer, but we get sent the same cheque. He's short 50 percent of the money he needs to move his grain out. So do we pay it more on irrigated acres versus dryland? These were questions the farmers didn't want to talk about. But as a cattleman, they pay it on an acreage basis. I've got all this land out here, and I get \$10 an acre. I go to an auction sale, I'm competing against you, you spent yours moving grain, and I'm going to buy that tractor. You haven't got nearly as much money in your jeans, and I got it for what? I never did move grain, and yet they paid me. These issues never got talked about very much in the divide. And so, this is where it became a difficult argument.

NP: And why would they pay ranchers? Unless recognizing that there's mixed farming. But let's say somebody who's exclusively a rancher, why would they pay a rancher for compensation for grain?

DL: Nancy, we farm 2,500 acres of land here. All of it has the potential to grow grain. I could even brush this off here, and it would be--. So, it has the potential to grow grain. Even though I might only farm 1,000 acres of it in grain, they're going to pay me on all of it because how can they argue that I couldn't seed that piece right out there?

NP: Even though you never have?

DL: Even though I never have.

NP: It didn't matter.

DL: Didn't matter.

NP: So there's no historical use in these negotiations?

DL: No. And if you're a politician, you want to start going around and--. Who's going to inspect whether historically have they ever ploughed that up? I mean, it would be a political nightmare.

NP: Yeah. Well, it would be an administrative nightmare.

DL: So how many acres do you own? Send them a cheque.

NP: Yeah. Now, I'm interested in your comment that with getting rid of the Crow Rate, it would have pushed rationalization of inefficient elevators and getting rid of those, and the operating costs involved. So, hm. That raises the question of the individual farmer's interests versus the cooperative interest and how much payback did the owners, being the cooperators, get from--. Would they have been better off keeping the Crow Rate, even with the reduced rationalization schedule?

DL: When I first started in this argument as a delegate, I watched with a great deal of interest Burlington Northern in the northern US. They had an auction system to get service where if you wanted to get the best freight rate and guaranteed car service, et cetera, at that time, Nancy—and that would be 25 years ago—they had a \$51 a tonne freight rate. And I could have a contract with whoever anywhere in the world, and they would guarantee that I would have a car there, that they would pick it up, they would deliver, and everything was guaranteed to me as long as I paid \$51 a tonne. That would never happen in Canada.

NP: Why?

DL: Well, it has done, and railways have tried it, and they've tinkered around with it a little bit. It hasn't gone as far as Burlington Northern did, but now we contract canola, now we contract lentils and peas and specialty oats and all of these. Like these things kind of sneak up on you. As I said, it never happened in Canada. That was the argument at the time. "We wouldn't do anything that stupid." But it's in the railway's interest to do that because, first of all, they don't have enough cars and don't want to build that infrastructure to do everything. So if they have an auction system, and I'm prepared to pay them more money, they don't have to build a whole bunch of stuff. They'll give me service, but they can't give everybody the kind of service I can get if I pay high freight rates.

[1:20:19]

We've gone a different route. Like we're paying \$39 or—I haven't shipped grain through an elevator for a long time now--\$39 or \$41 a tonne in Vermillion to move grain. And when I was shipping grain through the Pools then, I think we were paying \$4.5 to \$7 a tonne. So in basis, what the railways have done in Canada, it didn't go to an auction system. They just charge everybody a lot of money to give them service, and sometimes that's questionable. [Laughs] The argument that's been used for so often issues—be it rationalization of elevators or whatever—and somebody said, "Well, it didn't cost us that much before you got rid of that elevator." "No, but we built a \$17 million elevator for you that gives you better service." And now we can't pass that money back on it. "But guess what it would have cost if we hadn't done that?" That's not a good enough argument, but that's the argument that's used.

NP: You mentioned briefly in passing the cost that's passed back to the farmer.

DL: We do it differently in so many different ways.

NP: That somebody has to pay the extra trucking charges.

DL: We've almost--.

NP: It wasn't the cooperative, was it, that paid the extra--?

DL: No. Why would we do that even as a cooperative? I mean, there were freight incentives. We learned a little bit from the Americans. The Americans have never had subsidies. The Americans have enhancement programs. They use a different dictionary than we do. They have PL-480, Public Law 480, which is school lunch programs and all these kind of things, special agreements, the Mississippi River, whatever. Canadians have subsidies. So when we do things, we'll give a freight incentive. If you will ship the grain that probably should be in Vermillion, take it to Viking or take it to Lavoy, whatever. But there's so many things that happened, and people don't think about--. I guess the best way to put it, there's really been no bad decisions made, but history has judged some of them as being terrible. Like, nobody has basically sat at a board table and tried to make a bad decision. [Laughing] Not intentionally. I remember a lawyer saying to us once at the table, he said, "I can protect you from everything but stupidity." [Laughs] And so we tried not to be stupid.

But I guess the other side of it, Nancy, is that the unintentional consequences of decisions that don't get looked at, but history judges you harshly or badly or points out things like, "How could you miss that?" And ten years later it happened. Towns wanted everybody to build an elevator, and I mean, they have all kinds of incentives—taxes or whatever. The rationalization of the system has absolutely done a disservice to rural communities in the Prairie provinces. I look at my own county here. We built an elevator in Lloydminster on the east side. When I say "we" it was Sask Pool and Alberta Pool, operated jointly for a while, and then it went through this corporate restructuring and renaming, but it's still there. The country of Vermillion River starts on the 17th meridian downtown Lloydminster, so the elevator's on the other side. We have an Alberta Pool elevator still in existence—it was—in Vermillion, and nothing until you got to Lavoy, which is in another county. Every town lost their tax base. When we pulled out—in my time—when we pulled out of a small community like Manning—7 or 800 people, 1,000 people—we took a third of the tax base. All of a sudden, these small communities which were basically retired farmers and quiet shop owners and that that decided to stay in their town, they had to pick up the cost of the arena and all these things. It literally broke these small communities, and they didn't know how to do it. We took a third of the tax base out eliminating a couple of elevators.

Then we built outside of counties because 50, 60 miles--. There's no tax base of that grain moving through to build the roads that are being beat apart, and they never thought of that. And so we've changed the structure of taxation, of costs, of returns, the whole bit. And nobody talked about those issues as the system started to change, and they have huge consequences today, and nobody knows what to do about it. It's going to go on, and it will not get better. So those are some of the things that have happened. I used to talk a little bit about it. And I'm not a visionary, but it was obvious that there was going to be some changes made that were not going to be in everyone's interest. And at the time as the decisions were made, they were made in the interests, supposedly, of everyone, particularly of your owners. But when you close an elevator down that costs us \$300,000 to build or even \$1 million in some cases, some of the newer wood ones, and built \$18 million ones, we couldn't pass the savings, so called, on because it had to be paid for this high-efficient elevator.

[1:25:58]

Like I said, we forced the farmer to get rid of a single axel truck, either hire it done or buy a new \$100,000 unit for himself. And then the regulations and weight limits and country roads weren't built to--. It's interesting. When we built this place, if I would have put--. We have a huge tax on this building. If we had put in a feedlot, hog barn, chicken farm, any of those things, it was still being called agriculture in the municipal act, and we would have paid no more taxes than we did on this quarter section of land. But because this is supposedly commercial and falls outside the guidelines of agriculture and this is supposed to be Ag-tourism, a huge amount of taxation. Our regulations didn't keep up with the changes that were made. Farmers who had never had trucks would be inspected every year and all those things. Another huge cost for a farmer. Couldn't burn--. In Alberta, we had coloured fuel allowances. Couldn't use that because they had to have commercial—especially if they hauled their neighbour's grain because he didn't buy a truck—they had to have a commercial license plate on it. Huge cost to that compared to a farm plate. All of these things just hit everybody right between the eyes because things had changed, and nobody had thought about them.

NP: One thing that Mr. Swanson mentioned yesterday—or they day before yesterday—when I interviewed him, he said that he felt that--. You've talked about the impact of getting rid of the elevators on the farmers in the district. He commented on the impact of the farmers getting bigger on the efficiency and even usefulness of some of the elevators, so that that actually was the reason why, I guess, in Saskatchewan anyway that some of them came down was because the farmers had to have, because they were bigger, bigger combines, bigger trucks.

DL: Yeah. Old elevator couldn't handle it.

NP: Couldn't go to the old elevator because the elevator couldn't even physically handle them. So was that the same kind of thing happening here too? So, it's really almost a double whammy or the perfect storm? However--.

DL: Yeah, that's a good way of terming it. I watched with a great deal of interest. Farmers were supposed to be smart, and I was a farmer, I was a director, and I should have been right on top of it. And by the time we had to put two 35-foot scales together to make a 70-foot scale to weigh the farmer's tandem truck, he'd already bought a Super-B that was 100 feet long. Farmers were always ahead of us, and corporately or cooperatively or whatever, it was really difficult to keep the investment good enough to keep an elevator together. To get a 10,000-bushel-an-hour leg that would unload a Super-B cost us \$100,000 to put it in the elevator, and that was worth more than the old elevator. The only thing that was good in that elevator was the new leg we put in. And the bins wouldn't handle it, and the scale wouldn't handle it, and so you took a look at it, and if a farmer could use it--. If we sold an elevator for \$1, we made \$9,999 because it costed \$10,000 to get rid of an elevator at that time. So if a farmer would buy it for \$1, cooperatively we were better off. The farmer used it for a while, but he outgrew it too, and it ended up either coming down or being torn down or whatever. In a lot of cases, farmers became competitors with us, and so we tore the elevator down.

NP: So they were selling space to their neighbours?

DL: That and they were also using producer cars, and they could load them very efficiently out of them. Where they didn't want to use a grain auger and these kinds of things, they had a scale to weigh, a back hopper, and they could load their cars legal and all these things. This is where cooperatives get in their own way. We were against our owners and wouldn't sell them that elevator because they were going to be a competitor. [Laughs] What a catch-22.

[1:30:07]

NP: Yeah. Producer cars, are they going to continue to be a possibility?

DL: It's the only check and balance that producers have. I would hope it never leaves. The railways can make it very difficult by saying, "If we have to pick up one car, it's going to cost you a lot of money." So, I'm watching with interest, and one of the projects that there was three farmers remained out that Owen McColley and myself did, and we spent some time at the Red Coat Junction or whatever--. Oh, I can't think of his name now, but they built some producer car loading facilities. Absolutely amazing. They spent about \$1.5 million to do what no elevator company can, and they--. Small co-ops, if you want to put it in that term, and they bought a railway, and they can move it off to the mainline. And they're expanding. Very efficient and very astute of how they built it. They can pick up all of those bins and leave a little cement in the ground, and they can move somewhere else if they're wrong, like a Brant Randall.

So, I'm impressed with that, and farmers being innovative and that, they have learned to do offsets. Not only innovative, but very flexible. They're prepared to do some things. They're not tramping through the snow to do it. They're astute businesspeople who are putting this together. But they've started another system of cooperation. Would you like any more of this?

NP: It's--. **[Audio pauses]** We've been what seems like travelling all over the map, but in fact, we're getting the questions answered. **[Laughing]** So we were talking previously in and out about the connection with the railroads, and you did a fair bit of discussing about interaction between the different Wheat Pools and the non-Wheat Pool grain companies. And I'd like to move on now and talk to you about your experience with the Canadian Grain Commission [CGC], both as a farmer and in the broader scope with the Pool.

DL: Well, I guess, Nancy, I made mention a little while ago—probably a long while ago in this interview—but the checks and balances that are necessary because of human nature. I think there has to be in all aspects of life, human nature being what it is, there has to be an adjudication process to resolve disputes or differences of opinions, at least, if it's not called a dispute.

End of part one.

Audio part two

Time, Speaker, Narrative

NP: The workers must work, so we moved inside because of the lawn mower.

DL: Lawn mower.

NP: And you were talking about the border issues, but we hadn't really officially introduced the border issues project.

DL: On grain? No.

NP: So if you'd like to say a few things about that, and then we'll go back to misconceptions that at least one person on the US side of the picture had about the ins and outs of the Canadian Grain Commission [CGC] operation.

DL: The thing I found interesting in the exercise, Nancy—and I’m just using this as an offside—but the perspective that most people have in the world of the Canadian grain system, there are a few that completely understand how Canada works, understand the Canada Grains Commission and the value of it, understand the Canadian Wheat Board [CWB] and what it did and how it did things. But all too often, it’s not too dissimilar to, as I suggested, the arguments from producers around issues within their own grain industry. Not a great deal of accurate information to base some of the positions that they took on them. The Canadian Wheat Board and the American system in particular, they didn’t pretend they understood it, they didn’t want to understand it, and they just knew how it worked. And they were dead wrong. So in discussions with Tony Flagg, as an example--.

NP: And how is that last name spelled?

DL: F-L-A-G-G.

NP: Okay.

DL: He didn’t like the Canadian Wheat Board, we finally--.

NP: The Wheat Board or the Grain Commission?

DL: No, this is the Wheat Board as an example. He said, “Well, it costs me too much to buy grain.” And we said, “Tony, why do you buy grain for your mill?” He said, “I get 11 cars.” And he said, “I tried to deal with producers,” and he’d get producer cars in. He said, “On the unload, I would have 11 different kinds of wheat.” And he said, “I had no idea how the mill would work and what they would do with some of this stuff.” We said, “Yeah. This is right. Guess what? Because of our system, it provides a homogenous product right across the Prairies, and from the Canada Grains Commission perspective, when you get a grade, and you know what the following numbers are, et cetera, you know that there’s 11 cars of grain that will unload and perform the same all the way through. Producers can’t do. But the Canadian Wheat Board, for example, can assemble that, because they knew where everything’s at with the Canada Grains Commission, and sell you a product.” “But they charge too much.” That was his only argument. We said, “In other words, you can buy cheaper from the Canadian farmer, and the Canadian Wheat Board’s doing what it’s supposed to. It’s supposed to be getting maximum value for a product for the producer, and we share those profits later on at final payments and whatever.” Well, he guessed so, but it wasn’t in his interest as a miller. But he did like the product that come out of Canada because we could guarantee a product, certificate final from the Canada Grains Commission, and it arrived, and it performed as he said.

So it was interesting to hear that discussion, and that was sort of how things used to go, the people's perception of things. It was either costing them too much money or they didn't need that kind of a product—or they didn't want to pay for that kind of product at least—but they would grudgingly admit that the Canadian system could provide them with something that no other--. We said to Tony, "Why don't you buy your grain local? Americans produce wheat." He knew that, but he said, "I can't buy the quality that Canada's got and get the guarantee, and they have a system." So it was an interesting conversation in an evening. It didn't happen--. Oh, it's just a little bug that needed--. Got to look after the little folk too. [Laughs] That's sort of an offside, but as an example of how the world perceives Canada all too often. And we've learned to take some of the things that our regulatory system has provided for us for granted, and sometimes don't even ourselves understand what it has done for us in the long-term.

[0:04:37]

I worry a little bit, Nancy, as I watch the events unfold now with our regulatory system. I almost speak with a forked tongue when I do this. I mean, this facility we're sitting in right now, regulations have forced us to do what we've done with food services, and I abhor regulations. I would rather ask for forgiveness than permission. I'm probably as free enterprise as any other person, and that was the perception too. If you're a co-op person, you're definitely a socialist. Pretty near every farmer I met, every person that sat at a corporate board table for a cooperative—and I use that term loosely, the corporate part—they were all free enterprisers. They weren't necessarily socialists. But I called them, they were free enterprisers with a conscience is how I term a cooperator. [Laughs]

NP: And how would you describe that conscience?

DL: Integrity, and they have a social conscience. They believe that people working together can accomplish a lot more than individualism. To free enterprise--. And I'm not giving out political stripes here because I'm apolitical. In Alberta, it was difficult to be a cooperator because we were socialists. No question as far as the Conservative Government looked at it. In fact, I remember an individual in Winnipeg standing up and talking about "us pinkos." I literally ate him alive after he had sat down, and he was taken aside by his senior people and said that he better never do that again. [Laughs] But I saw more than pink at that point.

NP: A really deep shade of pink? [Laughing]

DL: It wasn't really one of my finest moments, but he knew where I stood with me anyway. [Laughs] But that was one of the things we had to live with being cooperators. I don't know if that's enough explanation on it, Nancy, but I guess I just found the people believed in people, and that people working together could do more, and that people working together tried to look after each other. I mean, there was times that those of us in the positions of authority within the Alberta Wheat Pool, Sask Pool, or others, we had information that we could have advantaged ourselves. We knew when sales were coming on in fertilizer, we knew

what pricing we were going to--. But you just didn't do those things. I mean, it wasn't just the fact that legally you couldn't do those things, but morally you didn't do those kind of things. You sat on it, and you dealt like your neighbours did. You knew the price was going to go up, and when you were buying fertilizer, you paid the same price as they did. [Laughs]

NP: And my understanding of cooperatives is they like to make profits.

DL: Yeah. Profits isn't a four-letter word, and profits is a good thing. [Laughs]

NP: Like to make profits for themselves instead of--.

DL: For other people.

NP: For other people, that's right. [Laughs]

DL: And the other thing is that cooperators like to share that wealth with other people that have made that happen.

NP: Yeah.

DL: It's people working together, again.

NP: Now, anything else to say about the Canadian Grain Commission?

DL: Well, I guess the other thing is the grain industry over the years had supported it to the point of financing some things—CIGI [Canada International Grains Institute], for example—and these kinds of issues that became training grounds that the producers had no idea when we spent money on supporting an organization like Canada Grains Commission. The instructional abilities of the staff and what they could do in training potential customers or even customers that had been with us a long time that wanted a new variety of grain could do for them, what it would do. It paid dividends. I don't know if you could ever estimate how much it was worth to us in the long-term to customer development or customer satisfaction or keeping customers.

One of the things I used to find really interesting in international travel and that, you didn't deal with a lot of our customers that were prepared to pay for quality like the Japanese, for example, is one to use. The Koreans or whatever. I mean, it took us years to sell any amount of rye to Korea. They experimented. We mailed them a sample to start with, believe it or not, in an envelope, and it took us pretty well near seven years before we made any substantial sales. But they became valued customers, but this is how they

work. They're not in the market and out of the market quite the same. So we learn about our customers as well with an organization like that. So it was quite a learning process. I remember somebody asking me one day when I grew up, what was I going to do with all this knowledge that I was gaining? I said, "I'm really not sure, but I sure am enjoying it." But it was an education process, Nancy, of being part of the Pools in particular, but part of the grain industry from beyond the tractor seat that you would never get in any learning institution. Not ever.

[0:10:11]

NP: If you had to pick a thing or a top three things, what did you learn about the Canadian, particularly the international component, of the Canadian grain trade? What did you learn that was unlikely you would have learned if you hadn't become involved at the level that you did with the Alberta Wheat Pool?

DL: Probably the first thing and the easiest answer, Nancy, is the complexity of it. It looks pretty simple when you put an auger in a bin and take a truck to town and dump it in a hole, and there's something happening somewhere. They put it in a bin, and that will get loaded in a car, and it'll go somewhere. That's the simplistic overview that, as a producer, is all you need to know as long as the cheque was still good and all this sort of thing. But when you look at the complexity of it, I'm amazed, for example--. And it wasn't designed that way. Like quite often, human nature again being what it is, we tend to make Rube Goldberg devices out of simple things. But the complexity of the Canada grains system in total is geography. It's not the fact that you can just build a better facility and faster and what we do in the country, our geography alone creates some complexities that no one else in the world has to put up with. We've mentioned that before.

But I guess the offsets, like the adjudication ability of the Canada Grains Commission--. And I'm not going to go to the Canadian Wheat Board. That was almost as a divisive debate as it was with the Crow Rate. But that organization as it existed, I learned in the international marketplace the respect that it had that we did not have for it at home. It was valued in--. And not valued because it gave them a good deal. A lot of the customers said, "We'd rather deal with the producers because we can buy our grain cheaper." But the Canadian Wheat Board, for example, sold grain in 70 countries, and with the ability to sell certificate final with our Canada Grains Commission, the two working together, it paid huge dividends to producers at which we never appreciated.

NP: Why do you think that was, the lack of appreciation?

DL: Again, Nancy, as a producer, I would never had learned that. I mean, there is so much misinformation out there, some of it perpetrated intentionally. I think Hitler said it one time that, "Give me a person, and I can educate him when he's young. Tell him enough lies, and he'll believe it to be the truth." I wouldn't say that all of the information was lies or perpetrated in that sense, but

the lack of a producer's ability to assess any information--. I don't know quite how to term it. It's not that it was false information. It was information that was insufficient, and because of the insufficiency of the information, you couldn't make a reasonable judgement on it. The reasoned judgements became more of innuendo and beliefs, almost like a dogma. And because of that and because of--. I mean, I don't have time to read every paper that's documented to try to learn the truth about something, and if my neighbour's a good farmer, and he doesn't like the Canadian Wheat Board, for example, "Why don't you like the Canadian Wheat Board?" "Well, I'm not getting full value." He's thought about it on the tractor, and it makes sense to me, so I will pass that information onto the next neighbour that asks me why I'm against it and other people that had studied it. So then we have this division. Who's right and wrong? I don't have time to figure out who's right and wrong. I've got my own opinions and carry on. So, we never had the opportunity.

I guess if anything in my experience of leaving the tractor seat and having the ability to spend a little bit of time—and a lot of people that I worked with had good information, taught me a lot of things—and I saw it firsthand, I learned things I never would have just staying as a producer. Unfortunately, not every producer can sit in the seat that I sat in for a while and have that ability to get all of the things. Then I could make a reasoned judgement. It didn't mean I was always right, but at least I had an opinion that was based on some facts.

[0:15:06]

NP: You're talking about the Canadian Wheat Board and the fact that it was quite a divisive—is that right word—divisive--.

DL: Divisive issue?

NP: Yes, divisive issue. But in the overall scheme of things with the day-to-day interactions of the board of Alberta Wheat Pool and the Canadian Wheat Board, what--?

DL: We had our disagreements in our boardrooms. We did not agree with everything that they did. I mean, they had a fair amount of power, and we suggested to them that we were not going to do what they would like us to do, and there was reasons. In the discussion, sometimes they won, sometimes we did.

NP: Can you think of some issues that sort of expand upon why people would come from it from a different perspective, assuming that you're heading for the same goal?

DL: Yeah. I guess that part of the issue was having a buyback clause that you had to sell grain through the Canadian Wheat Board, but you could buy your barley back or you could buy your wheat back and then you could sell it privately. Because you had to pay pool prices, which was more than you thought it was worth at that time, but you thought you could get more money if you sold it. [Laughs] That was one of the issues, Nancy, in particular because they had absolute control, and there was lots of farmers that thought they could do better. Not unlike the fertilizer example that I expounded on a while ago, there was no question that there was moments in a year that farmers, if they had their truck at the border or were unloading in a US elevator, could get more money than they could at home. There was farmers at that time too who said, "I will take my \$5 now rather than the \$6 in the 16 or 18 months when I get a final payment." That was a trend that became more evident as people started to finance and grow larger, and they needed money now.

Farmers have the ability--. Like I know how to farm better than I can afford to. I have neighbours who can farm way better than I can and have the money to do it, but we have put ourselves into a financial box now where we are no longer in control of our destiny. We used to be more so, and I used to look at accounts and that, and account receivable were not huge. If you had a customer that had a \$100,000 agro-account with you, he was a pretty large farmer. Now several millions of dollars is nothing. The risk is a lot greater, both for the producer and the supplier of that, and that's being mitigated now. This is an offside again. I watch with a great deal of interest at how agriculture finances itself now. There isn't a supplier out there today that doesn't have the backing of Farm Credit. If I want to have an agro-account with any company, I have to have the agreement that the Farm Credit will pay my bills, and I owe them not the supplier. I have had to have gone to Farm Credit to get my ability to \$70 or \$100 million or whatever, but farm credit will back the supplier. Cargill--.

NP: Now, Farm Credit is--?

DL: Federal.

NP: Federal.

DL: Farm Credit. Like, they used to be just in buying land. Now they'll finance--. Like, it used to be you dealt with the bank for an operating loan. You can get operating from farm credit.

NP: Why not the banks? Are they backing out?

DL: Far more risk. It's not that Farm Credit doesn't have the ability to collect, but they look at things longer-term than banks. Banks have always been difficult in financing agriculture. They talk about they're in the agricultural lending business, and they are,

but they take so much security that they have absolutely no risk. With the way farming is today, how do you put up rented land for security? You're going to have \$1 million of product into the ground. None of that can be used as security. But Farm Credit, taking the long look at it and the ability of this producer to do things, they'll lend him a couple million dollars operating to put the crop in. And banks won't take that risk.

NP: You talked about how complex the industry is, and that was one of the complexities that came to my mind when you were talking about that was the whole financial aspect. So what was the Wheat Pool's interaction with the banks? Or were they operating using credit unions or both or--?

[0:20:23]

DL: No. Credit unions did not finance the Pools, not in Alberta Pool anyway.

NP: Any particular reason for that?

DL: Our accounts were too large.

NP: Oh, okay.

DL: I mean, just to finance our daily purchasing of producer stocks across the whole of the province, we might need \$8,000? million in a day. A credit union doesn't want to see that out, especially a small-town Vermillion credit union. [Laughs] I mean, our lead bank, Bank of Montreal, and then we dealt with CIBC and TD and Royal. We had different suppliers of credit depending on if it was a subsidiary or daily operations. But I mean, our track record said that we were no risk basically. We had prime less half a percent or two percent or whatever. We weren't a risk to the banks.

NP: Did you have a bank of choice? Or was it strictly a bidding system getting the best rate?

DL: That's a question to ask Wally. That's a good question to ask Wally. I know that we changed lenders as lead once when I was on the board, but Wally could answer that question a lot better than me. We met regularly as a board of directors and management, senior management. We had our chief financial officer, Wally, and a couple of other people from senior management that would meet with the banks, and we'd have a lunch with them a couple times a year, and we'd talk about the business and what we saw and all that. But that was a management issue. I mean, we regularly quizzed Wally on it and why--. I guess when I said subsidiaries as well, when WCFL got into some financial difficulty, we actually had our lead bank drop us, and we had one of our other senior

banks pick us up. It was just a change of accounts, and their books looked better, and the other fellows said, “Yeah, you’ll pull us out.” And we did. But it was an interesting scenario. It took a while to get that negotiated as well, and we were looking at \$100 million. Not small change.

NP: And I’m assuming that’s also something that became apparent to you, just the amounts of money.

DL: Oh, it was unreal. Just absolutely unreal. As a farmer dealing with \$10,000, and we’re dealing with \$100 million? [Laughs]

NP: What’s a few zeroes?

DL: Yeah! Just a way of keeping score. [Laughing] [Lawn mower runs] I’m going to have to get rid of that thing. That thing just cannot come--.

[Audio pauses]

NP: Person needs a bit of a change of scenery. I’m going to combine the next set of questions or we’ll never get finished, but I think they fold in on each other anyway.

DL: I’ll try to be more succinct. [Laughs]

NP: No, no. I would have sped you along if I felt I wasn’t getting good information. Major challenges, changes, and significant events.

DL: Of my tenure there?

NP: Yeah. And it might spill over.

DL: Major challenge when I went into the Pool? Somebody asked me about four days after my election and I was sitting in my office for the first time, and a news reporter said, “So what are you going to make different, Mr. Livingstone?” And I said, “If there’s anything that we’re going to do is that I’ve got to make sure that we can be flexible because,” I said, “there’s a huge amount of change coming.” And I said, “It’s not that we’re doing things wrong, but we’re going to have to be flexible enough to adapt to what producers are going to do.” And this was the start of when our scales weren’t long enough, for example, [laughs] and they were looking for faster opportunities and bigger opportunities and all this.

NP: So what year approximately would that interview have taken place?

DL: That would be in '84.

NP: Okay.

DL: And just starting to move. And then when I was president, that would be '87, they wanted to know what changes I was going to make in the Pool, and I said, "Well, I don't know of anything significant at this point, but flexibility again." And I said, "We're going to try to meet the industry as it will unfold because it's going to change dramatically." And we were seeing the new entrance there of Cargill and the other presence. I could see the issues that had been ongoing for so long as a delegate—the Crow Rate, the Canadian Wheat Board—but I made a comment once, and a fellow reminded me of this not long ago. He said, "You know, you told me 25 years ago that the Canadian Wheat Board would be the last issue that we had to deal with." He said, "I thought you were dead wrong." He said, "You were absolutely right." I said, "It will not disappear quickly, but the Crow Rate will," and it went while I was there. [Laughs] But anyway, that's part it. That's the significance. I guess I could see things happening to the way we did business, personally as a producer, was going to change dramatically because I could see it on our own operation.

[0:25:54]

NP: In what sense?

DL: Well, the way we sold things, the way we marketed. Like, marketing became the watchword. We had to become marketers. When we sold cattle out of our yard, we used to have a buyer come in the yard, and he'd pull out his pack of cigarettes, and he'd do some quick figuring, and he'd buy 100 cows from us, and it was a handshake deal. And all of a sudden, nobody would go into our yard, and if you didn't assemble at least 40 calves of the same weight and whatever and take it to an auction yard, you didn't market cattle. The regulations were starting to change and how we used the tools of our trade. You see that with the grain industry. Chemicals that we were using, all of a sudden, you had to become a licensed operator to put it on. Some of it was restricted to us. Regulations of environmental issues. We had a competitor that had a 10,000-gallon liquid phosphate tank split on him, and it broke him, just the environmental issues it created. It was handled badly, no common sense, but it was the issue of the day, and they trucked everything to Swan Hills to dispose of it when they could have spread it on a farmer's field and gave it to him and solved the issue. But common sense was not prevailing. Like, everything was changing at that time, Nancy. Labour relations, contractual arrangements. You had Philadelphia lawyers coming out of your ears to design the contracts right. The animosity within the industry. And I found that out--.

NP: Animosity in the industry?

DL: Animosity. I didn't completely understand it as much as I saw it when we did the Kroeger Process.

NP: What's that?

DL: That was when we did producer cars, railway costing, safety issues. Milt Fair worked on that one too, and I forget what Milt was doing.

NP: And what was it called?

DL: The Kroeger Process. K-R-O-E-G-E-R. He was an MP at one time, and they hired him to chair the meetings. We were supposed to bring about industry change that dealt with the railways and that. The first time I had ever experienced the animosity when the industry players were in the same room—producers, railway, elevator associations. I dealt with them individually as such. It was thick enough to cut in the air.

NP: Why do you think that that was? That now an industry that probably had been working pretty cooperatively, why now animosity?

DL: The issue at that time was everybody was at the table, and nobody trusted anybody. It was a question of trust more than anything, Nancy.

NP: And why no trust, do you think?

DL: Strategic advantages. You didn't want to reveal anything, and they were being asked to basically-- "Don't tell me--." Like, I talked to much. [Laughs] You couldn't get anything out of anybody that was at the table because it was a corporate advantage if, "I'm not telling you that my freight rates might be different here or there or whatever." Or "I'm not going to tell you that our elevation rates are not going to change this year because that's the corporate advantage we have." No one wanted to share the information that was necessary to resolve some of the issues that were getting thicker and harder to deal with. And when all the players were in the room, that's when the animosity was evident. Dealt with the Canadian Wheat Board one-on-one, that was not a problem. Dealt with the Canada Grains Commission one-on-one, not a problem because it was our issue in our corporate

boardroom. But don't put it out on the table in Winnipeg. And why is James Richardson going to talk about their long-term vision sitting at a table with Brant Randall and Wally Madill and Milt Fair? You just don't talk about those things. [Laughs]

[0:30:12]

NP: And the animosity didn't arise previously because the changes weren't being discussed? Or they hadn't got to the stage where you really had to seriously discuss them?

DL: The world was moving at a pace where the industry found it necessary that they had to deal with this en masse. Previously, they didn't have to, Nancy. The world was moving slower, and if Alberta Wheat Pool did something--. Not unlike what the auto industry found themselves in a few years ago. I mean, everything worked well. If it was good for GM, it was good for the world, and they were doing just fine. All of a sudden, the financial crisis came, and you pretty near lost three big players because they hadn't realized the world had gone beyond it and things had changed. That's what happened in the grain industry. Things had changed.

We had different players internationally, not corporately, but country wise. I mean, the breadbaskets of the world were back in business. We think we're significant in the world of grain. I don't know what the numbers are today, but I remember when I was around, it was four percent of the Canada grain trade in canola affected the world. Four percent. They didn't care whether we had a crop or not, and we were significant. You know? Russia, you know, everybody talked about Russia being such a bad operator, and they were going to starve to death and all that. When they went into the marketplace to pick up some grain, they took the Canadian entire grain trade production in a year to offset a slight deviation in their production. Like their numbers were huge compared to us. We were not significant players, but we tended to think of ourselves as that. Well, internally, the world had gone by us, and the grain trade hadn't caught up, I don't think, with what the world was doing, and we were tearing ourselves apart, and we had to do some things collectively. Cooperatively, if I can use the term, and nobody wanted to cooperate. [Laughing] It's just that simple.

NP: How necessary were the changes?

DL: Hm. [Laughs] That's an interesting question, Nancy. At my age, I guess that for the world to work as it is doing today, they had to be made. But the question could be subjective in the sense of my opinion. I mean, I'm prepared to go and run my sea-doo down there and spend the afternoon in a warm day. [Laughs]

NP: So this was the onset of globalization too.

DL: Basically. Basically.

NP: And free trade.

DL: It's all coming together.

NP: So all these discussions--. Okay.

DL: Yeah. The perfect storm. The perfect storm, as you described it. And that's correct. I mean, I could say that none of it was necessary. What we've done in a lifetime here, was it necessary? Well, it worked for us, and we made a living. Would I do it differently? Probably. Dad always said that if he had \$1 million when he started farming, he had made so many mistakes that he would have never recovered. [Laughing] It depends on your perspective on it, and I guess as you grow older, you have a different perspective on what is essential, necessary, and--. And I guess progress, whatever you might term progress being--. Was the Model T a good car? For it's time, it was marvellous. But you know, what the Model T developed I use in my tractor at home, but we do it with hydraulics now rather than levers and stuff like that. So there's really not a lot of new things. Do I want to go back to a Model T? No way.

So, the good old days, I don't long for them. I love what we've got right now. I love technology. I can't use a lot of it because it's beyond me. I've got to get my grandkids to set my timer on my video machine. However, I bought an iPhone reluctantly. I used to go in and just want a telephone. I mean, this is an old wood elevator. It's served me very well. I've still got a single-axle truck. I don't need a huge elevator. So, is that cement elevator good? I look at it with a different perspective than the guy who goes through with a Super-B. I use this iPhone now. I used to ask for a phone without a camera on it, and the little girl who was trying to sell it to me said, "You sound just like my mother." [Laughing] I now use a phone, and I text people, and Cheryl's got one. I mean, there's five iPhones in our yard, and everybody uses it for different purposes. We have internet and email, and you name it. And I love the thing. GPS in our tractors, and I love the technology that is there. I don't have mechanical problems anymore. I have technical problems, and it drives me wild. Do I like it? No. Do I like using it? Yes. [Laughs]

[0:35:22]

So that may answer the question of how the elevators and the grain industry changed. Some of it was internal, some of it was external, and all of it pushed us to what we've become. Whether it was right or wrong, I don't know. I do know that anybody that spent money in the industry beyond the farm gate billed the farmer for it. It is that simple. The industry we have today, the farmer is

still paying for it, be it freight rates, be it cost of chemicals, financing, size and scale, new tractors that we drive. All of it, the farmer was billed for it. We built the original system, and we're still building the new one, and it will always be that way.

NP: Did farmers have to become bigger in order to pay for it? Or it was just prorated?

DL: Depends what your desires were, Nancy. If I wanted new machinery--. And I guess the best way to answer it is just like us. We used to be pretty large farmers here, 2,500 acres. Not the largest but as big as most. We are probably now one of the smallest farmers in the area. We used to keep 300 cows. Now if you don't have 600 cows, you can't afford--. Like we used to feed with a 4020 John Deere, and it cost us \$8,000 for that tractor when Dad bought it. We have two tractors in our yard for [inaudible] right now, and they're worth \$150,000 a piece. It cost me \$6,000 to put tires on it. I used to get a tire put on the back of the 4020 for \$300. So, do I have an option? 100 cows won't pay for those tires, so I have to get bigger if I want to drive one of those tractors. Nice to run, very convenient, warm, cool, whatever. Love running them.

NP: Well, and as Mr. Swanson said, in many instances even if you wanted to stay small, you might not get parts for the old one.

DL: Exactly. So, I mean, that 4020 is 45 years old now, and when it comes up on the screen, it's blank. They cannot find me parts for it. I have to go to a wrecker if I want to fix it. And I don't fix it. I bought a skid steer, and we're driving three- and four- and five-year-old tractors, but it costs a lot of money, so we have to make more money. Costs me as much to put a crop in just here as small as we are as Dad used to make, and I've got to make more money than that to pay the bills, pay Rob and our daughter-in-law, and Cheryl and I the lifestyle that we desire, to build a building like this. This is standalone. It has nothing to do with the farm. But yeah, we can't seat 10 people here, serve you a meal at noon today, or you come in and have a cookie and a cup of coffee and expect to pay for this building. We have to have 160 people sitting down, and we have to run this thing all year. Farm's no different. Elevators did the right thing. They could not stay where they were because they would have no customers because customers demanded more. So, it was just a wheel within a wheel, and it spun out of control. Yeah.

I don't know what size we have to be. Like, there are farmers in this area that are farming 50,000 acres. We now have One Earth Farms and a couple of them that are learning to finance, and they're taking good operators that are farming large farms and amalgamating them cooperatively using all of their equipment, and they're looking at 1 million acres putting it together.

NP: What kind of farm?

DL: Just taking our neighbours that farm 15,000 and the neighbour down the road here that farms 10, and those two plus others that are doing the same thing, and they'll put all of that together. They provide the financing, the inputs, sales, marketing, all that sort of thing, and all these guys have to do is be good operators.

NP: Are they contracting, become contract workers essentially?

DL: If you want to look at it that way, probably, and they're guaranteed a pretty good income to do it. They have a track record. They're not putting together--. But there's huge pools of money looking for homes today out there—be it teacher's funds in Ontario, all those kinds of things—with a return on investment. And putting it together that size and scale are giving a return that the marketplace won't, so that's where the money's headed with the push of a button. So it's interesting, Nancy, that you ask that.

[0:40:13]

NP: Any indication—like I was just checking back when you left the presidency, and then you said you stayed on for another year or so, 1990 approximately—any indication then of what was going to happen to the Pools?

DL: No.

NP: Did you follow it at all from your perspective as an Alberta Wheat Pool--?

DL: Oh, daily. Daily, yeah.

NP: Yeah?

DL: Daily. Interesting. I had my vice president at the time. I put a sign on his desk one day, "Presidents shouldn't have vices." We got along very good. I really enjoyed Murray Schmitt. But anyway, no indication. But there was twinges within the three or four years after I'd left that putting things together did not sit well with me, but it didn't mean it was wrong. I mean, there was speculation when I left, and I guess everybody gets this within the industry. I was young enough at that time that I could have continued for quite a while, but there were some people that had suggested to me that had I stayed, things would have been different. I'm not sure about that, and I've told the people that have asked that question or made that statement, I said, "You're not sure of that. Timing is everything." And I said, "Probably I left at the right time. Nobody knew how bad I really was." [Laughing] Didn't have a bad track record at that point. But I said, "Things may not have been different. I don't know. I'd have to sit at the board table and look at the numbers and the issue at that moment, and I might have made exactly the same decisions, and the

industry would have changed.” And I’m not sure that you can stop the so-called wheels of progress. That could’ve been a disaster if I tried to say, “Hey, we don’t have to do that.” Because I’ve seen companies and corporations just disappear because they refuse to deal with reality. But I may have negotiated somewhat differently and who knows. We may still have had Pool 1. [Laughs]

NP: My understanding is that the reason for looking at amalgamation was financial.

DL: Yes. I guess, Nancy, when you ask that question, and there was a time, I mean, previous to me leaving—and Wally might tell you this as well—Milt Fair initiated it. We had a meeting in Calgary airport, and just a single blank piece of paper—and I’m not telling tales out of school anymore—suggesting that the Pools needed to get together. It was a necessary thing to do. I look back on it, and we did-- I said to you I’d rather ask for forgiveness than permission. Probably the biggest error that we made was we should have gone to our corporate lawyers and said to them, “We just put the Pools together. Make it happen.” But we went to them and asked them to put the Pools together in what was necessary, and of course, we had three different acts. We had a provincial act, Sask Pool was a federal act, and Manitoba was somewhat amalgamation and different in another sense, and our lawyers spent six months arguing about how they could get these acts together. They couldn’t get their act together, so it basically fell apart. [Laughs] But Milt initiated a talk.

And it became very evident. There’s a mark on the flipchart that was this big around, and we were a button beside it. This is Cargill and their international presence, and us with a Canadian presence in the world grain trade, as it was unfolding. And Milt was quite a visionary. I guess that’s why I had so much respect for him. And he saw the writing on the wall. And the other thing, egos got into it again, I mean, within our own organization. The first question is, “Who is going to be president? Who is going to be CEO? If we amalgamate, there’s a couple of us that have to go home.” Well, we were fortunate enough at that point. The timing was right in one sense. A couple of us were probably young enough to be chairman of the board, a couple of them wanted to retire, so there wasn’t an issue there. We could probably have bought out our two CEOs at that time and found somebody else, and that wasn’t going to be a difficulty.

But was Sask Pool going to be dominant? Of course, they were dominant in the grain trade, and Alberta Pool wasn’t sure they wanted that, and Manitoba Pool was going to disappear, and those kind of discussions among the delegates. So when they had a delegate meeting, it was strategically put together well, but animosity amongst our own ranks was evident. Some people enjoyed the job of being a delegate. Some people really enjoyed the fact that they were president or whatever. Like I said, I never intended to make it a career. If they had sent me home, it wouldn’t have mattered. So, we had some advantages, but all of the disadvantages came forth too, and they had to be worked through, and we didn’t have time to do it. Didn’t get it put together.

[0:45:42]

NP: Is there any truth to the rumour that the--. Well, the two did get together, right?

DL: Mmhmm.

NP: And became Agricore, so Manitoba Pool and Alberta Wheat Pool. Saskatchewan stayed out according to some rumours because of an argument about where the head office would be.

DL: [Laughs] There's some truth to that, I guess. It probably was one of the issues, yes. [Laughs]

NP: Well, it was an issue of Saskatchewan deciding whether Glencore could be successful in its takeover bid, so--.

DL: Yeah. It's all of the things you probably could name were evident and reared their ugly head over this one.

NP: So going back to even the animosity that you referred to earlier--.

DL: Within the industry.

NP: So, all these major changes necessary and not everybody on the same page or seeing winners and losers.

DL: And the co-op system in particular, Nancy, is a slow system. It's a very imperfect political system. We kind of skirted around the edge of that. Like I said, I talked with Milt and Wally, and it's the toughest organization to be the CEO of because you've got nine bosses that you have to please, where in a corporate structure, Wally and Milt would have chosen their board of directors, and they would have all agreed with him, or he would have fired them. So it was a simple structure. Cooperative structure is very complex and very slow, and that was part of the problem too of putting three Pools together. Sort of like democracy—a very imperfect system, but better than most things else you can find. [Laughs]

NP: Now when Agricore was formed, you were back to farming?

DL: Yeah.

NP: Did it make any difference to you that now there was an Agricore sign on an elevator as opposed to a Wheat--.

DL: Yeah. It tugged at the heartstrings. [Laughs] It was different. It was sort of the comment that I'd made to Leroy on the plane. Going public, borrowing \$200 million to finance what I didn't think was necessary at the time, I said, "You better have thought this one through, Leroy, because that's a huge amount of money to restructure a company that's paid for." And I said, "You're asking the members to pay for it as you restructure. It because it's got to be paid back." When they went public, the cooperative system was different because you've got different people at the board table, and they have different interests and most of it is economic. Not that--. And maybe that's one of the failures of cooperatives. Sometimes they don't make a hard decision economically, until it's too late. It's nice to be fair and nice to look after the guy and give the member a break because they had a tough year and all that, but it comes back to haunt you, because you have to make a very hardnose decision at a board table. It's difficult, and this is something that legal eagles point out to you. You can't lead with your heart. You've got to lead with your head. You've got to make smart decisions, not stupid ones.

[Audio pauses]

NP: [Laughing]

DL: We had to leave that good atmosphere out there.

NP: You were saying that the head-heart conundrum.

DL: Well, you have to--. People who are elected say, "My first responsibility is to the people that elected me." But your first responsibility as a director in any organization, cooperative or whatever, is to the cooperative. That's the first decision you make. It may affect your members negatively, but you still make it with the cooperative, the entity itself. That's the first decision you've got to make, and that's sometimes pretty hard to do because you know--. I mean, you've got to go out and explain to the farmer that we're just not going to rebuild that elevator that burned down. You're going to have to drive 16 miles further on pavement, but guess what--. [Laughs]

[0:50:17]

NP: Well, I guess that holds until the decisions become too negative for the majority because shutting down one elevator--.

DL: Yeah, that's the tough balance.

NP: Because if you think that the cooperative is the people, then if it's hurting all the people, is it worth--?

DL: That's when you have—maybe the last meeting—but you have that major meeting, and you try to take people through the scenario. “Either we disband and go home, or we must make this decision. There is no alternative that we can see.” And sometimes they send--. An entire board of directors home, and they re-elect some other people, and under new leadership, they were right. Sometimes that leadership is wrong. But you have two options when you're so-called a leader. The first option you have to exercise is you can say, “I am a leader,” but you have to check to see if you have any followers. [Laughing] Because you may be ahead of the pack so far—all by your lonesome.

NP: Yeah. And I think a cooperative is that, from what you said, is it that kind of organization that it's based so much upon what its membership wants that you can't be out too far ahead.

DL: Yeah, yeah. You can't. Or you--.

NP: So, education becomes a big part of your work.

DL: That's exactly right. And we set up an organization within ourselves, in a lot of cases, and the Pools were fortunate. We were financially strong, and we had PRs, our country service people or whatever. We stayed in constant contact with our members in so many different ways. Our managers were well educated. In a lot of cases. We had public meetings. The delegates had so-called Can programs that told the story as the annual meeting did it. Like, not everybody was a speaker, so they'd take a program out. PRs helped them, and we tried to educate out members, and we tried to do it in a manner that we could get a lot of our members out. Sometimes it was a piece of pie and a coffee and a movie, [laughs] and we'd send out surveys regularly. We'd get 20 percent return, which is huge in what most survey returns are. So we stayed in pretty good contact. But the education process was constant, and it was constantly changing.

[Audio pauses]

NP: I'm going to ask you about terminal elevators because they are near and dear to Friends of Grain Elevators' hearts. Alberta Wheat Pool at one time had a terminal elevator in Thunder Bay. Did you ever see it?

DL: No, I didn't.

NP: When did you first see a terminal elevator, and where? The big ones.

DL: I was a delegate, and I saw the Pool elevator in Vancouver. And actually, we had one in Victoria on the island. And two years after I—this is about '73 or '74—and they closed it and destroyed it. It was taken down, but that was the first time I had ever seen a terminal elevator.

NP: So taken down when? We're trying to keep track of these things.

DL: I would say '73, '74, maybe '75. Somewhere in that timeframe because I didn't go on a terminal tour the first year, and the second year I did, and I saw the Victoria, and I think they tore it down the following summer.

NP: What were your thoughts about terminal elevators? Any eye openers?

DL: [Laughs] That's probably an understatement, Nancy. I mean, here is this naïve country kid who got of a 4020 John Deere seeing this huge industry and never, never had a clue. Go onto a cleaner floor, and all these machines shaking and cleaning grain, and a belt of grain that was 48 inches wide and 2 feet deep heading for a ship and loading it at thousands of tonnes an hour. Mind boggling for a country kid to see all this, but an eye opener. All of a sudden, you began to get a concept that this industry was much bigger than a six-inch grain auger and a 542 combine, you know? And it intrigued me. I don't have any problem--. Like I said, I can't use all of the technology that's out there. I used to own an airplane that had a lot more capabilities than I did as a pilot, but I loved it all, and I wanted to learn about it. So I've always been that way, and I'm still that way. I guess it kind of keeps me going and young. [Laughs]

[0:55:30]

NP: So besides the size and the speed, anything else about the terminal elevators that struck you?

DL: Just I guess all of it was mind boggling in size and speed, but just how it did so much that we--. Like it was hard to believe that--. Like, I saw the boxcars being tipped at that time, and then hopper cars were just coming in mass. But how everybody worked and made things happen. Guys down there in the bottom tilting a car and putting in a paddle to run all the grain this way, and it ran out, and they tipped it the other way, and then it went back out. They did it with such ease and machinery that was there. Everybody seemed to work as a team, you know? The complexity of it was unreal. How that machinery dumped all the grain there, and when a ship come in, began to understand that this wasn't a simple operation. They could load a ship in the rain. There was such huge volumes of grain going, they didn't add a quarter percent moisture to it. The people that trimmed them and--. Where was it going? What were the complexities of it? Why was that ship sitting out there? Were we paying for that, and it wasn't being

loaded? [Laughing] All these questions started coming to my mind, and I began to understand. Then I started reading articles about we've got an issue in Vancouver. "What's the issue in Vancouver?" And started to learn more.

NP: So what were some of the terminal related issues that you had to deal with?

DL: Demurrage has been around for years, but that being one of them.

NP: Labour issues?

DL: It wasn't a big thing then, but it was starting. It was starting, Nancy, when I was a delegate. Labour issues were becoming more predominant when I became a director and was in the office fulltime. We'd have lockouts and these kinds of things. Why would we have a lockout? Well, sabotage. I mean, why would we lockout people? Well, it's amazing what happens to a grain cleaner when a crescent wrench goes through it. How do you pay somebody that is leaning on his broom going in a small circle and doing nothing? You might as well have him outside where he's doing absolutely nothing, and we know that everything is safe. It wasn't an issue where we dealt with, as a delegate, go to an annual meeting, and we were having labour issues, and we hadn't had a contract for 18 months, and it was still ongoing negotiations. If we didn't have a contract within three months, we had serious labour negotiations, and what was it going to do for shipping? It became, with the railways and everything else, it became more complex as it went.

The issues were higher intensity, higher charged numbers. When we did a contract, for example, on labour, if we gave a three percent increase across the board, the issues of compensation on the other end on the cost of the Pool was another three percent. Like we had a six percent increase to our bottom line. Those numbers were growing, and how do you keep people happy? Compare to what? I mean, our head office was in an oil town, and when you hired a chief financial officer, for example, you paid oil wages. You didn't pay grain wages. That became an issue and created some problems within the other two Prairie Pools. "I'd rather work for the wages that are paid in Alberta Pool," and it was only because of the town we were in. Or how do you get the town that you want? Can't afford this. The farmers are paying for this. You've got to pay several hundred thousand dollars for a good man. Can we find one in Regina that will work in Calgary? Because the wage scale was different. All of those began to escalate. So it goes back to your original question a while ago, Nancy, about was it possible to stay? No.

NP: The technology changes within the terminal elevators, were they occurring? So when they automated a lot of the systems.

[1:00:06]

DL: Yes. That was happening throughout the whole system right into our country things, and again, it showed how an industry is slow to adapt. We had a new elevator designed in Alberta, for example, and we used the Buffalo slope elevator. The first three had their problems, so we adapted that to a different one, but the people who supplied our handling equipment—drag elevators, legs, cup elevators and all that—they had no idea the capability of our technology with their technology, and we had outgrown them. We built a new-design elevator in Vermillion, which was one of the last things I authorized in my tenure, and it was a nightmare. We burned engines out and everything because the suppliers didn't know the capabilities of our new elevator. We became a laughingstock for a while, and you can't afford to do those kind of things.

United Grain Growers at that time actually hired our technicians to get their terminal up and running. They shut down for about six months and put a whole bunch of new technology in to automate, and they could not get it to work. Their computers went down, and they were putting grain in the wrong bins. It just was a disaster. Our people went over and gave them a hand. There was a lot of cooperation within the industry. We had a trader—actually, the head of XCan Grain at the time—what the trade calls “went sour.” He was dishonest and convoluted trades and circled trades. Took the RCMP nearly three years to design a system that could trace the trade because they couldn't do it by--. It took years. Cargill sent us over one of their best forensic people, because they've had that problem, and they said, “Hear you have a problem. Could you use one of our people?” It was just done quietly. We'd have a customer 100 miles away in somebody else's elevator phone call our office, “We have a customer of yours in our elevator. How much does he owe at your place?” That was why he was there. That kind of camaraderie within--. Like, we sort of looked after ourselves even though we were competitors. So the technology sometimes it was an issue, but there was help within the industry to find it. But yeah, none of the changes were made easy or cheaply, and there were some wrecks.

NP: XCan Grain, what made me think of that is you were talking about trading. Any comments on your connection with them?

DL: It was a good organization. It was a good organization for the Pools. We had a couple of very, very good senior chief executive officers that ran it. Originally, it was the right thing for the Pools to do. It gave us an ability to trade. We put some restrictions on ourselves, as I said. We decided that we'd only deal with Canadian grain. We probably could have become much more of an international player if we hadn't just tried to sell our own grain and dealt with an international grain trade. We dealt with them, but we sourced Canadian wheat, and it was restrictive because our competitors could do some things that we didn't. Not that we couldn't, but we didn't.

NP: Were you allowed to work with the Canadian Wheat Board? because they would have established connections so--.

DL: Oh, yes.

NP: So they were sort of the big--. I hate to use the term big brother, but from the standpoint of the senior--. [Laughing]

DL: It wasn't an essential element for XCan to work, but yeah, we could work with the Canadian Wheat Board with no problem. I mean we did as organizations and as a subsidiary for the three Pools. It wasn't a problem. But they basically traded non-board grains—canola mainly, peas. Interesting though, you got into--. You needed different acumen of the people that we had. Trading with other countries, for example, we had three shiploads of peas that took us a few years to get the money back on. [Laughs] It was based on--. If you want to have trade issues without any of the so-called regulations protecting you, you talk about health issues. Like, there was contamination in these peas. Well, there wasn't. Canada Grain Commission could prove that. We had documentation and certificate final and all this, but you've got to go through the international courts to prove you're right. And we proved we're right, and we got paid, but it took a while.

[1:05:21]

Now, this is where farmers get into trouble. They say, "Well, I can do what XCan Grain does. I can ship to Pendleton flour mills." Once it crosses the border, you're in a whole bunch of new rules, and they decide not to send you a cheque. What do you do? You don't, but as an organization, we could. I've said that to farmers on occasion because I've watched farmers in the cattle trade. They'll ship 40 or 50 pure-bred cattle across, and they never saw a cent. You try to deal with that internationally, very different than if it was an Alberta-Saskatchewan trade. You're in a whole different arena when you play in that league. So XCan Grain was very successful. XCan Grain was a very respected organization.

We had a fellow in XCan Far East, which was located in Tokyo, Japan, Eddie Umemoto. Absolutely a superb trader. First time I'd ever sat at a board table and looked at a number on the financial book, I said, "This number here--." One of my first meetings. I said, "Is that a typo there?" "No." Everybody grinning around the table wondered if I'd see this. \$1 million membership in a golf club. [Laughs] I said, "What? How do I go home and tell my farmers that we have \$1 million membership in Mount Fuji in Japan?" "That's where our business was done." We had a \$1 million golf membership! And there was a waiting list if we wanted to sell it, and we could've made money on it. But here's this naïve farmer in the country seeing a \$1 million golf membership, and I'm going to talk to farmers about it. I didn't talk to farmers about it. [Laughs] But I mean, that was one of the cute memories.

NP: Do you remember how to spell his name? When it comes back to doing the transcripts--.

DL: Eddie Umemoto. Y-U-M-O-M-O-T-O I think. Wally will know. Umemoto. Super guy and knew the Asian industry. Like he could sell refrigerators to Eskimos and stuff like that. And really, really astute. Very sharp. Could speak English well and could speak any other language necessary to make a trade. I remember walking around downtown Tokyo at 2:00 in the morning with

Eddie. One of my junkets. [Laughing] But it was interesting to see the industry international too, Nancy. We had one of the most modern crushing plants in Alberta, Alberta Food Products, and I was vice-chair of that. I spent a lot of time in subsidiaries as well. [Laughs] We had 80 people. We ran it three shifts. We could do 6 or 800 tonne a day. I think we got it up to pretty near 1,000. I think we made one year of profit out of six, trying to struggle in an industry that didn't understand itself here in Alberta. We had government competitors with a plant in Peace River country.

But beyond that, go over to Japan and go into Mitsubishi, four people crushing 1,200 tonne a day going into an 80-foot-high brick building with two automated robots shipping and receiving in the dark and in the cold, and a little brick building over there with about five people running computers and just going constantly. We had no idea about efficiency. They were customers of ours. They must have chuckled every time they ordered. They see 80 people trying to keep a plant at half the capacity they did with four. Those are the kinds of other things that I saw. Or going to Russia and see a huge industry that had no infrastructure to handle anything and couldn't deliver. Just the complete opposite. So, yeah. Anyway. [Laughs] Another aside.

NP: Did Canadian--. Because you visited Russia, and I just came back from Russia and took a picture of a terminal elevator there and wondered, "Who built that?" Do you know whether any Canadian companies were involved in building Russian terminal elevators?

DL: I don't know. No, I don't know, Nancy. I know that Alberta Pool had some technology, and we built—we put the technology, we didn't build them—in Brazil, and we built a couple of country and a terminal elevator.

NP: Did you have your own engineers then?

DL: Yes. We had our own building department, if I can use that term. They built concrete and tin and basically looked after the whole country system and Vancouver Terminal.

[1:10:13]

NP: What happened to Alberta Pool Elevators' archives, do you know?

DL: I don't know. The person that would, would probably be Dale Riddell.

NP: Okay.

DL: He's in Winnipeg.

NP: Yes, I've interviewed him. Nice man.

DL: Yeah.

NP: Did they have a newspaper or magazine that went out to members?

DL: Yeah. *Driveway Breeze*.

NP: *Driveway Breeze*. So there's probably copies of it floating around.

DL: Should be.

NP: And had a good collection of photographs and things and sort of a library?

DL: Yeah. Yeah. It's a good question you ask, Nancy, and I've wondered about it sometimes. Like, there was a lot of things. We had some pretty fine paintings too that were in the corporate boardroom. I don't know what happened with them. We still have one of them in the grain museum in Calgary. That's at the Stampede Grounds. And that is struggling now to find funding to keep it open, but that was a neat place.

NP: We're competing with them.

DL: Oh. [Laughing]

NP: I'm going to ask you a general question, then, and I think you've probably answered it, but just in case you want to add something else to it. You said early on that it's quite remarkable given just the distance that Canadian farmers have to deliver their product in order to be even a player on the international playing field. So what do you think are all of the ingredients, major ingredients, of Canada being a major international grain trader? What essential ingredients are there that we can do what we do do, as well as we do?

DL: I guess, Nancy, I can term it in a couple of things, and I've thought about this before, and it's interesting you ask a question like that. The buffalo industry—you say, "Now where is this going?"—the buffalo industry had a unique product, and they decided

that they could make it like beef, and they were going to bring buffalo in off the grass, and they would feed them grain, and they would have a better product. It's a good product, but it's not much different than beef. And they had a unique product, and they forgot about that, and they could've been head and shoulders above a lot, but it took them a while to get back, and they're starting to maybe understand that.

I think the grain industry in Canada has to make a decision, and if they make the wrong one it may be difficult to survive, I think, and this is where we may go broke. I'm not suggesting that I'm right on this, but I remember a couple of speeches I made, and I often wondered if anybody read them because I predicted some of this stuff 20 years ago. Anyway, if we decide that we're going to be a Walmart, we will not survive because we have competitors that are going to do it much cheaper than us. If we decide that we can do something unique as Canadian players in the grain industry, and we do it well, we will survive and thrive. It's just that simple. I'm not sure that we're not trying to become Walmarts. Now, with the consolidation of the industry, some of the major players in there, I think, may keep our uniqueness. I think Richardson's, for example, understand that. They understand the grain trade well. Cargill will use Canadian commodities if it suits a market, but they work in volume, and they work on slim margins. Volume and slim margins makes a lot of money, and if we were just volume players and Walmarts, they will use Canada as long as it's necessary, but they will pick up from wherever. But I think the uniqueness of our Canadian system—our climate, our ability to segregate an IP—we have that capability, and I guess that was one of the other things that really bothered me with our inland terminals. I could see IP coming--.

NP: IP?

DL: Identity Preserved. And you don't preserve very much identity of anything if you're going to make a homogenous solution out of a bunch of cars or grain, trucks of grain that come in and a 90-foot silo that holds 10, 15, 20, 30,000 bushels of grain. Where the old country elevator with a 5,000-bushel bin could segregate that grain and keep it unique because it was unique. It was a high protein No. 1 whatever grain, and we could keep it as an identity and ship it as that. That's where I say if we become a Walmart and just work on volume and that, the companies and the players in it will work well, but it will not be in the producer's interest because we can do some things on our farms—big or small—that are unique. If we can keep that as a Canadian product that's unique, we can get a premium for it.

[1:15:44]

NP: Can you give an example of that?

DL: Well, I've watched some of the big farmers move, for example, to high-yielding wheats, and they're just basically ethanol producers. They say, "Well, if we get 70 bushels at \$4, we don't have to wait." The Canadian Wheat Board was a problem at that time. "We don't have to wait for the premiums and all that to come in a pool, and we'll take the money now and run." I think that we can have designer grains, but our system that we've built won't handle them. And we're going to see people like the short line railway operators that have got \$1.5 million bins of 3,000-bushel capacity, they'll meet that market. They'll be able to segregate their own grain—cooperatively they'll do it as producers—and they'll get premiums for it, and they'll bypass the system that has a huge cost. And that's where I say sometimes some of these players have got to either deal with that or they won't get paid, and they'll go broke.

I sometimes think there's a master plan somewhere, that 10- and 15- and 20,000-acre farms, they can't afford to be unique because they get paid well to be bulk producers. So the system is being designed to keep the system that we've designed externally from the farms to keep it going. Look at the players. "I'll give you financing on all of the products." And need marketing expertise, Cargill will do that. He'll do that with a feed lot. And if you're a beginning young farmer and you can't get financing from your bank, why wouldn't you go that way? But that little guy that's got 2,500 acres like us and can produce an 80-acre field of specialty grains and somebody can preserve it for us—if it's my cooperative neighbour down there that's got this track shipping system—there's room for that player. So it'll be interesting to watch it change, Nancy. Because it will move.

NP: Interesting you say "interesting" because someone once said, maybe it was Bob Roehle said, "The only thing that the players can agree on now is that it will be interesting times."

DL: Mmhmm.

NP: Whether it will be successful or not. In the long-term, the fact that the major farmer-run and owned operations no longer exist—the Pools being one and the Wheat Board being the other—that's also interesting but up in the air, the fact that those no longer exist?

DL: Sad. [Laughs] Yeah. It's interesting. I guess the question I ask myself, Nancy, and I've heard other farmers say, "Do you think there will ever be another? Will we redesign it?" And I said, "Well, I don't know." I said, "There has to be an awful strong commitment." I said, "The issues that were there at the start of the Pools' development are bigger now." Huge amounts of financing necessary to start up a company. I've watched farmers try it, and they call them new-gen co-ops, and they take an elevator, and they finance it and upgrade it, and it works. It's just a cooperative way, a different way, of financing. It's not a co-op in the sense that if you put in \$100,000 and I put in \$10,000, my neighbour gets to use it ten times as much as I do. That's not a co-op. You know? It's in name only, and it's a new way to finance.

But yeah. There's always been interesting times. It's just how it will unfold. And I've reached an age where I'm still extremely interested in it. I would love to be part of it, but like I explained to somebody that wanted me to go to some meetings and become so-called important within the organization, I said, "I have now become part of the problem rather than the solution. [Laughs] And I'm a spectator." Not unlike a ballplayer, when the coach is looking for that absolutely superb ballplayer, they're out there. If you could just get the hotdog laid down and the soda pop and out of the stands, he would be a super ballplayer because he has all the answers. [Laughs] I'm a spectator now.

[1:20:27]

NP: You'd mentioned the grain facility at the Calgary Stampede, and Dale Riddell and I had talked about it.

DL: Right.

NP: I think the letter that we sent you introduced what we were hoping to do as Friends of Grain Elevators—and the Voices being a tangent from that—that we have put in an application for National Historic Site status for one of the, well, at one point it was a Saskatchewan Wheat Pool elevator, but it was actually a privately owned elevator when it was first built 100 years ago. So we've got that going to the National Historic Sites and Monument Board, but ideally what we would like to have is an interpretive centre representing the national nature and the export trade. Our focus is on, because of where we are, on the export trade.

DL: Yeah, exactly. Yeah.

NP: So what are the chances of our success? [Laughs] I will not put a number on it, but it's not zero, or I wouldn't be working on it. What do you think should be featured in that and focus on the grain shipping, grain handling, grain exporting aspect of it that would adequately represent Alberta Wheat Pool? What would you like future generations to know about what happened and continued to happen for 80 years, I guess?

DL: Hard question, Nancy. A lot harder than anything you've asked today. I don't know. I watched the change in the food industry. I've been part of it here in a different aspect. I'm not sure anybody cares anymore. It's unfortunate because, like I said, if you don't learn from history, you are doomed to repeat it. I'm not sure that we understand as consumers, of which I am one---. I have a little better understanding of the production of food than most, but that's only because I play in it. Most people that eat food really don't care. The biggest thing is, is it cost effective? Does it interfere with my budget for all of the other things I want out of life? And I don't care where it comes from. The fact that we have food issues---. And I've argued this in the industry as we went through seven

years of BSE here. I don't think we learned anything from that at all. Politically, we probably still couldn't shut down an area. I think we would shut down our whole country if it had foot and mouth and everything, and I mean, we should have learned enough about how to segregate and contain. We learned nothing from that. The fact that we had killer spinach. Actually, three people died. They can prove it, coming across the border, and it was not a border issue. Nobody has ever died from BSE out of North American cattle that they can prove, and it took seven years to resolve it. It shows that it's still a very live political issue.

The fact that we can get melamine in milk and products and that from China and it doesn't become more of an issue than a blurb in the paper a little bit. The consumer doesn't quit buying, because the price is right. Health issues. A niece that was out here is an exercise nut and a health nut, and she's good at what she's doing. Most people don't care. Most of our health issues are self-induced. I mean, I've got a son that smokes, a daughter-in-law that smokes. They know the dangers, and they won't quit. I've never smoked, and it doesn't mean that that's why I've lived this long. It's because I'm--. Like my neighbour said one day, he said, "I'm never going to die because God thinks I'll take over." No. "God doesn't want me and the Devil thinks I'll take over." [Laughing] So. You never know!

NP: It's interesting that you say, "Does anybody care about that history?"

[1:24:56]

DL: I would hope so, Nancy, but I wonder. It's a good question. What should they learn? I don't know what people--. Put it on an iPhone and maybe we can teach more people.

NP: Yeah. One thing I'm thinking about—I'll just run it past you—is--. And it relates back to our discussion about will cooperatives be missed. Some people have said about the Canadian Wheat Board that, yes, it was a good thing in its time, but it is no longer necessary in order for a successful Canadian export grain trade. So would the Prairies have looked any different if the Pools hadn't existed? Or was Alberta Wheat Pool and its sister/brother organizations a necessary element for success, or just a different element for success? Given a small country. I mean, you can just compare it, say, to the States. In the States, they built up a successful farming operation, but far more people.

DL: I can give you a facetious answer. They say that the success of a rain dance is timing. [Laughing] I don't know, Nancy. That's another good question. There's no simple answer to that. I mean, look at the dynasties throughout history that have come and gone. Rome basically ruled the world and disappeared. Britain ruled the seas. It is insignificant. The American economy is in disarray, and whether it will survive for a long time, I don't know. People still invest in the American dollar, but it could be a dynasty that's on its way out. So there was a time for the Pools. There was a time for my tenure with the Pools. Would I have done things

differently if I stayed? I don't know. If I went in there now, would I be effective? Probably not because it's changed. I was there at the right time. John F. Kennedy got assassinated, and the world carried on, and he was a super good leader, I think. History may not prove that to be true, and there's all kinds of different stories now, but--. So would it have been different? I don't know. Would we have gotten to where we are now if the Pools hadn't existed? Did the Pools--. Like I said initially, we were there to change status quo, and throughout the history of three generations, we became status quo. Maybe our time was up.

NP: Did the Pools prevent, as the railways did, north-south economic ties leading to being able to keep a Canadian country, because my understanding is one of the reasons that the money was spent to build the railways was keep the Americans out.

DL: Keep the Americans at bay and develop the west. Mmhmm. I think you're right.

NP: Yeah. And would railways have been enough, or were Pools--? Would the American companies have come in because they were the big players then? Who knows, eh?

DL: Yeah. It's a good question.

NP: I hate to think that they had no use.

DL: Oh, no. They played a role. I've asked myself that question, Nancy, personally. When we moved, never left the farm before, never thought about it. Found out there's life after farming. I mean, Cheryl and I have both agreed that we could move again if we had to or wanted to, but we don't. What would have happened to our family if we hadn't gone to Calgary? Our daughter married a person from—they met in university, mind you—but in Alberta, in Edmonton. Our son took a course in SAIT and became a chef, worked in Earls and stuff like that. What would have happened if we had just stayed home? Would they have married a couple of local boys and girls and all farmers, or would they have--? Like what impact did our move have on the life of our kids or our own? I mean, the contacts I've made, the travel I've done, my perspective because of some of the things that I've seen, would it have been different? Would I have influenced other people? Like I've asked the same kind of a question personally, and I don't have an answer for that either. [Laughs] Not much different than did the Pool have an effect.

[1:30:01]

Obviously, it did. It served its purpose for those that designed and built it. It served a purpose for the second generation that used it and basically took it to the heights that all of them attained. And whether or not it just idled and, like I said, it probably became status quo, and we lost it because the third generation using it. Farms do the same, and it's sort of 80 percent--. 20 percent of the

producers produce 80 percent of the production. That's almost the norm. I think it's true in most cases of farms, the generations—who builds, who uses, who loses. Not true in every case. Hopefully not in ours because either that or I've stayed too long. [Laughs] But that's a question that's always going to--.

I guess 100 years from now, we may be able to answer that question better than we can right now because the Pools have disappeared, and not that long ago. I mean, in history it's just a second or two. But did they have an influence? Did we design--. Were we models for other organizations, new-gen co-ops or whatever? Did it make communities work better? Did we learn? Like, I spent a little time in the last while, and I don't go to them anymore--. I did go back to Ottawa a couple of years ago. We were talking about designing a program. I happened to be fortunate enough to go through a program called Agri-leader here in this province. It was a three-year program financed by the cooperatives and READ, Rural Education and Development, and the province. It cost them a lot of money at that time, 28 or 9 years ago, and I looked at Alberta agriculture and industry. We were in the oilsands development. And 15 of us participated in it, and the northern people learned about southern Alberta, and we all learned about our province. Then we went into Ottawa, and we learned about Canadian government and how it works. Then we went international and looked at six countries in Europe during the economic community development for 21 days. It was a very good program. I, again, learned a lot both from the peer group I travelled with and also what we saw. It was very well designed and a good program.

So I look at what--. There's a great deal of discussion now on leadership, and we've got to develop agriculture leadership, and there's a couple of reasons. Most of the big farmers today have no time to go to a meeting. They become cynical because the meetings they go to are non-productive, and they basically become messengers to take home a message rather than listen to their ideas. It's a waste of time. So how do you get agriculture leaders to come forward? Well, companies are providing it, be it agronomists or whatever, and they become more forefront, and they're leaders in their own fields. But they don't have a broad perspective that some of this leadership program gives them. I said to the people in Ottawa, "Are you prepared to finance it?" Well, they were looking at it, but what would it cost? I said, "Fund 4H." I said--. 4H is a program that I watch, and I saw it with great interest when I used to sit at a desk and people would come looking for a job, and sometimes they'd stop in my office. Could I give them a recommendation? And I said, "I don't have to." I said, "You're a 4H-er aren't you?" How did I know? I said, "It sticks out. You can public speak. You can think on your feet. You have a presence. You're obviously a good person because you're competitive, you're keen." All of this stuff. I said, "They do that with a two-hour meeting for ten months for probably five years of a kid's life, and they develop leaders." I said, "There is no program in a school and nothing you can finance that will do better than 4H." I said, "Fund it. You'll have all the leaders you need." "Well, we didn't know it was 4H. Yeah, it's a good program, but we want to develop leaders." I said, "Just pick the people out of the potential. This program will develop them." I'm shooting in the wind at this point. [Laughs] But you know, we're always looking for the magic bullet and whatever it would be that "Eureka! We've got it!" It's not that simple.

NP: Yeah. Instead of, “It’s here, but it’s under funded.” [Laughs]

DL: Yeah, exactly.

NP: Yeah. Well, thank you very much. I’ve taken up a good deal of your afternoon, and a nice afternoon. I apologize for that, but I’m really pleased that you made yourself available.

DL: Well, thank you, Nancy.

NP: It was a great interview.

DL: I appreciate the interest. It’s nice to think that I have an opinion that might help somewhere. [Laughs] 100 years from now somebody will say-- [Laughing]

NP: 100 years from now, when you’re listening to us--some obscure masters or doctoral thesis that you’re doing--appreciate that we took this time. [Laughing]

End of interview.