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Company Affiliations: Saskatchewan Wheat Pool, Farm Credit Corporation

Interview Date: 18 June 2013

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Summary: Former executive director of policy and member services for Saskatchewan Wheat Pool Glen McGlaughlin discusses his career in agriculture economics and policy. He describes his first job with the Farm Credit Corporation and shares his observations on the changes to farming that changed the landscape of farm financing. He details his move to Saskatchewan Wheat Pool overseeing the research division and his new responsibility for analyzing proposed or implemented policy changes. McGlaughlin delves into the major policy issues of the time, including rail line rationalization, inland terminals, the Crowsnest Pass freight rate, and the Western Grain Stabilization program. He then discusses his move to executive assistant and then executive director of policy, where his responsibilities changed to overseeing and reporting on the activities of the three main non-commercial divisions. He also describes the major changes taking place to the Pool during this time, including the joint takeover of Federal Grain facilities, the amalgamations and privatizations of the Pools, the demise of the Canadian Wheat Board, financial troubles, and the growing animosity between industry players. Other topics discussed include the composition of the Wheat Pool board, the intended and unintended consequences of building inland terminals, the function of groups like the Wheat Growers Association, how the Wheat Pool handled corporate donations as a cooperative, the Wheat Pool's early involvement in the Wheat Board as an advisor, and the consequences of consolidation and privatization of grain companies on farm operations.

Keywords: Saskatchewan Wheat Pool; Farm Credit Corporation; Farmer cooperatives; Agriculture policy; Agriculture economics; Grain trade—Laws and legislation; Agriculture research; Grain industry research; Rail line rationalization; Hall Commission; Grain transportation—rail; Inland grain terminals; Country elevators; Grain farmers/producers; Rail freight rates; Crowsnest Pass freight rate; Western Grain Stabilization Act; Grain prices; Grain export destinations; International trade; Canadian Wheat Board; Canadian Grain Commission; Federal Grain Ltd.; Supply management; Boards of directors; Corporate structure; Amalgamation; Farmer meetings; Cargill; Alberta Wheat Pool; Manitoba Pool Elevators; United Grain Growers; National Farmers Union; Agricore; Agricore United; Viterra; Wheat Growers Association; Privatization; Megafarms; Farming—Equipment and supplies; Rural communities

Time, Speaker, Narrative

NP: It's Nancy Perozzo, and I'm conducting this interview in beautiful Cochrane, Alberta. It was just spectacular driving in here from Vermillion. I will just have the person being interviewed today introduce himself and say just a little bit about his connection to the grain trade.

GM: Well, thank you, and it's a pleasure to be part of this interview process. My name is Glen McGlaughlin. I worked for Saskatchewan Wheat Pool for 22 years starting in 1973, and I held a number of different positions within the Wheat Pool starting in the research position and working up to the position of executive director of policy and member services at the time of my retirement in 1995.

NP: Good. Now, that's a very quick encapsulation of a very interesting career. We had a bit of a chat before we went on tape and will spend a majority of the time talking about your career with Saskatchewan Wheat Pool, but I have not talked to anybody who has had experience with the Farm Credit Corporation. So let's go back to that beginning, but even let's go back before that. When were you first introduced to the grain industry? Did you grow up on a farm?

GM: Yes, I did. I grew up on a farm north of Rosetown, that's where my parents farmed, and following my completion of high school in Rosetown, I decided to go to the College of Agriculture not knowing for sure at that time whether I would farm. I thought perhaps I wouldn't because of allergies, but I always really wanted to remain involved in some fashion in the agricultural industry. When the opportunity presented itself to apply for a position with Farm Credit Corporation, the provincial one, based in Regina, I applied for the position and was successful and was posted to a territory initially in North Battleford.

NP: Now for those—and maybe many—people who don't know much about the inner workings of Farm Credit Corporation, what exactly was its role?

GM: The role of Farm Credit, it goes back many, many years prior to when I joined. It was called the Canadian Farm Loan Board and basically it was a federal agency established to provide long-term financial credit to farmers. There was a counterpart organization called VLA, the Veteran Land Act Agency, which did a similar service for veterans returning from the war. But the Canadian Farm Loan Board and its successor the Farm Credit Corporation was established to provide primarily credit for buying land and putting improvements on that land.

NP: Why was there a need for a separate organization instead of using just the regular banking system?

GM: That's a very good question, and I think if you go back to the history of the Depression, farmers had a very unfavourable—I guess would be a good way to describe it—an unfavourable experience with banks who are very quick to foreclose if you couldn't make your payments. I think it grew out of that concern and what they felt was unfair dealings with many of the banks at the time where some people said, "If you could afford to get the loan, you could get one, but if you couldn't afford the loan, you probably wouldn't get one." And so, the Farm Credit Corporation was there to provide an avenue for low-cost financial credit that they couldn't get from the banks at the time. That's changed now. Farm Credit still exists, but the banks changed in a big way and became far more aggressive in farm lending in the last 20 years.

NP: What was your job?

GM: My job in--. There were several territories within each province, and my job was to handle the responsibilities within a designated region and provide the process farm loan applications. We had to go out and appraise the farmland, prove that they were credit worthy, and make recommendations to the provincial head office in Regina for the loan.

NP: What did you like and dislike about that job?

[0:05:00]

GM: There was very little of it that I didn't like. I found that 99.99 percent of the farmers that I dealt with were honest and credit worthy, and I really had very, very few problems during my time in having to go out and make collections and perhaps take tougher action against farmers that didn't pay. It was very rare, and it was rewarding to see them help set up their families with additional farmland or help them build new homes, which I did. It was a very rewarding career, really.

NP: Was there a lot of vacant farmland in those days?

GM: No, but there's always a transition of people retiring, and they may not have children that are going to take over the farm. So land always comes up from time to time, and it's no different today, except farms are ten times the size they were when I was with Farm Credit. But they'd be adding another quarter, another half-section to their existing operation. By and large, farmers were still of a very medium size at that time. The farm landscape was well populated with farmers compared to today where you might drive ten miles from one farm to the next.

HNP: What was the relationship between Farm Credit Corporation and the banks? Was this an annoyance for the banks or a relief that they didn't have to--?

GM: [Laughs] I always had a good relationship with the banks because I'd often have to do credit checks because they'd have lines of credit. They'd maybe have farm equipment loans with the banks. So I would frequently go to the various banks to do credit checks on a client that was applying to the Farm Credit Corporation, and I always had a good working relationship with the banks. I think they—I'm talking back in the '60s now—recognized a need for Farm Credit at that time and were quite prepared to let them handle the bulk of the business. They would concentrate more on equipment loans and operating loans, and Farm Credit would tend to specialize in farmland loans. That was then. Different today. [Laughs]

NP: In what way or from what you recall--?

GM: I don't know the exact statistics, but I would think the banks have more than doubled their share of loans to farmers compared to Farm Credit. Farm Credit tends to be more of a residual lender today because the banks are very competitive with their interest rates. So there's less need for farmers to turn to Farm Credit for help.

NP: You mentioned that you started out as a field representative, and I know in our talk before the interview that you spent some time in Ottawa with the organization. What were you doing there, and what did you think--?

GM: Interesting--.

NP: What was the view--? Like, you saw it from being on the ground, literally, in Saskatchewan, and then you're at headquarters, quite far removed.

GM: And that was an element that I wasn't particularly happy about. I enjoyed my working relationship with the people in Ottawa, but interestingly enough, several years later—I think it was under the Mulroney federal government—that they transferred the head office from Ottawa to Regina, and I think it was the very reason they felt it should be more out in the rural areas where most of their lending occurred as opposed to leaving it in Ottawa. But I was in the research area as well in Ottawa, looking at analyses of farm lending policy and making recommendations to senior management on what changes Farm Credit Corporation might make to better accommodate farmers. I only spent two years there before I joined the Wheat Pool, but it was interesting.

NP: Can you recall—and this is going back because I think you said you started in 1965?

GM: Yes.

NP: And stayed there in one form or another until you went to the Wheat Pool. Can you remember what some of the issues were and some of the recommendations?

GM: Not as well as I should. There was always, I think, a bit of a controversy on what amount of off-farm employment you could have to qualify as a farmer. And I can't remember the specifics of our analysis, but that was one thing that was quite--. Because if you had too much off-farm income, you did not qualify to be an applicant for Farm Credit assistance. And there were a number of farmers even then, and certainly exists today too, that had bus driving jobs or maybe their spouse was a teacher where the income generated off the farm might have been as high as on the farm. That was a bit of a controversy, and they eventually modified their lending policy quite a bit in that regard almost to the point where you could be principally off-farm income and still get a loan with Farm Credit Corporation. That wasn't the case in the '60s. That was one policy issue that we did.

[0:10:52]

NP: Sticks in your mind.

GM: We did some work on, I know that.

NP: Ottawa is known as a very political place. Did you see any of the politics of the operation? You would have been very familiar with the day-to-day nitty gritty, but--.

GM: Yeah. [Laughs] Actually, it was fortunate in some ways that Farm Credit Corporation was a fairly independent crown corporation. It had a relationship to the Minister of Agriculture, but it was pretty much at arm's length, and I don't recall--. Keep in mind that I was pretty junior at that time. At the top management level, there might have been more subtleties of influence because it was operating at the pleasure of the federal government and the Minister of Agriculture. At my level, I felt quite honestly that it operated very independently, and during my time in the field, there was never an occasion where I was told that this certain applicant needs to have certain special privileges because of politics. I personally, as a matter of my own personal background, I intentionally did not belong to any political party for all the years I worked for the Farm Credit Corporation. I wanted to be perceived as politically neutral in my processing of farm applications. I don't regret doing that.

NP: Would you say that most of the people in Ottawa with the organization had rural roots like you did?

GM: Very many did, yes. Many of the people that moved through the ranks to Ottawa came from the branch level. When I say branch, there was a branch primarily in each province, and as people advanced through the branch level to senior management,

those people would be looked at as candidates for progression to the head office in Ottawa, which happened to be in the Sir John Carling Building. If you're familiar with Ottawa, that's where the office was located at that time. But yeah, many of those people--. Some of the people, in fact, had previously farmed prior to--. At that time, mainly prior to when I joined, they didn't necessarily need a degree to be recruited to a position with Farm Credit. Subsequent to when I joined, it was almost mandatory that you have a degree in agriculture before you would be selected as an employee. So there were a number of people older than I at head office that had at one time farmed and moved up the ranks.

NP: A question strikes me as a result of that. So you would have worked with those who had to have the official qualifications and those who had the practical qualifications.

GM: Right.

NP: Did you see a difference in how they operated or quality of decisions?

GM: Not particularly, but I can tell you there was a little bit of resentment from some of the senior people that weren't degree people that perhaps had a feeling that these new degree guys, well, they might have had the education, but they didn't have the smarts in terms of the practical knowledge that they had. So a little bit of tension there, a little bit with some of the older people until they ultimately retired and became replaced with, typically, degree people of some kind.

[0:15:03]

NP: Now, you had mentioned, again before the interview, that you had taken some time to go back to college while you were working for the Farm Credit Corporation. So you beefed up your official qualifications.

GM: Yeah.

NP: What did that extra education give you, do you think?

GM: Well. [Laughs]

NP: Besides two years of a change! [Laughs]

GM: Had I have stayed with Farm Credit, I think it would have--. Not unlike today, it's a passport, quite frankly, and it was a passport that got me the job with Sask Wheat Pool. Indirectly, they didn't know when they permitted me to go back to university that I was going to leave in two years. I had a requirement to stay with them for at least two years, and that's fair. But I did not particularly want to be a career civil servant in Ottawa. My parents were still on the farm, and I wanted to be closer to the agricultural scene in the west, and I wasn't sure that I was going to get that opportunity with Farm Credit. I thought I was going to be maybe stuck in head office for the next 30 years. So what I would have done had I have stayed, I don't know. But I do know that it was a requirement for the job that I subsequently applied for with Sask Wheat Pool where they said a post-graduate degree would be preferable, and I happened to have it and fortunately was successful in getting the position with Sask Pool. So.

NP: I'm not sure if you said the position that you had with the Farm Corporation when you went to Ottawa. You went as a--?

GM: As a research officer.

NP: Okay. In a fairly large research group?

GM: No. Probably eight people with a secretary and a director, and he reported to the general manager of the Farm Credit Corporation. It was a relatively small--. Four or five of us with backgrounds from--. Some of us came from different provinces. Typically, we all had degrees or post-graduate degrees in that division, but yeah, it was a relatively small department.

NP: So you moved on in 1973 to Saskatchewan Wheat Pool. Why did you do that?

GM: [Laughs] Well, as much as I liked my eight years with Farm Credit, maybe I was being a little bit on the selfish side, but I didn't really want--. Ottawa is a nice town, but it's a bureaucratic town, and the driving force more than anything was to get back west. There was a position that came up in the Saskatchewan government with a land bank. They created a land bank at the time under the NDP government, which I was kind of interested in, and that was a position that I considered as well. That didn't turn out, and the position was posted with the research division of Sask Wheat Pool, and I know there was a number of us from Ottawa that applied for it. [Laughs] But I was fortunate enough to get it. It started in September of 1973 with the Wheat Pool.

NP: What was it about the western grain industry that had such an attraction for you?

GM: It wasn't so much the grain industry per se. It was continuing to work with farmers. Because Sask Pool was the biggest cooperative in Canada, member controlled, at that time, it had close to 50,000 or more members back in '73. It was one of the

biggest farmer cooperatives in North America. That was the appealing part, that I could continue to interact and work on behalf of farmers in Saskatchewan.

NP: It seemed to be almost—in talking to people—almost an ethic involved in working for cooperatives versus going to work for Cargill or Richardson.

GM: Oh, yeah. My dad was a Wheat Pool member. I guess I'd rather work for a company that's dedicated to the best interests of Saskatchewan as opposed to a multinational corporation that is only looking at the bottom line and not so much their customer base. I mean, there is interest in that too in an indirect way in terms of what gives them the best profitability, but with a cooperative, the profits flowed back as a patronage dividend to the members after they paid the expenses. So it was win-win. You were working with farmers. You were hopefully enticing them to support the Wheat Pool operations, and if they made good money on their operations, they returned it back to the members. It seemed to make a lot of sense.

[0:20:40]

NP: When did your father start farming and was he the first of your family that--?

GM: Well, my uncle was older than my dad, and he farmed in the Rosetown area too. I was quite young when my grandfather died, and I don't know to any extent if he was a member of the Wheat Pool or not. [Laughs] But my dad started basically on his own in 1930—and of course, what an inopportune time to start farming—and had some pretty rough years as everybody did. So he farmed until 1975, and they retired in Regina because that's where I lived, to be closer to my kids [Laughs] because I'm the only one in the family, and my three boys—or our three boys—were their only grandchildren. So they rented their farm out in 1975 and had lived on that same farm since 1930. So it was quite a major departure for them to pull stakes and move to Regina where they didn't know anyone except us. That's what they did.

NP: Who owns that land now?

GM: My cousins actually bought most of my dad's land, and then he, some ten years later, subsequently retired—that farming wasn't for him—and he sold it to another neighbouring farmer. It's still being farmed by neighbouring people but not relatives.

NP: In '73 then, when you moved to Saskatchewan Wheat Pool, what was your position there?

GM: It was called research coordinator, and it was, again, a very small department that had been in existence for many, many--. Well, the Wheat Pool was formed in 1924. I don't know whether they had a--. They probably didn't have a research department per se in 1924, but certainly from the 1950s and '60s on, I know they did. The Wheat Pool was considered one of the major agricultural policy, not only a big commercial, cooperative, but was viewed as a major farm organization advancing farm policy on behalf of its members. And hence the research division personnel were there to analyze, react, help the board of directors react to government policy both at the provincial and federal level, and to analyze policy positions, to consider the--. The Wheat Pool had a very lengthy annual meeting back in my day, which went for ten days. Half of it was--. [Coughs] Excuse me. Half of it was dedicated to the debate of agricultural policy, and those resolutions that came out of the Wheat Pool annual meeting would be subsequently forwarded through the Federation of Agriculture at the provincial level, and if they passed there, they would then go to the Canadian Federation of Agriculture, which still exists.

The provincial Federation of Agriculture had taken on different names now, and it's not called that anymore. I think it's called Saskatchewan Agriculture Producers Association. And of course, as we said prior to the interview, it became more mixed with the advent of commodity groups, which also got into the farm policy mix, and sometimes the positions of those groups were different than what our policy was. There would be some to-ing and fro-ing, shall we say, to the minister to get our positions advanced. But anyway, that was our role in the research division was to help. We didn't lobby on our own, but we analyzed policy for consideration by the board, and it was the board members through the president that took those positions forward to the Minister of Agriculture, federally and provincially.

[0:25:07]

NP: Can you recall the issues that were front and centre when you first started in '73?

GM: Yeah. One of the controversial positions was the railways wanted to rationalize a number of rail lines, i.e., they wanted to get rid of them because they were considered too costly to maintain. About the time I arrived with Sask Wheat Pool, Justice Emmett Hall—former Chief Justice Emmett Hall out of Saskatchewan—was charged with a royal commission called the Hall Commission to examine in detail the whole rail line configuration in the Prairies. The research division of Sask Wheat Pool—they had a couple of people that were more principally involved in looking at that than I was—but the division did a tremendous amount of work looking at every rail line in Saskatchewan and making a determination whether we could agree from the farmer perspective that some lines could stay and some could go. That examination took the better part of a couple of years at least.

The other issue that came up shortly thereafter, I guess, was the whole issue of inland terminals, the question of variable rates. Again, that had to do with the railways. The railways wanted to be allowed to charge a different--. The Crowsnest freight rate

structure had been in existence since back in the '20s. The Crow Rate. I'm sure in your other interviews that you've had with people the Crow Rate had come up—very controversial in terms of whether farmers would be willing to let it go in order to create more efficiencies in the rail and grain handling system. Many farmers of an older nature did not want to see it go. They said, “That was the deal that was given to the railways in perpetuity in exchange for land that they were given, the CPR [Canadian Pacific Railway], and there's no way those rates should change.”

That issue kept rearing its ugly head for the better part of two-thirds of my career in one form or another only to have it eventually removed back in the '90s where they paid farmers a lump sum payment on their land in exchange for allowing railways to adjust to more competitive rates. So the Crow Rate, the rationalization of rail lines, whether or not the grain industry should move towards a more consolidated system with inland terminals. Issues that I had a fair bit to do with was the appropriateness of designing some kind of an income-stabilization program for farmers that would trigger in bad times. Farmers would pay into it. And ultimately, the Western Grain Stabilization plan came into existence during my time with the Pool. I'm not saying that I wrote the policy, but when I was director of the division, we had a fair bit to do with providing input to the minister on the design of that program. And farmers paid a certain amount into it, and the government contributed to it. Each farmer had his own stabilization account, and if his realized net income dropped below a certain threshold, a payment would be made to the farmer. It served a very useful purpose.

NP: Now, I recall, and this is just floating around in my head because I lived in Winnipeg for about 30 years--.

GM: Oh, did you?

NP: And it always seemed to me that the stabilization programs were always in the news.

GM: On the front burner. [Laughs]

NP: On the front burner. Why always such a political football, because it seemed to be that way that--.

[0:30:01]

GM: Yes. No matter how one tried to perfect it, there was always an argument from some that it was ineffective, that it lacked the responsiveness that it required. It was extremely difficult to get it perfect. I don't know. It's hard to know what is perfect. I happen to believe that it served a very useful purpose generally speaking, but some provincial governments who may have been a different political persuasion than the federal government would kick it around and say, “The fed's program was totally ineffective, and we'll have to design our own, or we'll have to augment it in some way.” Crop insurance, by the way, became a very useful program

too, which was administered at the provincial level, and it still exists. So between the crop insurance programs and the federal stabilization program, by and large, I think it served a very worthy purpose.

NP: And what was happening--because now we've moved into--. We're a decade later than when you started out with the Farm Credit Corporation. What was happening on the farms then? Were they stable or was it--?

GM: Actually, grain prices went up very dramatically in the early '70s. There was a glut, and actually, Otto Lang, who you interviewed, would have told you about a set-aside program when he was minister where they paid farmers to keep land out of production. And that was in the early '70s because we had a glut of excess grain. We were having trouble marketing it to export, and so the federal government designed a program to pay farmers an acreage payment if they would idle their land for a year. I don't think it was as effective as they hoped, to be very honest about it. It was a voluntary program, and many farmers thought it was a poor trade off. I forget what they paid. It wasn't a big amount, but they felt it was a poor trade off to take their land out of production, so many of them didn't. But in '72-'73, all of a sudden, the international market turned around. There was somewhat of a shortage of grain internationally, and grain prices doubled in a matter of 24 months. Anybody that decided to not take part in this land set-aside turned out to look pretty good because not only did they have a good crop, a year later they sold it for a price that was double what it had been 12 months earlier. As I recall, the Russians came in—and they had a drought over there—and they came into the market and bought Canadian grain.

So what I'm getting to is from '72 through to the early '80s was quite a prosperous time for farmers. As prosperous probably as we've seen for many years in terms of grain prices and, at that time, the cost of farm inputs had not gone through the roof, as it seems to have now. Farm machinery could be bought at a reasonable price, not \$400,000 for a combine, which is what they want now—so that decade from '73 through the early '80s. Then we got into a bit of a problem that affected the world economy, and that's when interest rates went through the roof in the late '70s, early '80s. Farmland actually--. I've always kept a pretty close watch of farmland even though at that time I didn't own any directly. But when you're working with farmers you're hearing what's on their mind. [Laughs] Some of them were paying 16 and 18 percent for their operating line of credit. There were farmers that went under in the early '80s because of their debt problems. It was a tough time for about five years—very tough.

NP: And what kind of impact does that have on a farmers' organization like Saskatchewan Wheat Pool?

GM: Well, it wasn't a pleasant time in some ways. Sask Pool, from a commercial entity, still was quite profitable because they make their margin on a tonne of grain regardless of what the price is, okay? They had to apply to the Grain Commission for their tariffs at that time, and those tariffs, if it was \$8 a tonne or \$10 a tonne, you would--. [Telephone rings]

[Audio pauses]

[0:35:34]

NP: It would have been pretty sopping wet.

GM: I wasn't going to do it today. They're okay.

NP: We were talking about the margin being set and the tariff being set by the Grain Commission.

GM: They applied every year through the Canadian Grain Commission [CGC], which is the regulatory agency responsible for the grain handling tariffs. I don't know whether that's totally been deregulated now or not, but that's what it was when I was with the Wheat Pool. So the point is whether wheat was selling for \$150 a tonne or \$400 a tonne, the Pool got its margin. So their profits were based on throughput rather than farm profitability. Farmers probably backed off to some degree on buying fertilizer, and that affected Sask Pool's financial position, but I would have to say that the economic crunch had far greater impact on the member than it did on the organization. So again, when I come to the annual meeting and considering policy resolutions, there was cries for meaningful--. That's where a lot of talk of stabilization grew out of, that if there was a serious economic downturn, there had to be some sort of a safety net designed to help not only grain farmers but cattle farmers and all types of farmers. That was the genesis of that early discussion leading to the development of the stabilization program.

NP: Now, one of the thrusts of our program to distinguish it from just a general farming industry one is on export items. So as soon as I hear farms programs and stabilization, I think, "Ah. So how's that going to be read by the competitors in the world?" So would you like to comment on that?

GM: Well, this was always an interesting debate because the Americans sometimes, not so much with our stabilization program, but as you probably have heard from other people you've interviewed, they always attacked the Wheat Board as an unfair competitor because it had a monopoly. And yet, it was challenged more than once in the international trade tribunals and so on. The Wheat Board's status was challenged by the Americans, and as far as I know, on every challenge, the Wheat Board's existence was upheld as being bona fide, because other governments have their own support programs. The Europeans have their common market programs for farmers. The Americans have their set-aside programs and their American Farm Bill that comes up every ten years. It provides very massive support in a different way to their farmers. So we were always basically able to defend the fact that this is a necessary ingredient to keep farmers on the land. If we don't have food--. We're not able to do anything else if we can't eat. Generally, that was, in most international trade discussions, that was able to be supported.

Where we're having difficulty more recently is under our supply management programs that do set, realistically, do set artificially high prices compared to what other countries are getting for their products. If you go across the line, you can buy butter, eggs, milk, cheese for 30 percent less, because we were just there a week ago. And I'm not making an argument to get rid of the supply management, but I can tell you it is substantially more controversial. If we're going to get a meaningful international trade deal, it may well be something that will have to be altered in some fashion, but that's not an industry that I'm overly--. Except I know in my farm organization circles that always came up at the Canadian Federation of Agriculture discussions. Quebec and Ontario have a very strong lobby for supporting the continuance of supply management for dairy, as an example. Anyway, that's kind of an aside.

[0:40:43]

The stabilization, which is not controlling production as such, it's just supporting income after the fact. It's not giving a direct support per tonne of wheat or per tonne of barley. It's looking at your income on a global basis and determining whether some support after the fact is warranted. The other thing that makes it supportable is the fact that the farmers themselves pay into it. It's not a freebie. It's not totally a freebie. It's like our Canada Pension Plan. We pay into it, and they pay into it. So it makes it more defensible, I think, than somebody saying, "Oh, you're just getting these comps and handouts from the taxpayer." They're paying into it, so I'm always putting on my farm organization hat here. [Laughs]

NP: Well, it's hard to work for an organization for that long and not buy into what they believe in.

GM: Yes. Yes. Do you want to put that on hold, and I'll top up your coffee?

[Audio pauses]

NP: You'd mentioned just briefly that one of the research items you worked on was the inland terminals, and of course, the term terminals just perked up my ears. So Saskatchewan Wheat Pool had a lot of operating terminals in Thunder Bay, so I suspect that the research you did on inland terminals could not have been done without some thought for existing terminals elsewhere. What can you tell us about--?

GM: Actually, your assumption, it might be valid, but in terms of my work, I had virtually no involvement in even considering the terminal end at Thunder Bay. My impression, all the years I worked for them, was they were functioning very effectively. The Pool didn't build any new terminals there. They did build one at the West Coast just prior to my joining Sask Pool, but for lack of a

better term, the Thunder Bay terminals were taken for granted as being an essential part of the system. And I never had any involvement whatsoever in examining the pros and cons of adding or mothballing any of the facilities there.

The inland terminal in the Prairies was controversial for the following reason. It was viewed by many of our farm members as an indirect way of forcing farmers to haul two or three times the distance that they had been used to. For many years, Sask Pool had a policy—and Ted Turner can reaffirm this because it was during his tenure—that farmers should not have to haul on average more than 15 miles, on average. That policy for the better part of my career remained as the cornerstone of Sask Wheat Pool’s policy in terms of where they built elevators and the degree to which farmers would allow them to close others. So when Cargill decided to build a—and I mention Cargill, and I come from Rosetown—Cargill built one of its first two terminals in western Canada: one at Elm Creek in Manitoba, and one in Rosetown. Shortly thereafter, farmers that were involved in the commodity group, at that time called the Palliser Wheat Growers—and I mention Wally Nelson as the founding president—were promoting the idea that we needed--. “Cargill built these two. This is the way to go. This was the future. This was the way to get more efficiency in the grain handling system.” And it wasn’t long after that farmers in the Weyburn area pooled their money together and built a concrete inland terminal. It was the first one apart from Cargill to my knowledge. It was the first producer terminal, and now there’s several, by the way.

[0:45:39]

NP: I saw them all as I was travelling across the Prairies. [Laughs] Or not all of them, but I--.

GM: Yeah. But it was the first one built probably in the late ‘70s. I don’t have an exact date. So what I’m saying is the reason that the Wheat Pool’s research division was examining what would be the consequences if the Pool were to even consider moving with an inland terminal model, because it obviously meant that if you build a big facility like that, the consequences would be that you would have to close a number of your wooden elevators in the immediate area, and would farmers be willing to accept that higher, longer haul? So we examined various scenarios, in other words. If we had this kind of a structure, what would the consequences be on our farm members, and what would be the consequences of the added hauling distance and so on? So that was the nature of it. It was totally different than the export terminals that were humming along quite nicely and did for all of my career. There might have been periodic shutdowns for repairs and maintenance and so on, but to my knowledge, well, I know for a fact Sask Wheat Pool never built a new terminal there.

Keep in mind, just prior to when I joined Sask Wheat Pool, they bought Federal Grain, and I suspect Federal Grain probably had an export terminal in Thunder Bay, and that became part of the ownership. The three Pools jointly bought Federal Grain, and Sask Pool took responsibility for the Federal Grain elevators in Saskatchewan, Alberta Pool took over the elevators in Alberta, and--.

Here's an issue I can't answer. To the extent that they had a Federal elevator in Thunder Bay, I don't know who ended up owning it except it was owned by the three Pools. But I don't know whether it remained as operating as three Pools, or whether Manitoba Pool took it over. One of the Pools. I can't answer that. But I do know that they bought all the facilities of Federal Grain probably around 1972.

NP: So did they have to form--.

GM: And that's documented in--.

NP: Ah, right. Okay.

GM: That's documented at length in this book, *Prairie Roots*.

NP: For that, would they have to—and maybe you don't know the answer to this—would they have to form a different corporation to take it over, or they could just make an agreement between the three of them?

GM: As far as I know, but you'll have to ask someone else that question. I don't. All I know is it already happened prior to when I joined Sask Pool. And here again, they ended up with some surplus elevators and probably ended up having to--. You know, if there was a Pool elevator in this small hamlet and also a Federal elevator, they probably only ended up keeping one.

NP: And the same thing happened in Thunder Bay and continued to happen as--.

GM: Exactly. Some rationalization.

NP: As, I keep on calling it “imploding”, but other people would call it “merging”. [Laughs]

GM: Merging, yeah. Yes. Exactly. Exactly.

NP: Now, we were talking about your work as the research person, and I'm sure because of the timing of certain things taking that we've probably bled into other responsibilities. You then moved onto be the manager--. Or is there anything else that you want to say about that early years of you--?

[0:50:03]

GM: No, I think that covers a fair bit of the work that I was involved in at the time.

NP: Okay. So you moved on to be what sounds to me to be like a--. Oh, what do they call it? An HR position.

GM: Yeah.

NP: So--.

GM: I wouldn't consider that a career highlight.

NP: How long did you stay in that position?

GM: I accepted--. It put me in a little different type of a role, and I spent only a couple of years in that function.

NP: What does that role do in an organization?

GM: Well, it helped other divisions if they were contemplating a look at their organization structure within the division and reporting relationships. What made sense? What didn't? And it wasn't that I had a lot of HR background, but the director at the time says, "Well, give them your--. You've had--." At that point I had six, seven years working with various management roles in the different departments in the Wheat Pool. He said, "I'm satisfied your background will allow you to fit in quite nicely," and I hope it did, but it allowed me to go to other divisions and help the division management examine--. If they were looking at creating a new position, analyzing the job description that was appropriate for the function that was to be carried out and the reporting structure. So it was kind of an internal consultant to other divisions. It was an interesting--.

NP: How would you describe Saskatchewan Wheat Pool's employee training function?

GM: By and large, from my own experience, I think by and large pretty adequate. As I advanced, they sent a number of people to different management courses. I happened to go to a senior executive management course at Western and spent five weeks there in London, Ontario, as an example. That wasn't cheap, by the way. [Laughs] It was probably--.

NP: A real money maker for the--.

GM: It probably cost--. I said to some people, "I'm kind of humbled by it all because I think the five weeks probably cost more than my four years of university in terms of tuition." But that's just the way it was. But they sent--. And I don't blame them. They wanted to see people that were serious about a career with Sask Pool before you send them to a course for \$5-6,000 at the time. But once you got to that level, I think they recognized that some further management training was desirable, and I was able to benefit from that myself, and I think many others were too. So I don't have a problem with the programs they had at the time.

NP: So you stayed there for a couple of years?

GM: Yes. And then, as I mentioned before the interview started, they created what had previously been the assistant corporate secretary—which was a more permanent function—to a position called the executive assistant, which is a corporate secretary. That brought you directly in contact with the board of directors on a monthly basis, working with the corporate secretary.

NP: And who was the corporate secretary?

GM: That was Jim Wright at the time. So they used this executive assistant position as a training role, that they would cycle people out of middle management through that role and hopefully position them to become division directors in the future, which happened to me. [Laughs] So that was a very good experience because I had occasional contact in the research division with various directors, but it was mostly with the president and vice president, who are full-time people in the office. The other board members I saw less frequently because they just came in on a monthly basis. But once I got into the position of executive assistant, I was at all the board meetings and privy to all the board discussion of not only policy but commercial, anything the Wheat Pool was involved in. Board meetings were typically, at that time, four to five days per month. So it was a tremendous experience to--. Not that I--. At that point, I was not there to influence their policy director so much as to simply hear what was going on and record.

[0:55:24]

The executive assistant's role was to record the board minutes. Take--. And it was all handwritten back then, not taped. Handwriting all the resolutions down, and then you'd give my handwritten notes to the corporate secretary, and she would try to read my writing and try to make sense out of the board minutes and type them up. They'd be mailed out to the board members and then subsequently reviewed and approved at the next board meeting. But that part I had less liking for, shall we say, in some ways, but hearing the debate was very insightful.

NP: Yeah. So--.

GM: Oh, sorry.

NP: Tell me about a memorable board meeting. Like how were--. I think almost every organization has its characters.

GM: [Laughs]

NP: As much as you feel comfortable, just give us an idea of how board meetings unfolded and--.

GM: Hm.

NP: Especially as somebody coming new into that position where you might have seen the names, but you didn't see them in operation. So here you see them in operation.

GM: Some board members were--. It wasn't that they were all very intelligent people in their own way, but some of them were very reluctant to contribute to the debate at all. So often it would be left to--. We had 16 board members, by the way. Three fulltime presidents—like a president and two vice presidents—plus two other executive members of the board who were not full time. They would go back to their farm after the board meeting was over, but they were part of the executive of five. In addition to those five, there was 11 others. I don't know how to--. In terms of memorable, that's a very difficult one.

NP: Memorable issue?

GM: Well. [Laughs] The issues that I spoke about when I was in the research division.

NP: Still were there? [Laughs]

GM: Particularly when I was into the role of executive assistant—this is back in the '80s—when the Crow Rate had not yet been put to bed. [Laughs] The Crow Rate debate. That created some very heated discussion. By and large, the board members were pretty well on the same page on most issues, and the reason for that was that they were taking their direction from the resolutions that would come through the committees to the delegate. The Pool had 140-some delegates in various regions. It was in 16 districts. Those resolutions would come to committees, and those committee meetings would be held, and they would advance—if they were approved—those resolutions through to head office. They ultimately would get debated at the annual meeting. So if a resolution came through the grassroots level and subsequently was approved as Wheat Pool policy, you were required as a board member to

support that, and they did. There was no board member running out and having an interview with the media saying, “This is a Pool policy, but this is where I stand.” That never happened. Thank goodness.

And so, while we’d have internal debates--. Like, for example, this inland terminal was far more controversial as to whether--. And the first entrance that the board finally became convinced via Milt Fair, who was CEO--. And I have a lot of respect for Milt Fair, and as did the board in terms of his judgement—came out of Alberta as a CA professionally. [Laughs] The government of the day decided in their wisdom to sell the government elevators in Moose Jaw and Saskatoon, today two locations. And I can’t give you the exact date of when that occurred, but it probably would have been in the late ‘80s, mid to late ‘80s. I’d have to say—and this is more on the commercial side in many ways—but the debate that occurred on the premise that the Wheat Pool, if it did not move on--. Even though they were built back in the ‘20s and ‘30s, you know.

[1:00:56]

It became known the government of the day had an interest in divesting its interest in those elevators, and they were going to be bought by somebody, and the price was very attractive. And the argument was made that, “If we don’t buy those elevators, they’re going to fall into the hands of Cargill, likely,” because Cargill already, you know, had entered the inland terminal concept. The board in its wisdom said, “Yes. We have no choice. We’ve got to get our toe in the water, and we’re going to do it on the basis that this doesn’t mean we’re going to go whole hog in building other inland terminals throughout the province. But in those two strategic locations, we can make a compelling argument that we should buy those terminals.” And they did and got them at a pretty reasonable price, as I recall.

NP: Did they operate them?

GM: Yes. Oh, yes. And they’re still operating. At least, I think, the one in Saskatoon for sure. I stand to be corrected on the Moose Jaw one. I don’t know. But certainly, for many years, they continued to operate them, yes. And I think they paid back the investment more than once. But that was their first entry into what you might call an inland terminal as such. [Laughs]

NP: Were there opposing views? Or most people felt that you had to do it, not because you necessarily wanted to, but because if you didn’t, somebody else would?

GM: It was a combination. It put the board in a very rough position, or a delicate position, given the longstanding position of the members saying, “We don’t want to be involved at this point. We’re not ready to get into these inland terminals. Our farmers are still relatively small to medium size.” Maybe 1,000 acres was the biggest farmer of the day. Well, there was some bigger, but on

average, five to six quarters of land with a one-tonne truck, and they didn't mind hauling 15 or 20 miles. But they didn't want to tell farmers that, "From now on, you're going to be looking at 50 miles or more." It took a clever public relations exercise to convince maybe some of the members that it was the right way to go. But by and large, as I recall, the fallout wasn't that bad. Most of the members came to the realization that, "If it ain't us, it could be Cargill, so it better be us." [Laughs]

NP: Did that lead to, from the standpoint of policy and long-term planning, to premature shutdown of some of the wooden elevators, community elevators?

GM: I think it was very gradual and transitional. There was no immediate--. And I think they did that deliberately, that it would really compound the concern if they simultaneously closed some wooden elevators at the time they bought the--. So I believe it was more of a transition over the next few years. Where are these elevators that--? To the extent that some of the business started to gravitate from the local country point to the formerly government elevator, as some of that business started to gravitate naturally to the bigger facility, then it allowed them to tell our committees out there, "You know what? We're not handling enough volume anymore to justify keeping it." But initially, as I recall, they didn't close any or very, very few. Ted was president, I think, although I could be wrong. It might have been Garf when they actually ended up buying that government elevator. It might have been Garf that was the president then. He would be better to answer that question.

[1:05:42]

NP: What was—and again, this may not be something that you recall or had knowledge of—what was the previous connection between Saskatchewan Wheat Pool and those government elevators? Were they using them at all? I sort of confuse myself about the--.

GM: I know. I know.

NP: They were sitting there at the request of the farmers, and then--.

GM: Someone else has got to give you a more definitive answer on that. They obviously were licensed to handle not only non-board grains—which was canola and flax—but they were also an agent of the Canadian Wheat Board, and I'm kind of thinking that the Wheat Board might have been instrumental in facilitating their use, not unlike the terminal at Churchill where it was Wheat Board. And that's some of the concerns that some people had when the Wheat Board became a voluntary agency that the facility at Churchill might end up not being used at all. It was used principally to facilitate the export of Wheat Board product, and I'm surmising that maybe the government elevators were kind of a marketing assist to the Wheat Board. But I don't know.

NP: I'll have to go back because we interviewed the fellow who was—Hunter, Dennis Hunter—who was the person in charge of them at the time they were sold off.

GM: Oh, okay.

NP: And I know there was some controversy about those elevators being underutilized.

GM: Prior to?

NP: Prior to.

GM: Prior to, that's quite possible. And you know--.

NP: And him being hamstrung in being able to market them.

GM: You know, that's perfectly understandable because the Wheat Pool naturally wanted to collect its handling revenue through its own facilities. So why would it direct grain to the government elevator? And it may well be that that's another reason why the government decided, "We've got to unload these things. They're losing money."

NP: And being reluctant to go into competition with anybody else providing the same service.

GM: Exactly.

NP: Yeah. Between a rock and a hard place, I would say, for that group.

GM: Jim Macdonald may have a little bit of insight on that too, but I don't know.

NP: Yeah. You know--.

GM: He may have.

NP: Yeah.

GM: But he was the director of our terminal division, principally in Vancouver and Thunder Bay.

NP: I don't know why he's not responding to us. [Laughs] Do you know anybody who knows him that I could say, you know, "Could you put a little bug in the ear of--?"

GM: The two presidents that you're going to be interviewing, he reported to them.

NP: Okay. And they may have kept in touch with him?

GM: May. I don't know that.

NP: Okay. Good. I'll note that. Beware Mr. Macdonald, I'm on the--.

GM: I realize we're on tape here, but have you or do you plan to interview any of the commissioners of the Wheat Board that have now retired? Like Larry Kristjanson or--.

NP: Larry Kristjanson's been interviewed.

GM: Oh, okay. Somebody at the commissioner level would be useful for you, I'm sure.

NP: Yeah. Anybody else that you would recommend there?

GM: Well, I would have recommended Charlie Gibbings, but I think he's the former president who became a commissioner of the Wheat Board. I'm not sure if he's still living. He retired out in the Kelowna area. Again, Ted Turner would know. But by and large, from a presidential perspective, you're going to get the best insight at that level from Ted Turner and Garf.

NP: Okay. I'll look forward to that.

GM: Yeah.

NP: One of the things that Doug Livingstone talked about, and since we're talking about terminal elevators and inland terminals and shutdown of community elevators, from his perspective with Alberta Wheat Pool, he was talking about the unintended but real

impact on shutting down, not just on the farmers but on the communities. Was that something that was front and centre or missed by the policy people?

[1:10:33]

GM: Yeah, I think it was in the background of our members' thoughts, but secondary, I would say. There are other organizations, town councils, and mayors and things of that nature that probably were more concerned about the closure of the elevator from their perspective in terms of business that it brought into the town. But I'm not saying the Wheat Pool was insensitive to that concern, but it was secondary to the impact on the farm member himself in terms of the added hauling distance they would incur if it was closed, as opposed to whether A, B, C, grocery store makes it or not.

NP: Or whether your taxes multiply.

GM: Yeah. I wouldn't want to say they were totally insensitive to that issue, but I don't recall hearing that as a predominant concern in the debates at Sask Wheat Pool's annual meeting. It was more of, "What's it going to do to my bottom line if I have to hire a commercial trucker to pick up my grain, because I could be forced to get rid of my small truck and spend \$30,000 back then to get a three-tonne truck, say." You know, that was more a concern.

NP: Yeah. And at the same time, Charlie Swanson, that's a name you're familiar with--.

GM: Yeah.

NP: He made the interesting point that at the same time as some farmers might be considering that, there were other farmers who had already bought the big trucks and could no longer deliver anyway at the smaller elevators.

GM: Yes. And again, that was where the direction of some of the commodity-group people were headed. They were typically bigger farmers I think it would be fair to say. They were bigger farmers than Wheat Pool members, and they probably did have the bigger trucks, and they probably would say, "I'm prepared to go another 50 miles if I can another 50 cents a bushel for my flax. I'm prepared to do that, and I'm equipped to do it." So, yeah, it's no question. There was that divergence of viewpoint at the time.

NP: This next question probably spans the entire length of your career.

GM: Yes.

NP: As organizations get bigger and leaner, sometimes their interaction with their members changes. Did you see that over time?

GM: Not during my career. And I alluded to the fact that the Wheat Pool intentionally kept the policy function separate through its head from the commercial side of the organization for that very reason. But as the Pool got bigger commercially, they wanted to ensure that their pulse of member concerns would not be compromised. This book goes into that in considerable depth. Not all the Pools kept that separate division like Sask Wheat Pool did, but that was a deliberate attempt to not water down or compromise the agricultural policy to benefit the commercial arm. So that was the structure that I worked with for all my career. That changed in 1995 when the Wheat Pool went public. [Laughs] And there were many members who were not terribly happy about the Wheat Pool going public, I might add. There had to be special meetings held throughout the province, and then ultimately there was an annual meeting to ratify, to give the board authority to proceed. It was not without considerable debate and significant opposition in some quarters that it would lead to the eventual demise of the cooperative structure.

[1:15:35]

And eventually it did, regrettably, because if you're going to cater to the interest of shareholders, who are not farmers--. Many of our members kept shares in the Wheat Pool, retained their equity. They were allowed to convert their equity into publicly traded shares, okay? The vast majority did that. They had the right to be paid out, or they were persuaded that it would be in their interest to keep their shares, which so many did. But the reality is, as over time as more and more of the shareholders were non-farmers from across Canada and across North America and even the world, they were interested only in one thing, and that was, "How do we enhance the profitability of the Wheat Pool? And who really cares about the member on the back 40?" [Laughs] And that was a concern of a good segment of the members at the time. "How do we continue to be sensitive to the members' concern out on the back 40 at the same time as satisfy the interest of investors who want their shares to keep going up?" Interestingly enough, the Wheat Pool got in serious trouble financially, and the shares at one point were around \$25 and dropped to 30 cents in a matter of four or five years.

NP: I'd like to come back to that because that's a pretty important change, right, or challenge?

GM: Yeah.

NP: But just before I do, I wanted to ask about when--. Did you say 1995 it went public?

GM: It was around '95. It was just prior to when I left the Pool anyway. It was within a couple of years, a year and a half, prior to when I left the Pool that they went public.

NP: Okay. So did that going public mean that the whole system of delegates and so on--?

GM: No, they kept the structure.

NP: Okay.

GM: But that didn't last too long. Eventually, the board had to accommodate outside directors who were not necessarily farmers, and eventually the delegate structure got watered down and reduced to the point where prior to it being sold more recently, as far as I know, it didn't have a delegate structure at all because it was no longer a farmer cooperative. It had ceased to be a cooperative. So.

NP: Did it cease to be a cooperative when it went public?

GM: Well, they called themselves a cooperative, but the legal status as a publicly traded corporation, I think. The cooperative word was in name only. I believe. [Laughs] I think it had to change its federal--. It was a federally incorporated company under the federal government articles of incorporation. And I don't know the specific details of that, but somebody like Ron Kasha who was around, who was our treasurer, who now lives in Edmonton—who reported to Milt Fair, by the way--. Ron wouldn't be a bad interview, actually. He spent the better part of 30 years with Sask Pool.

NP: Ron--?

GM: Kasha. K-A-S-H-A. He was the treasurer, chief financial officer, up at the time of his retirement. So there's no question the member side of the Wheat Pool got eventually diminished and reduced.

NP: You mentioned that it was a contentious issue to go public. Was there any kind of identifiable split in those that tended to support it versus those that tended to be leery?

[1:20:18]

GM: I would say we had a fairly strong contingent of members who identified themselves with the National Farmers Union [NFU], and that element were very much opposed as to the long-run impact it would have on our cooperative structure. It was principally that. You could call them more left leaning in many ways. But if you talk to Ted Turner, as you're going to, you'll find Ted was not a big fan of going public even though he had retired from the Wheat Pool. But I think he will tell you he had some reservations about it as well.

NP: Were there leaders that were able to--because, as you said, these decisions, once they're made, they're sort of voted on, and they're made, and you talk the party line.

GM: Yeah.

NP: So were there leaders who, obviously, were persuasive in light of opposition? Champions for the--.

GM: I would say the executive of the Pool at the time had--. Let's be honest. This was debated pretty extensively for probably a year and a half before they ever formally took it to a delegate meeting. Preceding that, I should tell you—and I'm sure your other interviews with Charlie and others would tell you—that the Pools made a very conservative attempt to amalgamate on more than one occasion and never pulled it off. I even argued with our president right up to prior to going public that, “Should we consider—” I urged our current president of the day, Leroy Larson, to have a discussion with his counterparts including Charlie. [Laughs] “Is there not--.” because there was this constituency of members that did not want the Pool to go public. “Why don't you look at other avenues?”

The reason for going public as much as anything was to access--. First of all, to be bigger on the world stage. That's number one because they saw the Cargills and others who were much, much larger. So it was being a bigger player on the world stage and having access to outside capital, which, as a cooperative, you really don't have the same degree of going public for money. Like a publicly traded company can issue new shares and raise additional capital, okay? As a cooperative, you could only raise it from your own members, and they have limited means. They did that when they built the Vancouver terminal. They assessed--. Ted Turner knows all about that. They actually had a member campaign to raise additional money, and they borrowed, I think, some of it as well to build the new terminal at Vancouver. But they had to do it more with their own internal resources.

So the argument in the early '90s was, “You know what? We're in a changing environment here where we're going to be looking likely at having to build other inland terminals to the tune of \$10 or 15 million apiece, and we don't have that kind of money. So how are we going to do it?” And the argument, the persuasive argument that prevailed, was that by going public we could issue shares to the general public, to investors, to allow them to put in the infrastructure that would be needed. That was the argument.

But anyway, the Pools had attempted on at least two occasions in a very serious way in my career to amalgamate, to form one Pool. For a variety of political reasons, every Pool wanted to have its own little turf. I can't put my finger on all the reasons why, but it just never happened, never happened.

[1:25:09]

NP: Now, what I've heard from others is that it all hinged on where the head office was going to be located.

GM: That was part of it, and also who was going to be the CEO. There were three eminently qualified CEOs of which Milt Fair was one at the time, and they would have to make a decision that two out of those three were not going to be CEOs. And yeah, the head office was somewhat of a contentious point. Manitoba, I think, made the argument, "Afterall, Winnipeg is where the Wheat Board is. It should be here." [Laughs] I don't know whether that was a deal breaker, but it was part of the debate for sure. It was.

NP: Would you say that with three different leaders, a decision might have been different?

GM: No. I really don't think so. When you say leaders, do you mean three different presidents?

NP: Well, let's not even just leave it to three different--.

GM: Because the delegates--.

NP: Three different--. Yeah, I guess, it would be presidents that sort of--. That with--.

GM: They could have--.

NP: And it's just a mix. I'm not blaming one versus the other, but just--.

GM: Oh, no. But I hope you keep that question for your subsequent interviews with Ted and Garf because they were in the middle of it, and they had, obviously, confidential discussions with their counterparts that I never had privy to.

NP: Is it an unfair question, because I hate to annoy people. [Laughs]

GM: It's not because, you know, the delegates did--. I think I'm correct. Manitoba, on the last time this came to the floor--. Alberta Pool delegates and Saskatchewan Wheat Pool delegates all approved in principle to proceed, and I believe I'm correct in saying Manitoba delegates did not. On the very last round, they did not. They had reservations. They had some certain qualifications or whatever, and so it did not advance, and that was another reason why the management of the Wheat Pool—more management than board—persuaded the board that we have no choice. If we can't get the three Pools together, we will have to go our own way, and going public is the avenue to get the capital we need to be a world player. And eventually the delegates ultimately came to the realization that there was no other choice. So you can't be critical of the board of the day doing that really.

NP: Hindsight is--. What is it?

GM: 20/20.

NP: 20/20, that's the--. [Laughing]

GM: At least that's the one I know!

NP: That's the figure I was looking for.

GM: That's the one I know.

NP: Hindsight is 20/20. [Laughing] Looking back now on that whole issue and outcome, with the exception of what we were talking about just now about if someone hadn't dug their heels in or if some group hadn't dug their heels in, was there an option?

GM: I'd like to think that the Manitoba--. Given the fact--. I think I'm correct in saying that the Manitoba delegates, at their special meeting, turned it down by an arrow. I could be naïve, but I like to think the executive could have maybe been more persuasive to convince them that, even if we lose the head office, it would be in the greater interest of all the members of the Pools to do this." I certainly felt that way.

NP: Strongly or--?

GM: I felt pretty strongly that as compared to going public--.

NP: You shared the National Farmers Union concern that--.

GM: I shared the fact that we needed to try one more time somehow. It might not have delayed going public by the three Pools ten years later, might have, because after Sask Pool went public, United Grain Growers [UGG] in a few years, a very short few years thereafter, went public. But it would have provided, in my view, another decade of stability without changing the financial structure and keeping the cooperative arm intact, okay? That's why I was persuaded that it was so close to happening that it was worth trying again. But I wasn't a board member. I could only put in my two bits to then president Leroy Larson. He lives up in northern Saskatchewan, so you may not have a chance. You're going to get those perspectives from Garf. He was in the middle of that going public, so he'll--. Going public happened after Ted Turner, but Ted has some perspectives. He's a very astute person, and he won't be shy about his opinions. [Laughs] And that's good.

[1:31:17]

NP: Yeah. No, that's good because why have a history project that doesn't tell the story.

GM: Yeah. And I really would like you to advance this idea of did they try hard enough to amalgamate?

NP: Okay.

GM: I shouldn't be telling you what to ask.

NP: Oh, no, no. I appreciate that.

GM: But I think it--.

NP: And I probably didn't, when I talked to Mr. Swanson, I probably didn't go--.

GM: Yes, is that right? Well, then this is an opportunity.

NP: I think because I hadn't talked to you, and I hadn't talked to Mr. Livingstone, so.

GM: Well, often there's new things. Every interview new things crop up, eh?

NP: And thank God, because otherwise I'd be bored stiff! [Laughing]

GM: That's just my own little bias for what it's worth.

NP: And that's why I'm interviewing people. I said it's your story. It's your take on things, and I think it makes it very fascinating for somebody listening to these and saying, "Okay--."

GM: Can I give you another reason?

NP: Sure!

GM: When the three Pools chose for a variety of reasons that they just couldn't pull it off, Don Loewen subsequently became the CEO, and I would argue that had the three Wheat Pools been a cooperative, joint organization, the financial troubles that Loewen--. I don't blame Don Loewen exclusively. Don Loewen reported to the board of directors. I had an interview with a master's candidate at the U of S, and I was asked about—a master's in economics whose thesis was on the evolution of the grain trade and so on—and I said then, and I'll say to you, if you have a strong board--. The CEO doesn't have free reign to do whatever he or she wants, and they allowed Don Loewen to do things that I think turned out to be a disaster. So am I critical of the board? Indirectly, I kind of am.

NP: Now, that board was--. You mentioned over time the board became less delegate based and more investor based.

GM: Investor based.

NP: Did those decisions which entered into--.

GM: They had not only their farmer board members, but I think they started out with two or three external. They were businesspeople. They had a broad knowledge of different things. So it was more difficult, let's put it that way, for a farm board member to resist the temptation to--. The Wheat Pool ended up building grain terminals in Alberta--Sask Pool. In direct competition with Alberta Pool. Terrible! Maybe from an investor--. You see, the argument was, "Well, if Alberta Pool is not going to cooperate with us, we'll just go in and steal some of their business." And so, they ended up building some terminals in Alberta. They built another one in Brandon that made Manitoba Pool not very happy. But that was going on in the late '90s after I left. What were they--? They were compromising their own membership within the three Pools as to whether they delivered to Manitoba Pool in Brandon or whether they delivered to this new publicly traded company called Sask Pool. It created animosity to be honest with

you. And you know what happened? Manitoba and Alberta ended up joining United Grain Growers, not Sask Pool. [Laughs] And then they eventually became Agricore.

[1:35:11]

NP: And Agricore United.

GM: Agricore United. And it eventually got taken over by Sask Pool after they were public.

NP: Now didn't you guys know what you were doing to the Thunder Bay waterfront? [Laughing]

GM: There was a lot of paint required!

NP: And my project. I was going to ask someone--.

GM: They probably had to paint the terminals about five times.

NP: Well, I think I did ask Charlie Swanson, "How much did it cost to repaint?" And he said, "We just changed the signs." [Laughing]

GM: Yeah! Yeah, yeah.

NP: I laugh, but--.

GM: So, I'm defending--. If in 1995 the Pool had have put this all together, we would have had a decade of stability. I honestly believe that, and I defy anybody to give me a counter argument on that one.

NP: And we might already have our interpretive centre in Thunder Bay because we had to put moving to the industry for support to go to the feds on the backburner while all this was--.

GM: While all this turmoil was happening.

NP: Yeah. All this terminal turmoil was happening. [Laughs]

GM: But we can't turn back the clock.

NP: No, you can't turn back the clock.

GM: I don't want to be cited as--. I wasn't in that position, so who am I to say that--.

NP: Well, and we did preface this by saying this is 20/20.

GM: It's 20/20.

NP: Hindsight is 20/20.

GM: It's just my--.

NP: Take on it.

GM: I've been around. I'm long in the tooth a little bit. [Laughing]

NP: You mentioned something—and this is just as an aside—you mentioned something about Mr. Nelson.

GM: Yes.

NP: And Mr. Nelson was a Saskatchewan Wheat Pool--.

GM: He might well have been a member, but he was not involved in the democratic process.

NP: Okay.

GM: He, for reasons that he'd have to explain, became disenchanted with the Canadian grain handling industry, I guess, would be a fair way to put it. And saying, "It's not progressive enough. It's not proactive. It's not advancing efficiencies." That's his words. "And so, let's create a Wheat Growers Organization that will advance some creative ideas on how we might restructure the industry to make it more efficient and so on." That was the reason that it was started, I guess, in the early '70s about the time I joined Sask

Wheat Pool to be honest—just prior to. He was the first president, anyway, of that, and Alana Cook, she was not president, but she was the executive director. She was the head staff person. I think she has a farm near Balgonie or somewhere east of Regina. I know her. She's a very professional woman. But she could tell you. If not Wally, who? [Laughs] In the early years of the Wheat Growers, they had other executive members and so on that might still be around that could share their side of the story.

NP: And other than their push to loosen—and I don't know if you agree with that use of the term—loosen the control of the Canadian Wheat Board, were there other efficiencies that they were trying to push for?

GM: Well, they were onside with revising the Crow Rate as well. “Let's go to variable rates where bigger--.” That ties in nicely with an inland terminal because an inland terminal could spot more railcars than a small wooden elevator that maybe could only spot five cars. The inland terminal could spot 50 cars, and therefore the railway would offer them a cheaper freight rate as an incentive to build a bigger facility. They thought some of that should happen, and ultimately it did, but it took the better part of 20 years before it did happen. And you know, that delay was--. It was probably more accepted when it did happen in 1990 than had it have happened in 1975. Farmers had already enlarged their farm operations. They'd already bought bigger trucks. They were more equipped. They were better educated.

[1:40:07]

That goes back to the debate of the Wheat Board. Many Alberta farmers wanted it to be a voluntary board for many years. The counter argument from Butch Harder and others was that if you eliminate monopoly control of the Wheat Board, you lose the reason for having a Wheat Board, because if they've got to go out and compete with everybody else to originate grain--. Australia tried it. Butch is right. I know Butch pretty well. Butch is right. I don't always agree with Butch on everything, but Butch is right on this one. Australia decided to quasi-privatize the Wheat Board, and it lasted about four or five years, and it's no longer in existence. It just can't function effectively. And I wish the current Board well—whoever is left—but I'll be willing to be by 2020 it won't be here either.

The point being this—and I do, having a little bit of education, understand in this day of information technology where you can tell what the price of something is in Turkey if they want to buy your pulses—it's a different world, and these more progressive farmers can do this right on their laptop. And their argument is, “We don't need--. I'm sorry, but we don't have the same needs my grandfather had when he didn't have a computer.” And I understand that. They are the bigger farmers, you know? And probably they're going to take some hits. They're going to hedge some grain at a price that turned out to be not as profitable, but that's the reality of an open market. And the argument that they made up to last year when they eventually changed it was, “Look it. We're growing pulses. We're growing peas. We're growing canary seed. We're growing flax. We're growing canola. That might

represent 60 percent of our income, and we're doing quite nicely with these products, and they're not through the Wheat Board. So don't tell me I can't function without the Wheat Board." That's their argument.

So it's kind of hard totally to tell them they're liars. [Laughing] So it tended to be the older farmers of my age that are still farming that wanted to keep the Wheat Board as it was, including the National Farmers Union, and predominantly the 45 and under farmers who think, "You know what? I may still sell some of my grain to the Wheat Board, but I don't want to feel compelled that I have to sell it all to the Wheat Board." So that's what we're left with. I was digressing there a little bit.

NP: No. Well, we would've come to that anyway, so that's not a problem. But I don't want to lose track. Remember you brought up the situation of once the Pools decided to go their own separate ways, and in the case of the other two, to join forces, that Saskatchewan Wheat Pool got into difficulty.

GM: That is right.

NP: The share--.

GM: The shares dropped from about \$25 dollars. I'm approximating. They went up nicely when they first were listed on the Toronto Stock Exchange at about \$12.

NP: Now, were they listed as Saskatchewan Wheat Pool or were--?

GM: Yeah. SWP.

NP: When did the Viterra name come into it?

GM: Viterra, that came--.

NP: Oh, that came when they--.

GM: When they bought--.

NP: When they bought out Agricore.

GM: Agricore.

NP: Right. Okay.

GM: That came about when they bought Agricore. So it traded under Sask Pool letters for a few years. Their credit rating started to drop and drop because they were borrowing to build these terminals in other provinces that they really had no business doing, in my opinion, but the board agreed with it. So, so be it. They were getting their financial--. The investment community was starting to give them not very favourable ratings on their credit worthiness, and consequently, that affected their share value. And consequently, how do you raise money from selling shares if they're not worth anything? They went down to 30 cents. As a pensioner, I was a bit worried. We have a separate pension plan, and it's federally regulated, and it had a pretty good nest egg, but you know, there's a worry as a retiree, "Is this company going to be able to honour future commitments even to the pension plan?"

[1:45:20]

Now, I'd have to say when they hired Mayo Schmitt—and I don't suggest you interview him because he'd basically--. Well, he come out of California, hired by the board and Leroy Larson. I was pretty skeptical. "Who the heck is this guy, this import?" I'd have to say, right now, that he turned Sask Wheat Pool around and made some tough decisions and reduced staffing in many areas and got rid of some unprofitable enterprises that the Pool had got themselves into. He was the CEO when they sold to this Glencore. I think he's probably out of a job now, but he probably got a nice severance package. [Laughs] I think he lives in Calgary. They had moved a number of their head office people.

NP: I think he moved back to the States. In reading the *Producer*, I think--.

GM: Well, there you go.

NP: I could be wrong, but I think--.

GM: He took his severance package and left. But I never met the man in my life, but people grudgingly after the fact—including myself—said, "You know what? He saved the Wheat Pool from bankruptcy with whatever leadership he possessed." He had some knowledge of cooperatives in California, I believe. It wasn't that he was--. I'm not saying he was a stupid man or anything, but I just thought, "Do we not have people in Canada that can run this organization? Why do we have to have this imported American." That kind of made me a little angry, but anyway.

NP: Well, you know, here's the irony of the situation from my perspective.

GM: Maybe it's come up in your interviews. I don't know.

NP: No, no, no. His name has not come up. But I was just reading *Tides of the West* or *Tides in the West*, which is the history of Alberta Wheat Pool.

GM: Okay, yeah.

NP: And another Californian by the name of Shapiro--.

GM: That is true. Got this going. Leading to the three Pools eventually. Aaron Shapiro.

NP: Isn't it ironic that you have--?

GM: Isn't that ironic? That's a good point. He worked with the orchard growers or something down there and got them organized as a union or a quasi-cooperative and came up here and sold the benefits of forming a cooperative to the farmers.

NP: And who oversaw the demise?

GM: That is an interesting point! [Laughs]

NP: You made it!

GM: Yeah. [Laughing]

NP: There may have been people at the same time when Shapiro came in saying, "What's this guy from California going to tell us about running--?"

GM: He was a lawyer. I think he was a lawyer, wasn't he, professionally?

NP: Yeah. Oh, my.

GM: Isn't that amazing?

NP: Isn't this amazing.

GM: That is absolutely amazing. Good. That is a good observation.

NP: I'll have to pass that onto John Morriss.

GM: It went full circle.

NP: Yeah.

GM: You've interviewed John?

NP: Yes.

GM: Good.

NP: He was a--.

GM: Good guy.

NP: Good guy. Good guy.

GM: *Manitoba Cooperator* editor. Yeah.

NP: Yeah, yeah. Isn't that send shivers up your spine.

GM: Oh, ho! [Laughing] Yes, anyway. How can we do one better than that?

NP: How can we do one better than that? [Audio pauses] We took a bit of a break because this has been a really good discussion, and I hope mostly a one-part discussion because I don't want to insert myself into this. I hold myself back. We sort of veered off

the following your career step by step, and I think that probably we discussed what you were doing in your different career moves anyway is discussing what was happening in the--.

GM: Pretty much so.

NP: Yeah. I'd just like to touch on, though, the executive director of policy and member services position.

GM: Okay.

NP: So what was that position?

[1:50:00]

GM: Okay. The Pool deliberately created this separate member policy arm that basically existed up to 1995. It had three divisions within it. One was the research division that I joined in 1973, and that was the division responsible for analyzing public agricultural policy and helping the board of directors in formulating policy or reacting to government policy. The other two arms were as follows. One was a communications division, which was responsible for the public image of the Wheat Pool and advertising its policies and keeping its brand before the membership and the general public. It was a fairly large division. It had quite a number of personnel.

The other division which was dealing directly with the membership was the member relations division, and that's the division that had staff out in the country working with the delegates and a board member at each of the districts. So there was a staff person assigned to each of those districts, and that staff person would be responsible for organizing member meetings, reporting on member meetings, working with the local committees at the elevator level, recording the policy positions that might be taken at those committee meetings. They were our field staff. They were called district representatives, but they were the field staff. They reported through to the member relations division.

So those three division heads all reported to, initially, what was called the corporate secretary, but when I assumed the position, it was called executive director. So it wasn't a super large number of people, but it had a fairly significant budget because of all the work that was done with the delegates and the board meetings and the annual meeting and all the costs associated with that were part of that budget. So that basically was the responsibility of the executive director, including the function of corporate secretary.

NP: Any challenges spring to mind related to some of the ones like the communications, the member services?

GM: Well, sometimes there was a challenge in defending the budget because that whole budgetary process was basically handled through the chief financial officer who reported to the CEO. The budget in my area was about \$10 million a year. We're not talking a small amount. That had to come out of the corporate profits of Sask Wheat Pool. But we always argued, and the board basically defended the fact that if you're going to keep the members loyal to the organization, you have to be prepared to work with them. You have to be prepared to spend some money and make them feel good about being a member of Sask Wheat Pool. You can't do that with pennies. You have to spend real dollars. And the argument always was, "If we spend the dollars in the right way, those members will retain their loyalty with the Wheat Pool."

The Pool, for many years, had 70 percent of the grain business in Saskatchewan. It was very significant. Keep in mind, there were other players out there. There was the Cargills, the Patersons, the United Grain Growers, Pioneer. There were other players, and the Pool still was able to keep 70 percent of the grain business. And we always argued there was a reason for that, and that is that we took seriously the idea that we had to commit resources to work with those 50,000 members. Some maybe weren't always as loyal to the Pool as others, but they were still on the membership list. I think it was defensible, and over the years until they went public, it was something that was accepted by the board.

NP: Did that membership stay pretty steady? Now, keeping in mind that farmers were leaving the business and farmers were getting bigger.

[1:55:09]

GM: Well, our membership base did decline because some members retired and the land was not necessarily picked up by a new member, but rather by an existing member. Just as the number of farmers declined, so did the number of members, but--.

NP: But the percentage of business--?

GM: But the percentage of business did not significantly decline, which was something that the board the management felt good about. That's why that inland terminal debate was so critical. If we would have gone prematurely in that direction, the feeling was we would not have retained our share of business to the same degree than if we had smaller facilities closer to farmers. We would have lost. We would have lost some of the patronage by going that way.

NP: What were some of the kinds of not so much incentives but programming that formed a part of the customer services?

GM: Well, I wouldn't call it necessarily--. I think I'm not using the right word in terms of reward programs because the very essence of a cooperative is you're rewarded in accordance with your patronage. You're already going to get a reward at the end of the year. You deliver 100 percent of your grain to us, and you're going to get a bigger patronage dividend than your neighbour who only delivers half of his grain to us. There was never a lot of need to do a lot of extra things by offering incentives. Perhaps in the farm supply business because that was a competitive industry with several others that were selling fertilizer, there would be times when you would necessarily get a given farmer a break, but you might have an across-the-board special discount for early purchase, of getting your supplies early in the seeding season rather than waiting until the end. Because logistically, it made it easier to get product in and out of facilities rather than everybody rushing in. So they would offer incentives, but it would be across the board, not because you're a big farmer. But they'd do other things more on the community social side where they'd have—this was left to the districts—but they'd have member picnics and different things of that nature where the Pool would underwrite a percentage of the cost and bring the families together and that sort of thing. That was done locally.

NP: I have a question to ask because--. And you sort of raised it, but when you talk about the community, what was the and where was the—in the corporation—where was the decisions made about charitable donations or support for--?

GM: The bigger charitable was made within my corporate secretarial area. I don't know whether they do this or to what extent they do it now, but at the time I was there, there was a fairly major financial commitment made towards post-graduate scholarships at the U of S for example. They on occasion would be approached for a major corporate donation. I'm trying to think of a project now where that happened.

NP: Like a museum? [Laughs]

GM: Yeah. Some of those were not necessarily all we--. Well, I think they ended up in my budget, but often they'd come to the board of directors, maybe even through the CEO. And if the board said, "Yeah, we're going to give them \$50,000," then I'd have to find a way to raise the money or be over budget. But if the board said it was a worthy thing to do, it would be done. But the principal ones that I had responsibility for were ongoing post-graduate scholarship support, and often in the name of past presidents or senior management. There was a Weston Scholarship, the George Robertson Scholarship, who was the first corporate secretary of Sask Pool. There were things in the name of some of the past executive members.

[2:00:02]

NP: So I'm going to ask a very self-serving question here, and that is--. Well, I'm going to preface it first by just saying I wonder now, as you stated, what happens to that kind of local—and in the case of all Saskatchewan—contributions that in the farmers'

name Saskatchewan Wheat Pool would make to communities with a multinational organization that doesn't have the same connection.

GM: It certainly doesn't, and I would be very surprised if it happens.

NP: And it's not just that particular group because any multinational--.

GM: Yeah. I understand that Glencore are going to keep the Viterra name and a fairly significant head office kind of presence in Regina, but beyond that in terms of their support to communities, I haven't got a clue. I'd be skeptical if it's very significant, but I don't know. I honestly don't know.

NP: So in the case of a project like ours where we are looking for support, when we made contact with Saskatchewan Wheat Pool-- . What was the fellow's name? Malecha? Fran Malecha, who was after your time.

GM: Yeah. He would be with Viterra.

NP: Yeah. Anyway--. No, it was when Saskatchewan Wheat Pool was still around.

GM: Really?

NP: Yes.

GM: It was after I left, then.

NP: Yeah, it would have been 2001, '02, '03. In that era. I often wondered what happened inside an organization when a group like us approached them, and we said, "All we want is an expression of interest," because we need that expression of interest from the industry to even go to government and say, "The industry thinks--."

GM: That it would be worthy.

NP: "That it's a worthy project." Because I thought if we didn't get any kind of support from them, then why would we bother?

GM: True.

NP: So we sent the letter off to Saskatchewan Wheat Pool. So where would a letter like that find itself?

GM: [Laughs] Well, in my day, it would have probably come to my attention.

NP: Okay.

GM: As corporate secretary because I had the largest responsibility for corporate donations. It probably would have been, depending on the nature of it, it would--.

NP: Just an expression of interest in the project.

GM: Ultimately, it would have been something that I wouldn't have a unilateral authority to--. Unless it was a very small amount. And generally small amounts--.

NP: It was no amount.

GM: Yeah. Well, if it was just in principle?

NP: Yeah.

GM: Well, I would--. Likely what I would have done in that case, I would have met with the three presidents. I was on the same floor as the president and vice presidents, and we always met for coffee. Every day, you would bring issues up that come to your attention, and I would have run that by them because I wouldn't want to do that on my own. In the case that a year later you said, "By the way, since you agreed with us in principle, now could you please give us some money?"

NP: Well, and we also said, "You can imagine if this were to go forward, there would be other requests."

GM: Other financial contribution required. So that's why I would go to the presidents. If I got the greenlight from them, then I would respond accordingly.

NP: So it would have been--. And I often wondered when you get that letter of support, it's not just somebody says, "Yeah, okay. You're just asking for support." It actually meant something to get--.

GM: Yeah, yeah. And you know, if it was under the signature of my position, it would have meant something.

NP: Yeah.

GM: I might have said, “We reserve judgement on the degree to which we will contribute financially at this point.”

NP: Yeah, yeah.

GM: Depending on the amount. “But in principle, we think your project is worthy of our support.”

NP: Okay, that gives me--.

GM: I don't know what I would have said. [Laughs]

NP: No, but that gives me some insight into what happens in an organization. Okay.

GM: Under the new structure, I haven't got a clue who--.

NP: Who knows? That's right. [Laughing] Switzerland, here I come!

GM: Yeah. Good luck. [Laughing]

NP: So the member services then, as you said, it was always a tough sell to--.

GM: Well, I wouldn't say tough, but--.

[2:05:01]

NP: It was questioned.

GM: It was always that internal question. “Are you satisfied you need that kind of money?” That quantity of money, which has to come out of the earnings of the commercial services really. We had no means of generating revenue, my area. It had to come from the commercial profits.

NP: Did you sense any change over time in support for those services?

GM: To a degree. Not so much officially at say the Milt Fair level because he also reported to the board of directors, and if the board of directors felt strongly of the need for this ongoing commitment, it would have been not a good political move for him to argue against it. But there were people below as we had senior management meetings—[Laughs] brainstorming sessions where there would be comments. “What are these guys in the member relations out there spinning their wheels with the delegates, what do they really do that’s worth the kind of money we’re spending?” That, from time to time, would come up, and from time to time, we’d have to take it on at that level. But it never really got further than that because, as I say, for the better part of my career, it was a non-issue. I was always reminded though, to be fair, to spend what funds we did have wisely and not to be adding a whole pile of additional staff every year if we couldn’t justify it. I tried my best to keep the staff numbers pretty much the same for the, I guess, I was in the executive director position for the better part of eight years or so. Obviously, salaries went up with inflation, but in terms of staff numbers, we basically held the line on staff numbers for the better part of a decade. We didn’t add.

NP: What was the, in the communications side—very closely connected—what were the major initiatives within the communications? Was there a newsletter or--?

GM: Well, the actual--. Most of the correspondence that went out to delegates went out through the member relations. We had a major--. We had a printing division, by the way, in Sask Wheat Pool. That’s how much documents would be sent out to the members and the delegates every--. Well, not so much members, but delegates every month, that would be put together, some of it, virtually almost all of it, through one of my divisions for their attention. But it would be printed up in our printing division and be sent out. Communications had some involvement with publications as well, but it was more for the external broader public with ads. They would do, from time to time, major ad campaigns on certain issues. Maybe it was our position at the time on the Crow Rate and different types of commercials on typically policy-type issues. The commercial division, generally, they would put out circulars, but they were not handled by the communications division. Those circulars would typically be generated, say, from our farm service division or our country elevator division for the attention of the staff that worked in those divisions as opposed to going through the communications division.

NP: Was there a library?

GM: Yeah, there was. That was attached to the research division, and it was a fairly extensive library.

NP: Photograph collection? Looking now at the history.

GM: There probably was. We had almost an internal archives down in the basement of the Wheat Pool building, [laughs] and I never, even over the years—. I was maybe down there only about once in my whole career. I expect a lot of the documentation of the Wheat Pool I know was subsequently transferred to the Saskatchewan Archives. I have no idea whether they even have a library now. But a lot of the historical material, I think, about the time or shortly after the time I left, they sent it over to the Saskatchewan Archives.

[2:10:33]

NP: Okay.

GM: I'm glad they did.

NP: Yes. Yes. Who knows what would have gotten tossed. And of course, a lot of our history—locally in Thunder Bay—related to the Saskatchewan Wheat Pool terminals is there.

GM: True enough. I bet you if you were in Regina, you might find something interesting--.

NP: Oh, it's in Regina? Okay.

GM: Yeah. You might find some interesting stuff on the early history of the Wheat Pool, including photographs.

NP: Mhmm. Okay. I'm going to ask a question about the Wheat Board and say over time, the Wheat Board has—and not the Pool elevator, but the Canadian Wheat Board—has had unhappy customers. So during your time--.

GM: You're talking about the Wheat Board?

NP: I'm talking about the Wheat Board. So what was Saskatchewan Wheat Pool's interaction with the Wheat Board? What did they like, not like, and--?

GM: Well, I don't recall Sask Wheat Pool officially saying anything particularly negative about the Wheat Board in the years that I was--. In the early years when I was with the Wheat Pool, the Wheat Board had a producer advisory committee. Before they had elected directors, they had an advisory committee, and Ted Turner was one of those, for example. You might ask him. So they had advisory farmers from across the Prairies. It was almost like a board of directors, but they didn't have the authority of a board. They were a sounding board. And to my knowledge, anything I ever heard, it was effective. They would meet periodically and meet with the commissioners of the Wheat Board and the chief commissioner. I think they probably met with all the commissioners, but they'd have a joint meeting with the producer advisory committee.

But there was a time under the Liberal Government post-Otto Lang where in order to appease, to some degree, the disenchantment that was surfacing through the commodity groups as much as anything, that the Board needed to be more directly accountable to farmers that were paying the bill and less accountable to the federal government, even though it was a creation of the federal government back in 1935, and then it became permanent in the '40s. In order to appease that little bit of disenchantment that they thought the Board was too remote, not sufficiently transparent, didn't have to report their financial statement to the farmers, that they changed the Wheat Board Act to create an elected board of directors—some of whom would continue to be appointed by the government. And I think approximately about eight of them—I think I could be out on my numbers precisely—but something like about eight were--. There were electoral districts, and they were elected periodically by the farmers.

So that existed for the next ten to 15 years until recently when the board wound up that they fired and got rid of all the existing board members and all H broke loose. Some of the board members are still filing a lawsuit against not so much the unfair dismissal, but the perception that the government didn't have the authority to change the Wheat Board unilaterally without putting it to a vote. Actually, I agreed with them on that position. When Ralph Goodale, who I know fairly personally—he was my Member of Parliament in Regina—he was Minister Responsible for the Wheat Board, and he brought in some changes in the Wheat Board Act--. By the way are you interviewing any elected people?

[2:15:33]

NP: Charlie Mayer.

GM: Oh, any current ones?

NP: No.

GM: Like Ralph? Yeah, like Ralph Goodale?

NP: Well, no. That's a good suggestion.

GM: He's got some pretty good perspectives.

NP: Well, I might catch him in Ottawa.

GM: Give that a thought. Anyway, he brought in changes in the early to middle '90s to the Wheat Board Act, and in the minds of some, at least--. And Stewart Wells was part of that group that was saying if you interpret the Wheat Board Act the way they think it should be interpreted, the government of the day--. It was to create an institution that could not be unilaterally changed by the government of the day without the consent of farmers. That's paraphrasing, but as I read that clause, I can't disagree. And so, here we are. They changed it unilaterally without specifically putting it to a vote of all the farmers across western Canada as to whether they wanted to go to a voluntary Board or keep it as is. I think Ralph, if you were to talk to him, he would agree with what I'm saying that that was why he put that in there, that it was, again, to appease—to some degree, ironically—to appease the commodity groups who said, “The Board should be more accountable to the farmers that are paying the bill.” So if you believe that, you should believe that they should have had a right to vote on the structure of the Wheat Board before it was changed. That's where it sits. They changed it anyway. The farmers tried to take it to the courts. The courts, as far as I know, have rejected hearing the case. They're saying it's without cause. The farmers were prepared to take it to the Supreme Court. Stewart will--. [Laughs]

NP: Have something to say on that?

GM: He'll have more than enough to tell you on that one. [Laughing]

NP: Now in rapid succession, the farmers lost their influence on the Pools, you know, with the demise.

GM: Yeah. True enough.

NP: And influence on the Wheat Board.

GM: Correct.

NP: And this is you out of the industry when these things happened for the most part.

GM: Yeah.

NP: From your position from afar, what's the consequence of that?

GM: Time will tell. Probably, we've seen it this past year and it was predicted by some who had some reservations about the Wheat Pool going public, and the consequence is that it opens the door for further concentration in the grain industry. That's what it does, and that's what's happened. When I retired, there was still three Pools, there was still United Grain Growers, right? Now all of those firms have been swallowed up under one name in a matter of ten years. Well, a little bit longer, but since 2000 basically. So it's accelerated the concentration. I'm almost going to be talking like Stewart Wells, heaven forbid. [Laughing] Don't tell him that! Because I know Stewart. But I'd have to say, in all honesty, some of their predictions have come to fruition, and I don't think it's ended. I think there could be more. And also, it has accelerated, I think, to some degree indirectly, the enlargement of huge farms.

[2:20:17]

NP: And is that--.

GM: That has an impact on communities. Some of the small towns where there was a farmer, when I grew up, there was a farmyard every three quarters of a mile. Now in many communities you've got to drive ten miles between farms. So the little communities are just--. And, of course, with the closure of the elevator, which didn't help matters. It's all wrapped into the same equation.

NP: Is that a good thing or a bad thing? Or a neutral thing?

GM: You can't turn back the clock, I guess.

NP: The concentration, is that a good thing or a bad thing for farmers?

GM: It's a bad thing. If there's not sufficient competition then--. I mean, we do have a Competition Bureau, but there is a potential greater propensity to not be very competitive. [Laughs]

NP: Now--. So I'm going to ask this question. It's--.

GM: I'm not saying they're doing anything illegal, but they'd be less inclined to have to adjust prices to make things more affordable for farmers because why would they if they've got--. In a particular region, if they're the only game in town, why am I going to charge \$450 a tonne for nitrogen fertilizer if I can get \$600 a tonne?

NP: Now, I think I know the answer to this, but I'll ask it anyway. Saskatchewan Wheat Pool had 70 percent of the business.

GM: Did have, yes.

NP: Yes. So, you pretty much had the market sewed up.

GM: But the argument was if there were any degree of excess profits generated by the Pool as a cooperative, after their costs were paid, it was going back to the patron. It wasn't, as Cargill, it wasn't going back to Minneapolis, which was their corporate headquarters. It was staying at home. That's the only argument I could make for that. Yes, they had a big percentage of the business, but any excess profits to the extent that they made any, the members were rewarded by it. So I would say that was much more defensible.

NP: Of the province, in the province.

GM: Yeah. It stayed at home. Glencore now that owns Viterra, I mean, it's European based. Who knows where their profits are going to end up. I can tell you, probably a lot of them are not going to stay in Saskatchewan, right? The farm enlargement side is more difficult to maybe be negative about because I have a good friend who farms north of Rosetown. I went to university with him. I keep in close contact with him. He's constantly upgrading his machinery, and they're not making small machinery like my dad had. So if you're going to put out \$150,000 for a high-clearance sprayer, the argument is, "I need 4 or 5,000 acres to run it over or I can't afford to buy it." So that's--. The machinery industry to some degree have forced farmers to get larger by stopping the production of smaller equipment that my dad and small farmers could have got along with quite nicely. They're not making it. Try and find a pull-type combine. They're all self-propelled machines now.

So there's consequences. I don't know. Communities have suffered. We have two sons in Toronto, one of whom married a farm girl from Stratford of Dutch descent, and there's so many farmers in her area, including her father and brothers that are in the hog business, it's kind of refreshing. Not that I would want to be living beside a hog farmer maybe, but you have some of this in southern Manitoba too. It's kind of nice when you can still drive down a rural road in that Stratford area and see a farm every three quarters of a mile. They're making a good living on 2 to 300 acres of land because they're farming intensively. They're in chicken production, they're in hog production, or they're in this, or they're in that, and we haven't seen any degree of consolidation like

we've seen in the Prairies. But I think it's kind of nice in a way to see the farm landscape vibrant and not having to drive half an hour to get from one farmer to another.

[2:25:02]

NP: We were joking yesterday when I was interviewing Mr. Livingstone that you'd have to be flying farmers.

GM: Yeah, pretty much. [Laughs]

NP: To get anywhere where there's any other people. [Laughs]

GM: Isn't that a rather sad consequence? It's almost correct. [Laughs]

NP: Well, and can you have children?

GM: There you go.

NP: Where are your schools?

GM: Yes, yes. Does Doug live on the farm yet, or is he in town?

NP: No, he lives on the farm.

GM: He does, eh?

NP: You should take a trip up and see his Red Feather operation that--.

GM: Okay.

NP: They have sort of a catering operation with a big hall overlooking--. It's beautiful.

GM: Is that right?

NP: Yeah. Anyway, I'm going to ask you a couple of more philosophical questions. This has been--. We're running out of time, and I don't want to--.

GM: Sure.

NP: As you look back on your career in the grain industry—and this can be the Farm Credit Corporation and Saskatchewan Wheat Pool—what has brought you the most satisfaction? What--?

GM: Two things. Working in the agricultural industry because I grew up on the farm, and I really felt that I wanted to stay in that industry. That's number one. Secondly, probably the greatest satisfaction was interacting with farmers at sort of the grassroots level. Even though I was in head office in Regina for all of my career, I did get occasion to go out to district meetings in the fall particularly, and they'd have the fall annual meetings, and they'd want a guest speaker to talk about public policy in agriculture. So I could brush shoulders with guys with their boots on out there. I told people, many, many people that if I had to do it all over again, I'd do absolutely the same thing. Even though I left Sask Pool somewhat prematurely, I wouldn't change one element of my career. I had no misgivings about any of the roles that I had with Sask Pool or--. Fortunately, I was able to get out of Ottawa. I have to tell you that. [Laughing] Had I have been forced to stay for the rest of my career, I might not have said what I've just said.

NP: Now why do you say that? What--?

GM: I'm going to sound very bigoted when I say this, but they were pushing the Official Languages Act down our throats at that time, and I admire people that can speak more languages voluntarily, but I had a bit of a bad attitude about French being forced on me. The writing was on the wall even then that if I didn't go on French immersion and become more proficient in the French language, I was going to be dead ended. That was another motivator to get the heck out of there.

NP: If you hadn't had that restriction, would you have wanted to stay there?

GM: Less likely because I wanted to be more involved in agriculture in the Prairies. I had very little knowledge about the dairy industry and some of the other specialized industry that were in Ontario and Quebec. I certainly knew about them, but I had limited knowledge about them, and that certainly--. My degree was in agricultural economics. So I think apart from the language issue, I think I might have stayed a little longer, to be honest, but as I said, my parents were still farming at that time, and 3,000 miles is a long ways to visit.

NP: Your heart was in the Prairies.

GM: My heart was in the Prairies, and I don't regret one minute of--. We haven't visited Ottawa for a number of years. It's a great city to visit. [Laughs]

NP: You're not alone in commenting on life in Ottawa.

GM: It just wasn't for me to make a career there.

NP: A bigger picture comment that I'm going to ask from you.

GM: Sure.

NP: Canada has become a world, well, can I say a world leader in the export grain trade?

[2:30:10]

GM: Yeah. It has been.

NP: Yeah, it has been.

GM: Yeah, that's true.

NP: In spite of a very low population and a harsh climate and distance from port to ship its products.

GM: True, true.

NP: Why? How did we do it, do you think?

GM: How did we do it or--?

NP: How did we do it? How did we get to be among the big players in the export market in spite of those odds?

GM: That's a very good question. I think there was a recognition by all governments of all political persuasions that when you export 80 percent of your product with a small population, we simply had to put in the infrastructure. I think all governments felt that need, whether it was John Wise, who was Minister of Agriculture, or Ralph Goodale, or Eugene Whelan, who was a folksy fellow who recently passed away, but he was one of the more interesting Ministers of Agriculture with his green hat. I think politics aside, there was a recognition that we've got 80 percent surplus of what we need for our own domestic consumption, and we simply need to make sure we've got the resources to get it to port. I don't think there was much disagreement amongst all the political parties to that reality, really. All the way from Otto Lang agreeing to buy hopper cars, which he probably talked to you about, [laughs] and they're still running! They need to be repainted some of them. I think they're embarrassing. [Laughing] But nobody wants to paint them with the sort of Wheat Board wheat logo on there anymore. I bet you 80 percent of them are still on the tracks.

NP: So even back to the time when Thunder Bay was growing their elevators, there was a recognition there.

GM: Yes. Exactly. So I just think from the early days--. I can't explain it any more than that, that if we were going to prosper as a nation, it made sense to have export facilities to accommodate that. There was just no choice. We aren't going to ship our grain by pipeline, you know? [Laughing]

NP: I think somebody actually was proposing that.

GM: Yeah, I think it came up once or twice. [Laughing] So I really don't think that's going to change. I think all--. I don't care if you throw the Tories out and put in the Liberals or the NDP, they will do what's necessary to make sure we have a competitive export industry. I really--. We periodically meet on international trade agreements for that very purpose, and that's why—to come back to supply management—it's going to be a very sensitive issue, because we don't want to compromise our ability to export all the other products if this nagging issue is raised by our trading partners that, "You've got to move on this, or we may be less receptive to importing some of your products."

NP: Was the Wheat Board a sacrificial lamb?

GM: No. I think not because, I said, the question of the Wheat Board was brought before international trade tribunals more than once, and it was rejected. They rejected the argument that it needed to be changed for that reason. So no, this was more a responsive to the Conservative base in Alberta more than anything else, in my opinion. They'd been hammering away on that for years. "We've got to have it. We've got to have the right to--." You know, there was farmers that went to jail over this. They tried to market their grain into the States on their own and got put in jail temporarily. So they keep bringing that up as a--.

NP: Yeah. Although, I think Bob Roehle had said that the issue was really they didn't have the proper export documents. [Laughs]

GM: That could well be. They wanted to be a martyr. They wanted to be a martyr. So it was catering to the not exclusively Alberta, but pretty strongly to the Alberta farm lobby as much as anything, I think.

[2:35:05]

NP: Given Canada's success—there may be others who dispute it, but rare I would think—the job that you did, how did it contribute to that success?

GM: Boy, that's pretty self-serving to comment on that.

NP: That's right. It's your interview!

GM: [Laughs] Well.

NP: If you hadn't done your job or done it as well as you did--.

GM: Well, I'd like to think that our division personnel over the years, not just myself, but the division personnel--. And you ask Ted Turner that question, if you don't mind.

NP: It is a question I ask everybody.

GM: Yeah. Because he could be more impartial whether we did it--.

NP: Well, I'm asking about your contribution.

GM: No, I know, I know. I was a fairly proactive kind of a person, and I didn't hesitate in taking the required intervention with my counterparts at the bureaucratic level in government. That was my interface. i.e., deputy minister level, both federally and provincially. On behalf of the Pools, but on behalf of the members, if I felt that I could make a persuasive argument--. And I know on occasion I did make a persuasive argument when we were contemplating the formula for a stabilization program that I--. And I know the president knew of my intervention at the deputy level who was then able to influence the bureaucracy of the Minister to change the formula in such a way that it made a difference of about \$30 million for the province of Saskatchewan farmers. You

could say that was a little thing, but I felt kind of good about it, that I felt my discussions on that one particular policy matter had an influence in the final outcome that put a lot of extra dollars in the hands of the members of Sask Pool.

NP: Now, if we pull that forward and say how did that extra money in the hands of Saskatchewan farmers translate into a successful exporting trade?

GM: Oh. [Laughs] Well, if it allowed them to maintain their operation by acquiring the needed inputs—I don't know where the money went, let's be honest—but knowing farmers, if they get an extra dollar, it's put back into the enterprise somewhere, right? So if it allowed them to fertilize it at the appropriate level instead of cutting back, that enhanced their production capability and, therefore, contributed more for the marketplace.

NP: And kept them operating because it costs money when people go out of business and--.

GM: Now, conceivably, that farm though ends up as somebody else's farm.

NP: Eventually.

GM: Eventually. But in the interim--. There were some farms in the early '80s in Saskatchewan that actually sat idle for a year. They virtually walked away from it. The banks took it over and they couldn't sell it. It was a limited amount, but it did happen. So I don't know where the money went, but it enhanced their viability in some way. [Laughs]

NP: Yes. Good. And I think if people think that way, what I understand from interviewing people and reading a bit of history, is that nobody did it on their own.

GM: That is very true.

NP: Nobody did it on their own, and everybody who did their job well--.

GM: Contributed. Now, I would say in today's environment, it's much more individualistic as opposed to when I was in Pool where there was more of a collective, a desire to work collectively. That's what the cooperative movement's about, isn't it? A desire to work collectively for the benefit of principally the members. I would say today—and Stewart, he's still farming, and he could comment on this—I'd say farmers are much more individualistic, and you don't see many of them sharing equipment like they did in my dad's day where you might buy a baler together, or you might buy a sprayer with two or three other farmers. No.

You buy your own and heck with the other guy. It's too bad. That's a consequence that I think is less than desirable, personally. Every man for himself so to speak. [Laughs] Having said that, I'm sure if somebody's barn was burning down, they'd have a bee. You see stories of that in the *Western Producer*, don't you, where they still have the old-fashioned bee where they help. Or not so much a fire, but if some—and I've seen it even out here—there was a fellow down by Okatokes that died in a plane crash, and he was a farmer, and he was going for parts, and I'll be darned if he didn't crash with another plane in Saskatchewan. The luck of him hitting another small aircraft was about a million to one. He hit another small aircraft—this is about a year ago—and went down, and he was killed in the middle of seeding. Within two days, there was two neighbours with their air seeders, and they put in his crop. That kind of thing still happens, which is kind of nice to see.

[2:40:51]

NP: Well, our time is up.

GM: Okay. Well, thank you.

NP: And it has been a wonderful interview. Is there anything pressing that you have not had a chance to say that you would have loved to say?

GM: Boy, I can't think of very--. [Laughing] I tend to think we covered the waterfront. I honestly--. Is your machine still on? Well, you can turn it off if you like, but to be honest with you, prior to you coming here—I guess you can leave it on for this statement—you said you needed two hours, and I thought to myself, "I think we can cover the bases in half an hour." [Laughing] I was proven wrong! You're a good interviewer.

NP: Oh, thanks. Well, I'm glad I got that taped for posterity.

GM: Yes, yes.

End of interview.