THE GLOBE AND MAIL

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THE AZRIELI FAMILY MOTTO: GIVE MORE

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REPORT ON BUSINESS

NETFLIX THEN CHILL

CANADIAN KELLY BENNETT HELPED TURN THE STREAMING GIANT INTO A CULTURAL PHENOMENON.

SO, WHY IS HE WALKING AWAY?

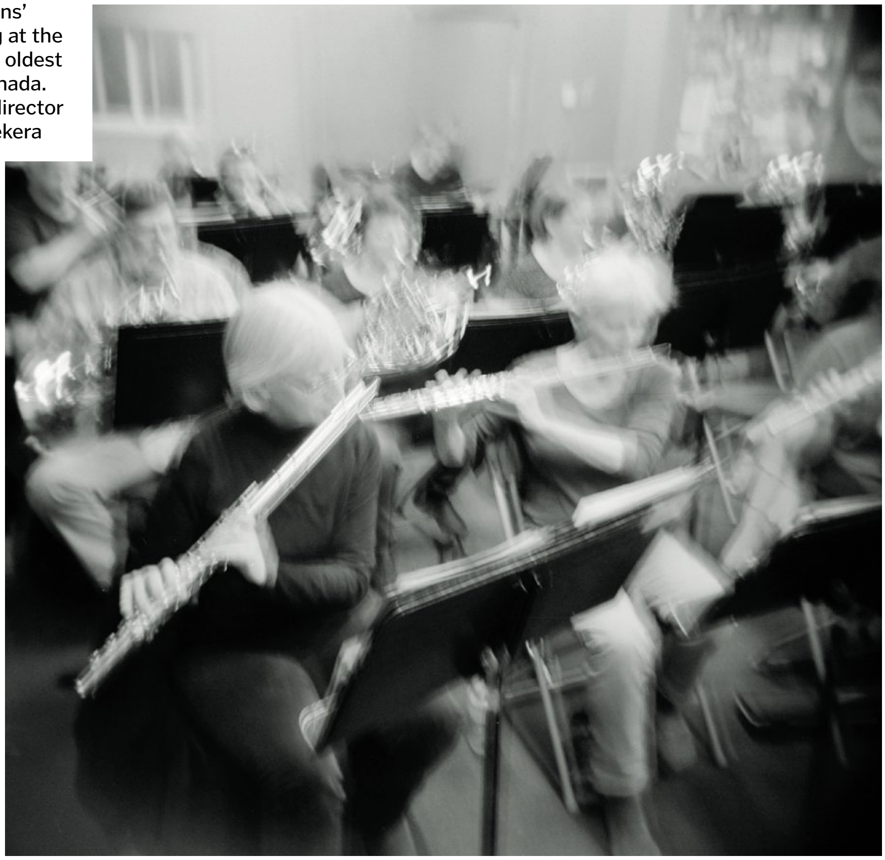
JUNE 2019


SUB-ZERO

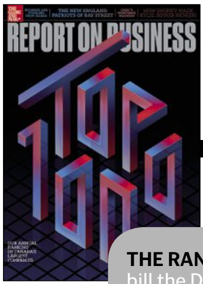
Shown with available accessory Roof Rails.

contents

The Perth Citizens' Band, practising at the town hall, is the oldest of its kind in Canada. Below: prolific director Indira Samarasekera



COVER SHOT EXCLUSIVELY FOR REPORT ON BUSINESS MAGAZINE BY SHAUGHN AND JOHN/DAY REPS; GROOMING EMILY ZEMPEL/EXCLUSIVE ARTISTS; TOP IAN WILLMS; MIDDLE CHRISTIE VUONG; BOTTOM ARDEN WRAY



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Feedback

THE RANT ON TAXATION | The largest bill the Droolers will receive will be the costs of climate change, compounded by the relative inability of their generation to use cheap fossil fuels to power their economies and perform the multitude of tasks that are presently enjoyed. **—Rick Munroe**

THE RANT | The youth of today will live with expectations of services that as a child I could only dream of. These modern standards don't come for free. **—Rich Schlosser**

McGUGAN ON SUBSIDIES | *There is quite a bit of evidence that you get a better and more resilient economy when governments don't subsidize businesses. Unfortunately, governments at all levels have convinced themselves they need to be seen to be doing things to "grow the economy."* **—George O.**

TRICHUR ON THE CMHC | Given a price limit of $480,000, I do not see how this helps in Toronto or Vancouver. The interest-free CMHC loan probably replaces loans from the Royal Bank of Mom and Dad, in some cases. The whole concept of encouraging first-time buyers to take on significant debt to buy into an overheated market is just the opposite to the advice you would get from your parents or financial advisers. **—waynes2**

THE GLOBE AND MAIL

REPORT ON BUSINESS

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this month

ILLUSTRATION DANIEL ZENDER

The Rant

Grease stains

Much of the world has run for so long on the fuel of bribery that it's hard to see it ever being eliminated. But that doesn't mean governments and corporations should stop trying

The Canadian contractor offered a simple explanation for failing to win a lucrative piece of an infrastructure deal that would have marked his company's first foray into a rising Asian market. The successful bidder, he told me, "brought a bigger suitcase."

That was more than 30 years ago, when I was interviewing business people about their experiences in emerging markets. Often, the key to their success depended on knowing where the bribes had to go. Everyone understood this was the cost of doing business. Today, despite stiffer penalties in a slew of exporting countries and politicians' repeated vows to stamp out homegrown corruption, remarkably little has changed. The fact remains that if you're planning on doing business in a large swath of the developing world, you still face the prospect of dealing with official corruption, endemic bribery and a distinct lack of legal safeguards.

It's outrageous that so little has been done to stamp out an ancient scourge that inflicts so much economic damage on poor countries: inflating costs, reducing competition, hurting investment, sowing public distrust and increasing political instability. And as the SNC-Lavalin affair shows, relying on bribery as a business strategy can come back years later to haunt the corporations involved, damaging company reputations, scaring off investors and preventing access to public contracts.

The World Bank, which has barred SNC-Lavalin and hundreds of other firms from bidding on any of its projects, pegs the total amount of business bribes being paid annually at $1 trillion or more. Other experts say the figure may be less than half that. But it still adds up to vast sums that could have been earmarked for far more productive investments capable of generating real longer-term benefits for the companies involved and the markets in which they operate.

We're not talking here of the countless small payments required in many parts of the world to get permits stamped, speed goods through customs or improve relations with local police—what Russians call *podmazyvat*, or grease. The serious damage stems from the huge bribes public officials demand to secure rich contracts, extract natural resources, keep plants operating and squeeze out rivals.

Ottawa has long insisted it takes a zero-tolerance approach to Canadian companies engaging in this sort of behaviour abroad. But that's not what the evidence shows. Last September, in its most recent assessment of how governments that have committed to tackling foreign bribery are faring, global watchdog Transparency International gave Canada a lower grade on enforcement of its own laws than it earned in its previous report card in 2015.

Plenty of other governments have considerable room for improvement, as a string of remarkable scandals has underscored. Half of the nations examined, including China, India, Mexico, Japan and such European Union stalwarts as Spain, Ireland and Denmark, do little or nothing to prosecute offenders.

One country doing a better job of cleaning up its house is Brazil, thanks to a long-running anti-corruption probe known as Operação Lava Jato (Operation Car Wash). Investigators uncovered a vast web of bribery and money laundering involving state oil giant Petrobras, prominent construction and engineering companies, and the country's major political parties. Dozens of executives, officials and politicians have been indicted and convicted. But the skulduggery extended far beyond Brazil's borders and included one scheme so audacious it left prosecutors awestruck.

Brazilian construction powerhouse Odebrecht SA and Braskem, its petrochemical venture, admitted in 2016 to dispersing nearly US$800 million in bribes to leading politicians, officials, executives with state-controlled enterprises, bankers, advisers and various fixers to score more than 100 deals in a dozen emerging countries in Latin America and Africa. In Brazil alone, Odebrecht made illicit payments to 26 political parties and 400-plus politicians, including nearly a third of the country's senators. "It makes the Watergate scandal look like a couple of kids playing in a sandbox," the lead prosecutor told the BBC last year.

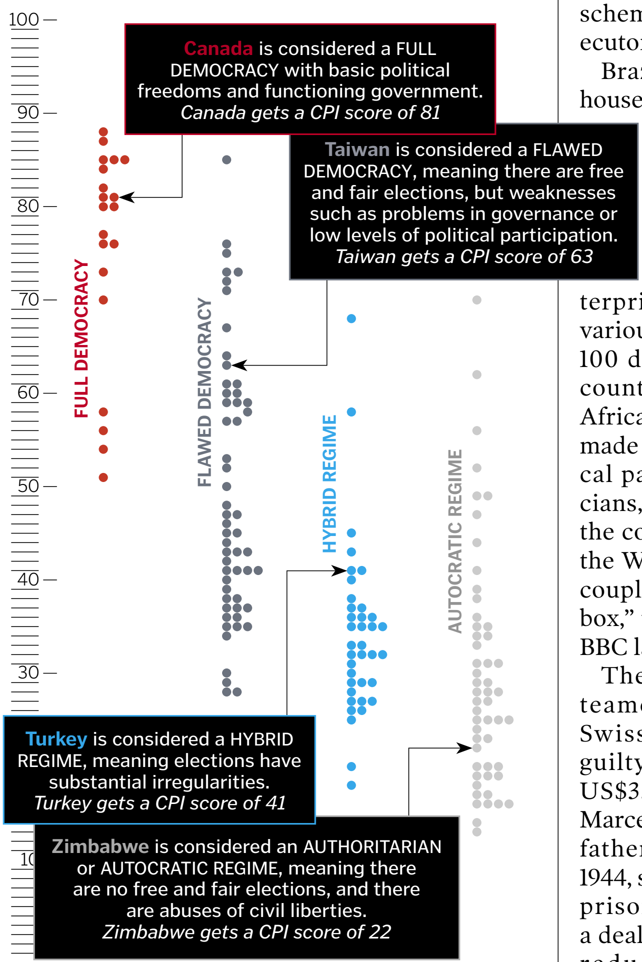
The U.S. Justice Department teamed up with Brazilian and Swiss authorities to extract a guilty plea and a record fine of US$3.5 billion. Disgraced CEO Marcelo Odebrecht, whose grandfather founded the company in 1944, served two years of a 19-year prison stretch before reaching a deal to tell all in exchange for a reduced term—spent under house arrest at his elegant São Paulo mansion. Among those he implicated was Brazil's then president Michel Temer.

Former Peruvian president Alan Garcia killed himself in April when police arrived at his home to arrest him in connection with the scandal. Three other former presidents are under investigation. Ecuador's vice-president got a six-year prison term.

Other multinational miscreants may not have achieved that level of organized crime, but their cases are still eye-popping. In 2017, Italian prosecutors indicted Royal Dutch Shell, plus Italian oil and gas major Eni SpA, its CEO, his predecessor and other executives of both companies for alleg-

CORRUPTION CORRODES DEMOCRACY

According to global anti-corruption organization Transparency International, beating corruption is crucial to supporting healthy democracies. The organization produces an annual data set—its Corruption Perceptions Index (CPI)—that gives a score from zero (highly corrupt) to 100 (very clean) for the perceived levels of public sector corruption in 180 countries and territories. No full democracies score below 50 on the index.



SOURCE TRANSPARENCY INTERNATIONAL AND THE ECONOMIST INTELLIGENCE UNIT edly paying about US$1.1 billion in bribes in 2011 through a Nigerian company controlled by Dan Etete, a former oil minister.

Etete, a convicted money launderer, allegedly doled out a chunk of the loot to then president Goodluck Jonathan and other senior government officials. For helping a handful of Nigerians with their retirement plans, the European companies gained exclusive control of a huge undeveloped offshore oil field. The government ended up receiving only US$200 million for the licence. A watchdog group claims Nigeria will lose billions in potential revenue because the deal makes no provision for royalty payments. The oil giants have denied any wrongdoing, although Shell learned in March that it will also face charges in the Netherlands.

So much of the world has run for so long on the fuel of bribery that it's hard to see it ever being eliminated. But that doesn't mean governments and corporations should stop trying.

The toxic tide could at least be stemmed if more of the 44 countries that have signed on to the Organisation for Economic Co-operation and Development's 20-year-old anti-bribery convention did a better job of bridging the yawning gap between the tough laws on their books and their less-than-stellar enforcement records. A good start in Canada and elsewhere would be devoting considerably more resources to both the pursuit and prosecution of alleged offenders.

Although such cases are notoriously complicated, time-consuming and costly, they're worth the trouble. Making it too risky for corporations to turn to bribery might dissuade politicians from making graft part of their playbooks. Who knows? They might even discover there are advantages to running countries with stronger growth, higher per capita incomes, increased foreign investment and healthier domestic competition. **/Brian Milner**

PHOTOGRAPH DAVE CHAN/THE GLOBE AND MAIL

5 things I learned from Kevin O'Leary

Mr. Wonderful, a tongue-in-cheek nickname the hard-nosed 1990s software entrepreneur uses himself, was one of five venture capitalists on CBC Television's *Dragons' Den* from 2006 to 2014, and has appeared on ABC's *Shark Tank* in the United States since 2009. In April, O'Leary was the headline speaker at a "wealth-building" event in Toronto. **/John Daly**

1

"Over 90% of my returns have come from companies run by women."

O'Leary has invested in more than 50 companies through his TV work. Women tend to set modest goals for growth and achieve them, while men set "testosterone targets" and fall short.

"The customer acquisition cost was zero." 2

Many businesses fail because they spend too much to acquire customers. O'Leary's most successful *Shark Tank* investment was in Wicked Good Cupcakes—each packaged in a jar—run by a Massachusetts mom and her daughter. Knowing 10 million people would see the show, her husband borrowed enough computer server capacity at his office to handle a deluge of online orders.

3

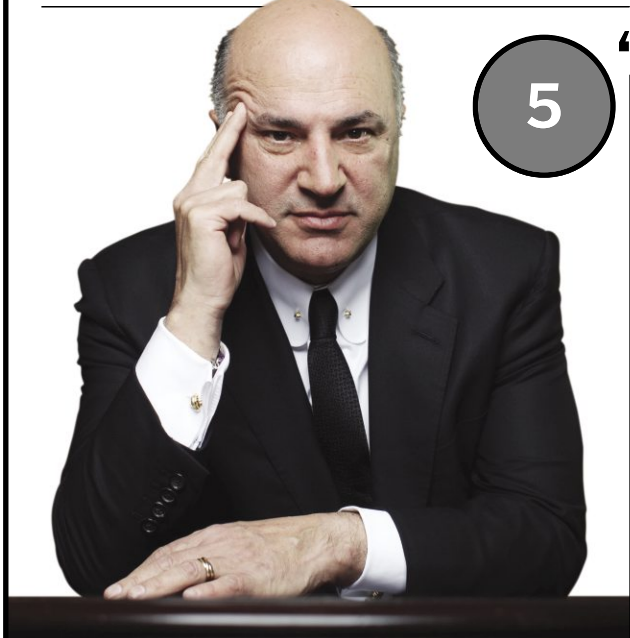
"Social media also has a dark side."

Social media can not only instantly create buzz but also scandals. Remember the viral video of a passenger dragged off a United Airlines flight? You have to respond immediately. "I carry two phones," O'Leary says. "The blue one has social media alerts for every business I'm invested in."

4

"The apprenticeship of Justin Trudeau must be ended in six months."

Consider just the federal Liberals' gaffes with China. Canada needs to sell to China and attract investment, O'Leary says. "Instead, we arrested the daughter of one of the most important members of the Chinese economy."



5

"If you give me 20 bucks, I will give the local food bank $40."

Before dropping out of the federal Conservative leadership race in 2017, O'Leary racked up more than $500,000 in debts. But candidates can't give more than $25,000 to their own campaigns, so he's still soliciting donations.

WHY THESE LEADERS CHOOSE SUN LIFE

Five leaders share what drew them to the organization and offer advice to women entering the workforce today

SUN LIFE IS ON A MISSION TO HELP its employees push boundaries, seize opportunities and realize their goals, with particular emphasis on developing and promoting female leaders. The company's roster shows women hold 34 per cent of vice-president or more senior roles and 47 per cent of assistant vice-president or director roles. The Sun Life board is committed to increasing the number of women in board and management positions, believing it's not just the responsible thing to do but also better reflects its clients and communities. Here's some perspective from five female leaders at Sun Life:

Rowena Chan is fulfilling her passion for driving transformational change in her new role as president of Sun Life Financial Distributors (Canada) Inc. "This recent career move is the biggest goal I've achieved in my career to date," says Chan.

She was drawn to the organization, in part, for its ongoing commitment to attracting and retaining advisors who reflect the diverse clientele and communities where the organization does business. "More than a third of our advisors are women, and we continue to hire new female advisors to better reflect our clients and society as a whole."

Chan also does her part to make Sun Life a fun and challenging place to work. "I have a high expectation of myself and my team, yet I still take a fairly casual approach and don't take myself too seriously."

Her advice for women entering the workforce today: "Be confident, be visible, and don't be afraid to take risks. Believe in yourself, and have some fun along the way. "

Marie-Chantal Côté has worked for more than 20 years at Sun Life, in various roles, which is a testament to her abilities and the organization's attention to developing its people.

"Sun Life has a strong focus on fostering talent across the organization. It's a champion for diversity and inclusion, which allows its employees to be authentic and provide a diverse perspective," says Côté, vice-president of market development, Group Benefits at Sun Life. Her previous roles have been in the technology unit, the project management office, client experience and digital solutions.

What she's most proud of is moving up and around the organization without compromising her values.

Côté's next goal is to become a key thought leader in the transformation of the group benefits business in Canada, while continuing to be a strong advocate for diversity and inclusion.

Her advice for women seeking to advance their careers is to be authentic. "I became a better leader when I focused more on who I am versus who I thought people wanted me to be."

What **Véronique Dorval** enjoys most about working at Sun Life is the company's deeply felt purpose to make a difference in people's lives and the commitment her colleagues demonstrate to make this happen every day.

"I work with a great mix of highly experienced people from within the industry and new-to-the-industry colleagues who bring a fresh perspective to the work we do," Dorval says.

"There's also a great culture of recognition. Colleagues take the time to show appreciation to their peers for the valuable work they do."

Dorval describes her leadership style as analytical

ROWENA CHAN

MARIE-CHANTAL CÔTÉ

VÉRONIQUE DORVAL

KATE NAZAR

SAMANTHA O'NEILL

and collaborative, much like the organization. "I like to first understand the root causes of a problem. When we explore solutions, I believe in the power of the team to explore multiple perspectives and get to the best answer."

Her advice to women in the workforce is to "believe in yourself and take risks. Build your support. Find mentors who will guide and energise you, colleagues who will push you to learn and do better; and friends who help you see the bright side on difficult days."

When **Kate Nazar** was diagnosed with late-stage ovarian cancer in May 2003, her goal was to return to a role that she felt was both meaningful and impactful.

"I was able to achieve just that. Every day since, I'm able to make a difference and that's incredibly rewarding." says Nazar, vice-president of strategy and market development, Group Retirement Services at Sun Life."Now, I take the opportunity whenever possible to share my journey and talk about the importance of tenacity and resilience. In doing so, I'm being authentic to my story and my role as a leader."

What she likes most about her career at Sun Life are the innovative spirit, collaborative work environment and working alongside other passionate colleagues.

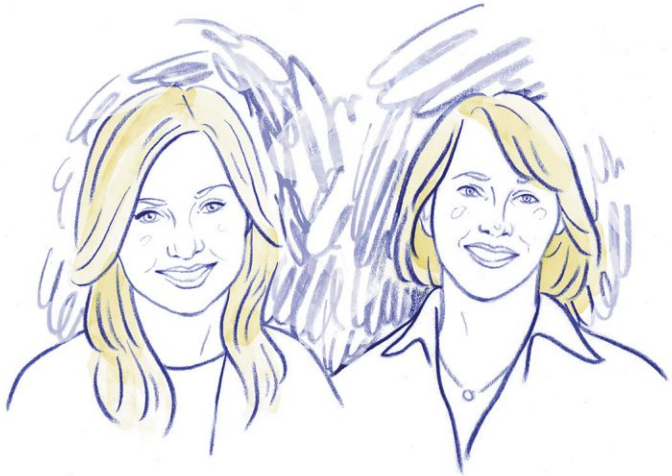
She has four pieces of advice for women entering the workforce today: "Always be your authentic self; be a lifelong learner; aim for excellence, not perfection; and find work-life harmony because work-life balance suggests a trade-off, which doesn't have to be the case."

As chief marketing officer for Canada, **Samantha O'Neill** helps to drive the organization's goal of helping its clients achieve lifetime financial security and live healthier lives. "This sense of purpose is the foundation of our culture," says O'Neill.

O'Neill is most fulfilled on the job when doing work that she's passionate about, with great people, and making an impact. "This has guided every decision I have made in my career, and it has led me to some great places."

She also takes pride in helping colleagues develop their careers. "I believe that if you invest in developing your people and creating great opportunities for them, they will repay you with great work. So far, that has probably been my secret to success."

O'Neill encourages women in the workforce to abandon the notion of "having it all" and instead focus on doing your best at work and at home. "The truth is you can be a great mom and have a great career."



'THE PRIVACY DIALOGUE HAS RADICALLY CHANGED'

Experts discuss the opportunities of harnessing data while protecting customer privacy

Data collection and analytics are transforming industries, from healthcare to telecommunications to marketing to infrastructure. For companies both big and small, using and analyzing data has enormous potential to improve efficiency and drive innovation. At the same time, people are becoming more and more concerned about privacy, the security of their data and how it's being used.

Sylvia Kingsmill is a partner at KPMG in Canada, and the firm's National Digital Privacy and Information Management leader. Pamela Snively is chief data and trust officer at Telus Communications Inc. The two leaders came together to discuss how companies can harness the power of data to fuel innovation, yet still protect the privacy of their customers.

How have discussions around privacy changed from five or 10 years ago?
Sylvia Kingsmill: The privacy conversation has taken a different tone - it's no longer just about compliance in terms of what must be done to meet baseline legal requirements. The conversation is moving towards a privacy-engineering approach in terms of how privacy can be operationalized through technology. Protecting privacy is not just about having a legal policy in place that no one can really understand and signing a Confidentiality Agreement. It's about 'privacy by design' thinking, as advocated by former Ontario Privacy Commissioner Ann Cavoukian, to stay ahead of the risk.

Companies that want to transform digitally are competing on trust when it comes to their customer's data, differentiating themselves with a privacy-first mindset to deliver a better, more dynamic and seamless customer experience.

Pamela Snively: I think we've always been concerned in the public sector about privacy rights. But in the private sector, privacy just wasn't a topic a decade ago the way it is today. I think the recent scandals involving Facebook and Cambridge Analytica have made consumers acutely aware that data could be used in ways we hadn't imagined, in ways that could impact our autonomy as individuals and our democracy. And I think the dialogue around privacy has radically changed as a result. We're now talking a lot more about data use and not just about data security.

What are the biggest risk factors that companies face when it comes to data?
Kingsmill: The common risks we see across most organizations is the over-collection and retention of data, the lack of a data governance framework to enable organizations to better leverage their data assets, and even far worse, assuming that anonymized data is more secure or won't attract regulatory scrutiny. These risks can be managed with a more holistic data protection approach, which includes a strong accountability model in addition to implementing robust security safeguards, testing and monitoring, and strong access controls to minimize who gets access to what and why, even for anonymized datasets to protect against the risk of re-identification.

Snively: If you don't need to collect it, don't collect it. And if you do need it for a purpose, make sure you're deleting it as soon as possible after it's served that purpose. At Telus, for instance, we don't collect the contents of text messages. Technologically, we would be capable of doing that easily. But we don't have a business need to do it and it would be highly invasive. There needs to be more education and discussion about appropriate data usage in the public space.

Do companies have a responsibility to be more transparent with data?
Snively: Absolutely. I think we can all do a better job and certainly Telus has been very focused on that over the last couple of years. One example is we put more information on our website about how we perform data analytics and the types of analytics we perform. We talk about data de-identification and aggregation being used to ensure that data isn't linked to individual customers. Also, we are one of the only private sector companies to put our privacy management program framework online.

Kingsmill: Public perception is more important than ever before and I think there needs to be more education and awareness about the privacy risks at the end user level – it's their data after all. One market trend I've seen is the uptake in companies undergoing voluntary privacy risk assessments and certifications at both the conceptual and design stages of their products. The law does not evolve quickly enough to keep pace with emerging tech and as a result, we are seeing industry groups collaborating at both the national and international levels to develop privacy-by-design and ethics standards.

How do telcos build trust with the customer?
Snively: I think that starts internally. At Telus, we made sure that we created a culture among our own employees for them to understand how critical it is for customers to trust in us. You need to think of privacy from the perspective of, "Will my customer be disappointed in us if they were to hear about this? Would they be shocked by this use of their data?"

Kingsmill: You've got to practice what you preach. The legal rules of engagement are just a starting point; there should be a code of conduct, tone from the top and data practices that demonstrate a true commitment to privacy that can easily be reflected in a street-friendly, transparent privacy policy. Transparency equates trust.

This content was produced by Globe Content Studio. The Globe's editorial department was not involved in its creation.

019

The Exchange

Master of the house

Canada's most prolific home builder, Peter Gilgan, wishes the government would just get out of the way so he can build more houses. In the meantime, he's moving Mattamy beyond real estate

by Trevor Cole

PHOTOGRAPHS LORELLA ZANETTI

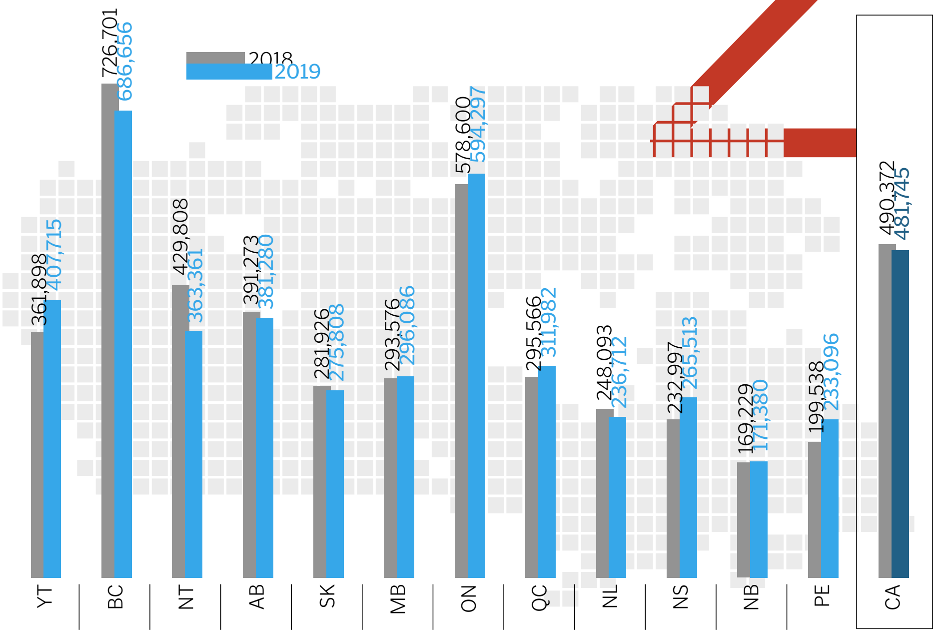
At 6 p.m. on a weeknight, billionaire Peter Gilgan has just arrived home. The slow elevator ride to the 43rd floor of Toronto's Four Seasons Hotel, where he's living while his famous penthouse suite is being transformed **(1)**, gives the founder and CEO of Mattamy Homes a chance to regale me with the story of his two recent hip surgeries. A bicycling accident led to complications, but all's well now. In fact, a titanium hip isn't the only shiny new thing in 68-year-old Gilgan's life. The installation of the hip joint in March roughly coincided with the launch of Mattamy Asset Management (MAM), a new venture to broaden the reach of Canada's largest residential home builder. Gilgan is eager to talk about that and more, but he has priorities. The elevator opens onto a vast, luxurious suite, and Gilgan heads for the kitchen. "It's six o'clock," he says. "That means it's time for a cocktail." He pours two martinis, loads two industrial-size olives into each, and we settle in with a floor-to-ceiling view of the city stretching to the north.

What's your sense of the real estate market in Canada right now? Actually, I think it's in a very healthy position. The appetite and desire for home ownership is as strong as I've ever seen it. What's different today from two years ago is that people who were buying a new home contract and speculating that, by the time the home got delivered, they could sell it for more money—those buyers are no longer in the market. They left 24 months ago. I personally advocated slowing the market down, and I'm a strong supporter of what happened. Increases in house prices were massively

1. The purchase price was reportedly $31 million.

HOME ADVANTAGE

CREA's house price index varies wildly across the country ($)



out of step with inflation generally, including inflation in wages. (2)

What do you think of the mortgage stress test? (3)

It was a great idea at the time, and I think it has outlived its usefulness. Look, there's always been risk when you buy a house. There's always been the risk that when you go to renew the mortgage, it's going to be higher. I think the stress test was put in place partly because of concern about levels of debt, but also as the federal government's way of slowing this runaway inflation.

Are you concerned about debt?

I am. I would like to believe that as long as we have reasonable restrictions, reasonable credit valuations and so forth, at the end of the day, Canadians are responsible people. They'll know when they're up to here. I don't think a central authority should be telling them what to do.

Twenty years ago in Toronto, the price-to-income ratio for a two-income household and an average home was 4.5. Now, it's double that. Would you agree there's an affordability crisis?

Strongly agree. If you want to lay blame anywhere for why some young people today are struggling to buy a house, you can smack it right onto government policy.

You're not in favour of government intervention.

I'm in favour of the opposite.

Which is?

Get the hell out of the way and let us bring more product to the market. Economics 101, lesson one: supply, demand. That's the problem. In Metropolitan Toronto and the Greater Golden Horseshoe area, where there has been great job growth leading to great population growth, the ability to keep pace with that has been massively curtailed in the past 20 years. The largest component cost of a home is the land, because the province has put so many limitations on supply. Now, it gets sticky. Because most of the limitations on supply are under the auspices of protecting the environment. And you may not know much about me, but I can tell you I'm very much an advocate for the environment.

So would you protect the Greenbelt?

I would protect nature.

You're making a distinction between nature and the Greenbelt?

Two or three more of these [*he gestures at his martini*], and it would be crystal clear. I believe modern science should be applied to evaluating, without politics, without rhetoric, without emotion. Let's recognize the role this regional economy has, and let's responsibly—and I mean responsible to all stakeholders, including Mother Nature—use science, rather than rhetoric.

Most politicians don't want to give scientists the power to make these decisions.

I'm not sure scientists *should* make the decision. They should opine on what's reasonable.

Do you feel the Greenbelt is unreasonable?

You have to start with first principles. What is it that society wants to preserve? Give society the trade-offs, and let society tell us—society broadly, not a fringe group. Let's give the silent majority a voice. The silent majority, I think, is starting to make the connection between what's going on and the fact that they or their children can't afford to buy a house.

That all of this land isn't available.

Correct, sir. See that height of land right out there? [*He points to a long ridge of land to the north.*] That's the Oak Ridges Moraine. Do you know how it came to be? I do. Glaciers scraped across thousands of miles, and when they melted, they deposited remnants of gravel tens to hundreds of feet deep. So that land we're looking at is really a great big pile of gravel. Gravel is porous. Those are the sources of our river systems. I get it. I respect it. But I'm saying, shouldn't there be room for modern soil science, building science, engineering science to be able to demonstrate that a particular development can be done without polluting?

Broadly speaking, more people are moving into the city. What's the future of the suburbs?

I see the future as really bright. The more aspirational people are about home ownership, the more inclined they are to live in the suburbs. As it becomes an increasingly important part of defining who they are or what they want for themselves, they will strive that way. Sometimes that's the more executive-type

2. Home prices across the country (see chart above).

3. Under the stress test instituted in January 2018, prospective mortgage holders need to prove they can afford their payments if the interest rate were two points higher than their negotiated rate or the Bank of Canada's five-year rate.

person or a new Canadian. They are willing to do whatever it takes—to live, as many of our ancestors did, two or three families in a house to afford it.

Let's talk about MAM. You once said, "There is an element of timing in this business." Why is the time right for MAM?

The time is right in the evolution of the whole organization. Ten or 12 years ago, I said, I want this home-building business to thrive beyond Peter Gilgan. The only way to do that would be to start to conduct ourselves somewhat akin to the discipline of a public company.

So you brought in the board. (4)

Yes, sir. So the business is set up in a manner where Peter Gilgan is not nearly as needed. Another element is the adage about not putting all your eggs in one basket. That's a truism I have not ascribed to for the past 40 years, and it is now time to do it. Our 10-year plan in Canada has only modest growth. We don't currently believe the opportunities exist, based on the risk profile of legislation, for us to invest more in Canada. It makes no goddamn sense. We would need to see different signals from government before we would want to be more aggressive in growing our business in Canada.

So what are you going to do with MAM?

What am I going to do with the money I have been fortunate enough to make? (5) My intention is that it is intergenerational money—that myself and my children and my grandchildren are custodians of that money, and we use it wisely. We use it for good things, including growth of the businesses and doing good things for society. Part of that is having a variety of asset classes. There's certainly some money set aside for a startup in an area of passion of mine specifically, which is the intersection of sustainability and technology.

You've talked in the past about the fact that your kids aren't involved in your business.

They're not involved in the home-building business. They're involved in our family office, and they have become increasingly involved in some of the investment activities. I've got a son studying to be a doctor. I say, "Do what you want to do, not what Daddy wants you to do."

But is the creation of MAM at least in part a way to address this need to have your kids involved?

That's a very insightful question. Wow. [*He looks away.*] How honest do I want to be about that? Hell, yeah! Hell, yeah! If I've got a kid who doesn't like mud and sticks, but he likes the idea that he could be involved in something around sustainability? Absolutely.

You are a big-time philanthropist. The last figure I saw was $175 million. It's probably more now.

Yes, sir. And you're going to see a big announcement in June. It's gonna be pretty impressive. (6)

Should Canada's wealthy do more than they're doing right now?

I would say yes. I can say I have never missed one dollar I've given, and it has brought me immense gratification in my life.

You're the first billionaire I've had a chance to ask about this: Do you worry about wealth disparity?

One might say, if you want to be cynical, "Why are you so wealthy? Why do you need all this money?" You need all this money in order to grow industries and capital, and continue to support the economy. You can't run a business without having a balance sheet. It's like, 20,000 people work for this business, and would they all have jobs without it? I'm not sure. A lot of what we do is create opportunities for others.

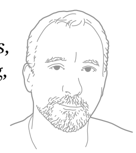
What do you say to people who are frustrated that the benefits of society are beyond their reach?

Do you know what our income tax rate is in Ontario? Like, the combined federal and provincial tax rate? Once you get past 100,000 bucks or something, it's 54%. And with the other 46%, you pay GST on everything you buy. We have a massive taxation regime here in Canada.

So you don't agree with Bill Gates and Warren Buffett and Ray Dalio and other billionaires, who say they want to pay more tax?

I'd like to see our taxes being used more efficiently—how's that? Look, when I was riding my bicycle on Sunday morning, I rode down Bay Street. And on every goddamn corner, there is a guy sleeping. Do you think that doesn't bother me? Yes, that bothers me. Is that my responsibility? Not directly. One individual or one family can't do everything. And you've got to know there's so much inefficiency in what we do with our taxation. What happens with all that money, man? Where the hell does it all go? So let's raise taxes so the government can become more inefficient? I don't think so.

Trevor Cole is the award-winning author of five books, including The Whisky King, *a non-fiction account of Canada's most infamous mobster bootlegger.*



4. Larry Nicholson, the recently retired CEO of the fifth-largest home builder in the U.S., is the new chair. Former Aimia CEO Rupert Duchesne is a director.

5. Gilgan's net worth is roughly $4.4 billion, according to *Forbes*.

6. The Gilgan Foundation's giving includes:

$10 MILLION
St. Joseph's Health Centre (2017)

$30 MILLION
St. Michael's Hospital (2014)

$40 MILLION
Sick Kids Hospital (2012)

$15 MILLION
Ryerson University's Athletic Centre (2011)

$10 MILLION
Oakville Trafalgar Memorial Hospital (2010)

Panorama

Yen for style

There's not much connecting face masks to fried-egg moulds to boxes of Pocky. But under the trendy umbrella of Japanese design, just about anything sells—cheaply—at the brightly lit, colour-coded Oomomo store in Toronto. Majority-owned by Vancouver's Fairchild Group, Oomomo debuted in Edmonton in 2017; it now has two stores in Alberta, two in B.C. and this one, open since December. So far, it's the largest, at 13,000 square feet (a few thousand more than a typical Dollarama), though a store in nearby Markham is expected to top 21,000 when it opens in June. By 2022, Oomomo expects to have 20 stores across the country.

It's one of several "100-yen" retailers to hit Canada, including Daiso (with 5,050 stores globally but just one in North America, in Richmond, B.C.) and Miniso, a Chinese-owned retailer with Japanese designs and 50 Canadian outlets. They're thriving (even as Dollarama, with 1,225 stores, struggles) selling exclusive Japanese brands and an elevated experience.

"People are looking for affordable items, yet they want better quality," says Mimi Lam, who manages Oomomo Toronto. "If you want quality, you'll come to us, not Dollarama." Oomomo carries a rainbow's array of more than 22,000 products. Most sell for $2, though you'll find $11 face masks and $8 jewellery stands on prominent display.

So how does this vast assortment fit with that other Japanese trend, the decluttering craze? "When you come here, you realize there are a lot of things you don't need—but *kind of* need," says Lam, pointing to a wall of plastic organizers. "We offer ways to help minimize your lifestyle." **/Matt O'Grady**

80%
Portion of Oomomo shoppers who are women, making cosmetics second only to food in terms of sales

500
Number of stores Toyko-based Miniso plans for Canada by 2021

Humans have created
8 BILLION TONNES
of plastic since large-scale production began in the 1950s

Canada recycles just 9% of its plastic, with
3.2 MILLION TONNES
ending up as garbage in 2016

1 Oil catch sheets, $2 | **2** Silicone fried-egg shaper, $2 | **3** Mitsui Norinchu Nitto Tea-Amazake, $8 | **4** Wasabi-flavoured KitKat, $15 | **5** Moko Moko Mokolet 7 candy, $7.50 | **6** Dehumidifier sheet, $2 | **7** Foaming net with case, $2 | **8** Double-folded eyelid tape, $2 | **9** Kracie Popin Cookin Doughnut DIY candy kit, $6.50

1

4

7

PHOTOGRAPH CHRISTIE VUONG


DAISO
SILICONE FRIED EGG SHAPER
シリコーン目玉焼き型
パン -BREAD-
パンケーキも焼けます
2


日東紅茶
七穀麹入りの
甘酒
きれい輝く麹のチカラ
Hot & Ice
スティック8本入り
写真はイメージです
3


お・や・つDO?
Heart
もこもこ
モコレット7
全4種
便座が可動する!
対象年齢6歳以上
この箱には④パープル(モコゲリオン)が入っています。
5


液漏れしない
シリカゲル除湿シート
カラリン
除湿シート
衣装ケース用
2枚入
除湿
脱臭
天日で再生
繰り返し使え
経済的
サイズ
約12×19cm
内容量:約15g×2枚
青い粒
6


DAISO
メイクOK・テカらない
目立たず肌になじむ
絆創膏タイプ
ふたえテープ
After
Before
片面テープ
レギュラー
96本
日本製
MADE IN JAPAN
23mm
378
8


Kracie
ポッピンクッキン
Poppin'Cookin
ドーナツ
クラシエ
知育菓子
保存料 合成着色料 0
無果汁
9

MACKENZIE ATTEMPTS TO 'MOVE THE NEEDLE' ON GENDER EQUITY

Female executives encouraged by progress, CEO's commitment to diversity

Kristi Ashcroft

Prerna Chandak

Women account for more than half of the entry-level positions at banks and insurance companies in North America.

However, the same research from McKinsey & Co. shows fewer than one-in-five women hold management positions in the financial services sector, which is a concern as companies aim to increase diversity in the executive ranks.

A lack of female role models, concerns about work-life balance and too few sponsorships programs are cited for the dearth of women in board and management positions.

TIME FOR A CULTURAL SHIFT

For many firms in the financial services business, achieving gender diversity requires a cultural shift, starting with ridding the sector of its long-standing reputation of being an "old boys' club."

The industry is evolving, "but we still have a way to go," says Prerna Chandak, vice-president of product and strategy for exchange-traded funds at Mackenzie Financial Corp.

Chandak, who worked for various Canadian financial services companies before joining Mackenzie in early 2017, says some companies are further along than others, including Mackenzie, where chief executive officer Barry McInerney has stated publicly that diversity is a top priority at the firm.

In late 2017, the organization launched the Mackenzie Global Leadership Impact ETF, which invests in companies that promote gender diversity and leadership. The organization also launched "Mackenzie Together: Championing Women's Worth," a platform created to solidify its commitment to the issue of gender diversity, and was the founding sponsor of The Women's Collection, Canada's first technology-driven, female-focused financial literacy and investment platform.

"It's one thing to talk about diversity internally, but when the commitment is made publicly, it adds credibility," says Chandak, who has an undergraduate degree in finance and economics from the University of Windsor and an MBA from IE Business School in Spain.

WOMEN NEED TO STEP UP, TAKE RISKS

While there are many built-in barriers for women in the workplace that need to be broken down, Chandak says women must also take responsibility for advancing their careers.

"Women sometimes get in the way of their own success, often unintentionally," Chandak says. "Part of it is not being vocal enough, [not] accepting compliments or [not] speaking to their accomplishments. It all comes down to mindset."

Chandak speaks from experience, having suffered from "imposter syndrome" – a feeling inadequacy, common among women, despite obvious qualifications and career success. Having advocates around her, both male and female, helped her overcome any doubts about her abilities, she says, and empowered her to put forward her own ideas on the job.

"Too often women close themselves to opportunities when they should embrace them, no matter how daunting they may seem at first," she says.

WOMEN NEED TO 'REFRAME' THEIR SKILL SETS

For Kristi Ashcroft, a vice-president and senior investment director with Mackenzie's fixed-income team, a risk – and opportunity – was leaving the industry for a decade to raise her three sons.

"It was very daunting for me to come back," says Ashcroft, who has an economics degree from Princeton University and worked for many years for investment banks in New York and London before taking a break and then joining Mackenzie in Toronto in the fall of 2015.

Ashcroft was confident she had the skills to return to work but was concerned about how others would perceive her qualifications, given her time out of the workplace. "That was a big insecurity," she says.

Ashcroft says women need to "reframe" their skill sets to draw not just on past work experience, but also what they do outside the workplace. "Women should ask themselves: 'What skills do I have or am I building that are transferable?' I give a lot of credit to Mackenzie for being open to and recognizing what else I had to offer," she says.

FINANCIAL SERVICES AS A PLACE FOR WOMEN TO THRIVE

Both Chandak and Ashcroft encourage women to see the financial services industry as a place where they can grow and thrive.

While the industry still needs to achieve greater gender equity, particularly in the executive suite, both women are encouraged by the progress that has been made since they started their careers in financial services.

"There are so many different careers in this industry," Ashcroft says. "Not only is it exciting, but it can be lucrative and empowering for women. Chart your own path. Be bold and be patient as we hopefully continue to move the needle." •

Rita Trichur

Promises, promises

Disclosure isn't enough. To improve their records on diversity, companies have to hire more women executives, pay them more and be quicker about it

It takes big ovaries to do Shemara Wikramanayake's job. Not only is she the mother of two teenagers, she's the first woman to lead Australian investment bank Macquarie Group. Since being named CEO last year, the 57-year-old has spoken out about the lack of women's leadership in finance. She says companies need to be more flexible with women and men so both can better balance their personal and professional goals.

"I married late, in my late 30s, and had children then. And my husband elected to be the one who became primary carer in our family," Wikramanayake said in a bank video commemorating International Women's Day. "That's made for a lot of interesting role modelling."

Alas, Wikramanayake's experience remains an exception rather than the rule for women in banking. In Canada, the Trudeau government wants banks to be more transparent about their policies to increase diversity on boards and in senior management—or so it said in a single throwaway line in its budget in March.

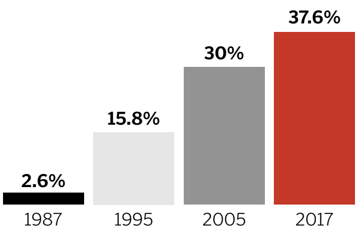
Big whoop. It's already clear the new requirements will do nothing to dismantle the organizational and cultural barriers that hinder women's ascent on Bay Street.

For starters, banks won't be required to go above and beyond the disclosure rules that already apply to other industries. Instead, banks must align their practices with measures in the Canada Business Corporations Act. That law, which was amended about a year ago, requires companies to give shareholders details about their diversity policies or explain their decision to withhold such information.

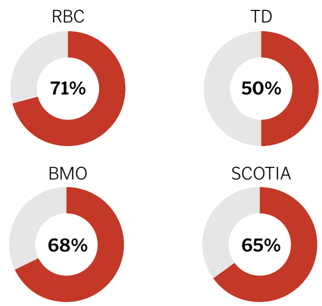
But the big banks already make such disclosures to investors, and the federal banking regulator has separate guidelines covering board composition and senior management changes. Disclosure simply isn't enough to improve women's representation in leadership roles.

There's no dearth of female talent within Canadian companies. The main obstacle to women's advancement continues to be cliquish, male-dominated corporate cultures

% OF SENIOR MANAGEMENT POSITIONS HELD BY WOMEN AT CANADIAN BANKS



WOMEN'S PAY AT CANADIAN BANKS IN THE U.K.
(MEDIAN COMPARED TO MEN, MANDATORY DISCLOSURE, 2018)



In 2017, women comprised 37.6% of the senior managers and 58.3% of the workforce at the country's six largest banks, excluding subsidiaries, according to the Canadian Bankers Association (CBA), an industry lobby group. But it's unknown how many worked in a profit-and-loss (P&L) capacity versus back-office jobs. At the board level, meanwhile, an average of just 36% of director roles at the Big Six were filled by women.

That's actually better than many other industries, such as technology, mining or energy, but the prospect of a Canadian female bank CEO still seems very remote. Compared with banks in other countries, the Big Six look positively passé. The CEOs of three of Israel's five largest banks are women: Rakefet Russak-Aminoach at Bank Leumi, Lilach Asher-Topilsky of Israel Discount Bank and First International Bank of Israel's Smadar Barber-Tsadik. In Australia, Wikramanayake is the second woman to run a major bank after Gail Kelly, who was CEO of Westpac from 2008 to 2015.

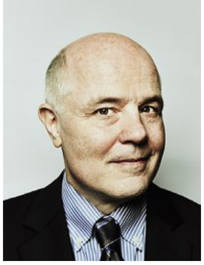
If Ottawa is serious about moving the needle on diversity, it should require companies in all federally regulated industries, such as telecom and transportation, to adopt term and age limits for directors. Board renewal not only creates openings for new candidates, but it also prevents directors from getting too cozy with management, says the Canadian Gender and Good Governance Alliance. Companies should also disclose how many women are employed in P&L roles and their average pay compared with male peers.

Institutional investors, such as big pension funds, should also push companies to tie executive compensation to promoting diversity and press them to close the gender pay gap through the use of quotas, if necessary. Yes, quotas—because they're more powerful than disclosure alone.

There's no dearth of female talent within Canadian companies. The main obstacle to women's advancement continues to be cliquish, male-dominated corporate cultures. If Wikramanayake, a woman of Sri Lankan heritage, can reach the upper echelons of Australia's business community, surely Canada can do better.

Rita Trichur is the financial services editor with *The Globe and Mail*. You can reach her at rtrichur@globeandmail.com or on Twitter @RitaTrichur

PHOTOGRAPH LUIS MORA



Ian McGugan

It's the real new thing

Upstart brands are trouncing traditional champs, but how can you tell which ones will hit the jackpot?

Brand power is a glorious thing—when it works. Consider the rise of Monster Beverage Corp., the best-performing Standard & Poor's 500 stock of this century. The company's share price has soared more than 60,000% since 2000, powered by a simple premise: Loads of caffeine! In a big, scary can!

The problem for investors is that shiny new megawinners like Monster are rare. Meanwhile, many venerable brands haven't gained strength in recent years. They've lost it.

Big beer companies are giving up ground to craft breweries. Giant razor-blade makers are under assault from upstarts that mail consumers supplies of cheap blades. Even Kraft Dinner, the fluorescent-coloured staple of my student days, is being undermined by no-name rivals and supposedly healthier alternatives.

Investors should pay attention. The past decade shows how easily shifts in tastes or technology can subvert even iconic brands. People who bet on the continuing appeal of Bud, Kellogg's Corn Flakes and Heinz ketchup have had a miserable time.

Over the same period, newer brands like Monster Beverage, Lululemon and Canada Goose have built market share with surprising speed. One key to a winning portfolio is making sure you're on the right side of these brand shuffles.

The big consumer names that dominated the postwar era aren't going to disappear, but they do seem likely to fade. They thrived at a time when buying an off-brand washing machine, beer or chewing gum was an adventure in the unknown. People assumed any company that could afford a non-stop barrage of TV ads had to be top-notch, because, really, who knew?

The big consumer brands that dominated the postwar era seem likely to fade. They thrived at a time when buying an off-brand washing machine or chewing gum was an adventure in the unkown

That age is past. Any consumer who wants to check out a product today just has to click on Amazon, Yelp or dozens of specialized websites to get a fast read on quality. In an era of easy product comparisons and ubiquitous social media, fewer people are willing to pay a premium for the supposed reliability of a big brand name. More are willing to experiment.

Add in the usual business challenges, and brands are vulnerable. To gauge how quickly the ground is now shifting, look back on what Interbrand considered to be the 20 global brands of 2009.

At least seven of them—Nokia, General Electric, IBM, Hewlett Packard, Coca-Cola, Honda and Toyota—disappointed shareholders over the next decade by lagging significantly behind the market. Another one, Marlboro, appears to be in long-term decline, given that niggling issue of how its product kills customers.

The brands that are now top of the global heap belong to the digital oligopoly. Apple, Google, Amazon and Microsoft topped Interbrand's list in 2018, for obvious reasons. They all control powerful platforms that dominate parts of our lives.

The big consumer-brand winners of the past few years have tended to be companies that signal virtue, in one form or another. Maybe it's your habit of braving Arctic temperatures (Canada Goose), your dedication to noble-minded wellness (Lululemon) or your high-energy lifestyle (Monster Beverage). All these companies have isolated a feature that matters to consumers, marketed it aggressively and extract generous profit margins as a result.

Which areas are likely to generate the brands of the future? The big winners will, as always, be a surprise. But to my mind, three areas hold notable promise.

One is the home-sharing market. Airbnb, the giant in this area, is expected to go public later this year. Its competitors include Tripping.com, Booking.com and Marriott International. It's an industry in flux, faced with political challenges, but someone will emerge as the big winner.

Another prime market for brand building is senior care, which is unsexy but vital, and challenging. Consumers find it hard to compare prices or trust anyone.

Finally, there is the growing market for fake meat—or plant-based proteins, as the jargon goes. The number of vegetarians in Canada has doubled over the past 15 years, and the trend is similar in other countries. Animal welfare concerns, environmental pressures and health benefits are likely to keep pushing more people away from meat.

Investors have several ways to play the vegetarian trend. Beyond Meat has just gone public. Its major rival, Impossible Foods, could follow suit. And other traditional companies, including Canada's Maple Leaf Foods, are trying to carve out a piece of the plant-based pie.

In all these areas, investors should remember there is no rush to pick winners. Anyone who missed out on the first post-millennial decade of Monster Beverage's epic journey, and jumped on board only at the start of 2010, would still have multiplied their money eightfold since then. Brands aren't built overnight—and, for investors, that can be a good thing.

Ian McGugan is an award-winning *Globe and Mail* writer. Reach him at imcgugan@globeandmail.com or on Twitter @IanMcGugan

PHOTOGRAPH LUIS MORA

Susan Howson, director and portfolio manager, Mackie Research Capital Corp.

TAKING CONTROL OF AGING PARENTS' NEEDS

AS THE POPULATION CONTINUES TO AGE, ADULT CHILDREN NEED TO PLAY A CRITICAL ROLE IN HANDLING THEIR ELDERLY PARENTS' FINANCIAL AND HEALTH-RELATED NEEDS

More and more middle-aged Canadians are making the difficult transition to becoming caregivers for their elderly parents, who require an increasing amount of attention.

For people in this position, the challenges can be significant, says Susan Howson, director and portfolio manager at Toronto-based Mackie Research Capital Corp.

Namely, the financial stakes are increasing as costly diseases such as Alzheimer's are on the rise, the price of long-term care continues to increase and public or private health plans don't cover many drugs and therapies.

Ms. Howson discusses the evolving needs of the aging demographic and the role that families play in the process, as elderly parents require more help in financial and health-related matters.

What are the first warning signs adult children should look for that they may need to "step up" and become more involved in their parents' day-to-day affairs?
There can be definite signs. If the children are out of town and talk to their parents on the phone, they should listen for things such as repetition and if the parents forget things they would usually remember, such as anniversary dates and names of close friends. For children who visit their parents, look to see if their house is not as clean as it usually is, if their mail is unopened or unpaid bills are piling up and if their clothing has holes in it or is dirty. If the parents drive, look to see if the car has dings and scratches on it.

What steps should adult children take if they see a decline in their parent's physical or mental health?
They should let their parent's financial advisor know. They need to monitor the situation and see how bad it is. This situation can be tricky because you need to bring in a doctor to determine what level the parent is at – and trying to get a parent to go to the doctor can be difficult.

Canadians are generally reluctant to talk about their finances. Is it any different with the elderly?
People in that age group don't talk about money – particularly with their families. Generally, the children have absolutely no idea about the extent of their parents' finances. Where the conversation starts for me is when I ask, "Do you have you a will and a power of attorney?" At that point, they usually start to talk about their children. By then, I have a sense whom in the family or which friend may call me.

How do you handle the delicate situations in which you have an elderly client in physical and mental decline?
It can be difficult because everyone can have an off day. But I know my clients, how they sound, respond, so I listen to things that may appear to be off and make the appropriate judgment call. If there's something that's bothering me, I'll communicate with that client's trusted contact person, let them know something doesn't seem quite right and ask them to check it out.

In cases in which adult children are suddenly in charge of an elderly parent's care and finances, what issues tend to come up?
Sometimes, children go to their parent's advisor and say, "We have the power of attorney and we are going to take over the finances." The problem is they have no history, they have no sense of how the money has been managed for the parent – and they are looking at everything from their own point of view.

Can having adult children in charge of their parents' investments be awkward for an advisor?
Children may say, "You have mom in 70 per cent equities at 80 years of age. That is not appropriate." Well, it is because your mother wanted to build an estate. Your mother was aware of inflation and wanted to stay ahead of it and was very comfortable with this asset mix. The reality is Alzheimer's disease is not a death notice. The parent can live well into their 90s with increased financial expenses – and a good advisor will have planned for that.

Where should people start in getting a power of attorney for health and finances, updating or creating a will and finding long-term care?
I had a perfect case a year ago. The daughter lived out west. Mom decided she needed to move into a retirement home. The daughter helped with the move and it became quite evident the mother had not been managing well. The daughter called me for a meeting and because they were both there, I could share the finances – that there was sufficient money and how it was being managed. Then, when it really became time to trigger the power of attorney, the daughter was quite aware of how everything was managed. That was ideal.

How have you changed your business model to deal with rising number of elderly clients?
I have repositioned most of my clients into discretionary managed, fee-based accounts. This structure acts as an insurance policy as clients get older. We set up a conversation to discuss their requirements. I then manage their money accordingly to ensure they have the income they need and don't have to make decisions as to buying or selling securities. This takes that pressure away from them and also means that if they become ill or not capable of managing their money, there is no immediate pressure for the family to do so.

Stay tuned for the next episode of Kelly Bennett

Netflix's Canadian chief marketing officer had one of the top jobs in the business and helped transform the streaming giant into a powerhouse of original content.

Then he decided to walk away

by Alec Scott | photographs by Shaughn and John

This started out as a story about a small-town boy who made good, of how Kelly Bennett, born and raised on Vancouver Island, landed what is arguably one of the top advertising jobs in the world, or at least in Hollywood, as Netflix's chief marketing officer, with an estimated annual budget nudging $3 billion.

When Bennett joined the streaming company in 2012, it was on the brink of its second great transformation. Five years earlier, it had pivoted from mailing out DVDs to streaming films and TV shows. Now, it was moving from streaming content produced by others to making its own. Through a combination of data, killer content and, yes, smart marketing, Netflix quickly changed what we watched and how we watched it—much to the chagrin of traditional studios, movie-theatre chains and cable companies—and became an inextricable part of pop culture, first in North and Latin America, and then globally. In January 2016, Netflix began, overnight, to stream in 190 nations—every major market except China. Since then, it has gone from 25 million subscribers to roughly 150 million, and now has a market valuation of $150 billion (all currency in U.S. dollars).

According to Reed Hastings, Netflix's co-founder, chair and CEO, Bennett—whom he has called his "chief emotion officer"—has played an invaluable role in driving that growth. He and his marketing team of 1,000 spread across the globe have helped persuade viewers, via billboards, ads, emails and social media, not just to not tune in to shows like *House of Cards*, *Orange Is the New Black* and *Stranger Things*, and movies like *Roma*, but to sign up for a monthly subscription in order to do so. And his team has done it in 20 languages.

But here comes the plot twist: About a month after I travelled to Los Angeles to meet Bennett for the first time, I got a call from a Netflix spokesperson. Bennett, he said, had decided to "retire" at the age of 47 (leaving behind a $6.2-million salary) once Hastings has found a suitable replacement or, in any event, by December. Officially, Bennett was stepping down to "be a better husband and father." But were there other factors at play? He's not the first high-profile Netflix executive to leave in the past year (long-time chief financial officer David Wells announced he was stepping down this past August). And there has certainly been tension at Netflix between the entertainment side of the business and the data-driven tech side—tension that has, from time to time, crept into Bennett's relationship with Hastings. The CEO has been known to downplay the importance of marketing, going so far as to say that he foresees a day when Netflix's algorithm (the one that fills your personalized home page with suggestions of what to watch, with varying degrees of success) is so precise, the company won't even need to advertise its movies and TV shows.

And so this story became one not just about how a one-time hockey jock from Nanaimo hit it big, but also about why he'd walk away from it all.

As befits a company that straddles the worlds of technology and entertainment, Netflix has offices in both Silicon Valley and Los Angeles—a campus in Los Gatos, a posh town south of San Francisco, and a studio and 14-floor office tower on Sunset Boulevard in Hollywood. The latter is a storied site—a former farm purchased in 1919 by the actual Warner brothers. The world's first talkie, *The Jazz Singer*, was made here, and so were the hit silent films starring the dog Rin-Tin-Tin.

The relics on display in Netflix's lobby evoke much more recent productions. A replica of the marble chair that features so centrally in its first original series, *House of Cards*, sits in one corner, just waiting for visitors to perch on it and take selfies (though in the wake of sexual assault accusations against its long-time star Kevin Spacey, no one is doing so). On a glass table sits a bowl of candies whose wrappers feature the five guys from *Queer Eye*. An entire wall is covered in redwoods that I recognize as a setting from the movie *Bird Box*, starring Sandra Bullock. At first, I mistake the images for wallpaper, but then a butterfly flutters among the trees; it turns out the wall isn't a wall at all but a giant LED screen. So much is not quite what it appears here.

It's early February, the day after the Super Bowl, and outside the fog is burning off a hillside to reveal the white block letters of the Hollywood sign. It's 9:30 a.m., and Bennett is presiding over the first of his Monday meetings with the 12 people who oversee Netflix marketing in the Americas, Europe, the Middle East and Africa. (He'll sit through another such meeting later that evening with the team in charge of Asia and the Far East.)

Bennett himself is jet-lagged, having just returned from visiting Netflix offices in London and Amsterdam. But he shows few signs of weariness. He's wearing a black shirt and pants on a trim frame, and his dark hair is moulded into a Tintin tuft on top. His voice is his most distinctive feature, though—it's a radio voice, and his accent is Canadian with some British and Los Angeles on top, though it somehow never sounds pretentious, the way some mixed-up, mid-Atlantic ones can. He's careful in what he says, private, his face friendly but hard to read.

Bennett runs a tight, cheerful meeting, asking open-ended questions, passing on his thoughts about promotional campaigns they're running around the world. The previous night's football game gets a passing mention. Bennett's crew is far more interested in the ads—specifically rival HBO's partnership with Bud Lite to produce a spot promoting its flagship series *Game of Thrones*, complete with jousters and a fire-breathing dragon that swoops in to torch the spectators. The flashy ad was starkly different from Netflix's own Super Bowl offering, for Richard Attenborough's new series, *Our Planet*. It starts with an orangutan and her baby, the baby's eyes staring straight at viewers before giving way to animals in their endangered habitats—whales, polar bears, electric-green toads—en route to the game-related tag-line: "We're all on one team." It's a moving spot, with stunning images. But was it too quiet amid the noise generated by the other Super Bowl ads? "We tend to zig where others zag," Bennett says.

They move on to discuss some upcoming promotional campaigns—here, "Rene" and "Jake" are Russo and Gyllenhaal, the co-stars of the upcoming Netflix horror flick *Velvet Buzzsaw*. Bennett's question with respect to the talent is always, "Will they work for us?" (In both cases, the answer is yes.)

The meeting's mix conveys the job's variety. Bennett manages employees across seven offices globally, creating advertising across a bewildering array of media: traditional commercials, billboards, digital interactives, social media, email. On top of all that, the team is responsible for the overall Netflix brand, right down to the logo (a new version of which Bennett's team had launched over the weekend, eliciting a terse, "Good job, dude" from Hastings for Stephen Bruno, a former HBO exec and Bennett's global marketing chief, who was in charge of the project).

While he sweats through the meeting's small stuff, Bennett says he always tries to keep one larger concept in mind. "I call it the brand bank. As a business, every interaction we have with our members or consumers that is generally positive is a deposit in the brand bank. If you open your TV and the brand loads, that's a little deposit. You find a show that you like—a deposit; a show you love, that you binge on, like *Stranger Things*, do two seasons in a weekend? That's wads of cash." He won't name names, but Bennett says many tech and social media companies work on trying to burnish their reputations only when things go wrong. "But by then," he says, "it's too late."

By Bennett's telling, if someone—anyone, really—had spotted his potential, he might have stayed in Canada.

His grandfather was a lumberjack, his mom a letter carrier and his dad a fireman. "Nanaimo was a place where you knew everyone, with a real working-class pride," says Bennett's older brother, Shane. Kelly was a hockey player with worldly ambitions: Shane remembers a map that hung on

Bennett worked on ad campaigns for *The Matrix* and the Harry Potter franchise for Warner Brothers in London before moving to Los Angeles, where he caught the eye of Netflix's CEO

GROOMING EMILY ZEMPEL/EXCLUSIVE ARTISTS

his brother's wall, stuck full of pins to mark all the places he wanted to go. "You had this sense that he was going to get there," says Shane. "He was always the first kid to try something—the first to have a skateboard, the first with whatever new trend."

Young Kelly was TV- and movie-mad, pronouncing these rarely heard words: "I just loved Canadian television." (He was a particular fan of *The Beachcombers*, which was filmed in Gibsons, B.C., just across the Strait of Georgia from Nanaimo.) But when it came time for university, Bennett opted to study business at Simon Fraser in Vancouver. His family had no money to help with tuition, so he worked nights and weekends at a Save-On-Foods supermarket to pay the bills. "I was putting in 40 to 60 hours a week at work and carrying a full course load," says Bennett. "I didn't have the university experience some of my classmates did." He also couldn't afford to accept low- or non-paying internships, which handicapped him when it came time to apply for jobs post-graduation. "Through these internships, people were landing interviews at places where they told me I didn't have the experience. Well, how was I going to get that?"

When a job came up at the Save-On head office in Langley, B.C., Bennett put in his resumé. "I knew everything about that company," he says. "I'd bagged groceries, done merchandising in the store, been an unofficial shop steward with the union. I knew what motivated their staff." If he'd gotten the job, Bennett might have ended up tracking his brother's career (Shane manages several London Drugs stores in B.C.'s Okanagan Valley). But they turned him down.

To dull the pain of rejection, Kelly went to visit a friend in London, England. "I planned on staying a couple of weeks," he says, "but I stayed 13 years, mostly because I met a girl on my first day there." (She's now his wife of 20 years, Dominique, with whom he has three children.) Despite his lack of experience, Bennett landed a succession of jobs in advertising, a field he took to at once. "Nobody cared if I had experience, and I had a sense that it was my calling, that this was something I could be really good at," he says.

His North American pick-me attitude helped. At one job, in the London office of a U.S. agency, whenever an executive would ask for help, "Here's me, this 25-year-old saying, 'I can,'" says Bennett. "What I didn't realize was that in a British workplace, nobody will ever put their hand up and say, 'I'm good at this.' They wait to be tapped."

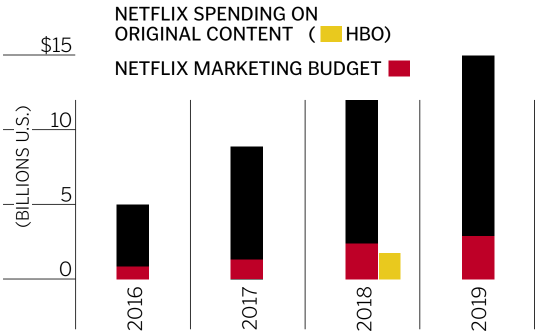
He also wasn't shy about diving into new things. In 1997, that meant the Internet. "There was this new digital thing coming that interested me," he says, adding that it wasn't all that different from offline marketing: "You still have to be a great storyteller and figure out how to motivate humans to do certain things."

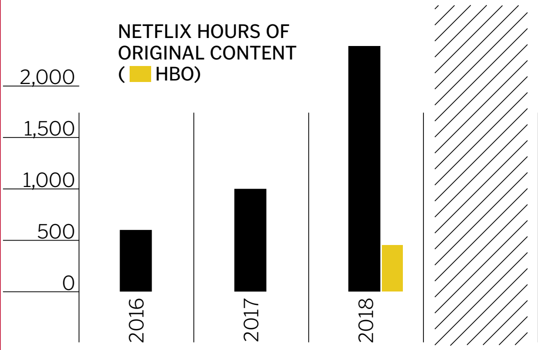
His social media cred got him hired in 2003 at Warner Brothers' London office, where he worked on the digital side of campaigns for the *The Hangover*, *The Matrix* and the Harry Potter series. The franchise about a boy wizard was just rolling out, and Bennett's team became an early adopter of Facebook, building what was, at one time, the most liked and followed property on the relatively new social network. The content on Facebook served up what fanzines once did and more: a constantly refreshed feed of behind-the-scenes tidbits, images of the stars, the latest trailers, links to behind-the-scenes stories and to online communities of fans—mostly teens, obsessing together.

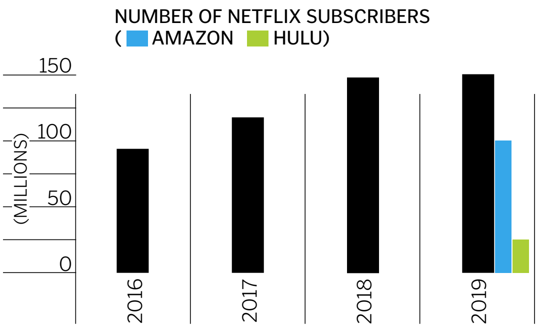
With each sequel, audiences grew instead of declined, according to Bennett. The challenge on the marketing side was to continue selling the films to fans as they grew older (along with Harry and his friends, who go from 11 to 17 over the course of the series), and as the tone of each installment got darker and more mature. "We tried to realize J.K. Rowling's vision in the campaigns." All told, the eight Harry Potter films have grossed nearly $8 billion worldwide.

In 2010, Warner Brothers moved Bennett to Los Angeles, where he caught Hastings's attention. As Hastings puts it, "Kelly came on my radar because of the incredible campaigns he'd done for some of the biggest blockbusters at Warner."

Netflix originals (top to bottom): the 1980s-set thriller *Stranger Things* (2016); *13 Reasons Why*, which sparked an outcry over its portrayal of teen suicide (2017); *The Chilling Adventures of Sabrina* (2018); and the superhero series *The Umbrella Academy* (2019)







To this day, Netflix bears the imprint of its two strikingly different founders: the computer-science nerd Reed Hastings and the self-proclaimed junk-mail king Marc Randolph.

Randolph came from a family of marketers. His great-uncle, Edward Bernays, was a pioneer in advertising, using the theories of another Randolph relative, Sigmund Freud, to persuade people to buy everything from Lucky Strike cigarettes (targeting women by portraying the act of smoking as a feminist rebellion) to bananas (appealing to North Americans by photographing celebrities eating them).

Hastings, meanwhile, has innovation in his blood: One of his East Coast forebears contributed to breakthroughs that led to the invention of radar, the atomic bomb and GPS, working from a lab attached to his New York-area mansion.

"In its DNA, Netflix had an equal measure of consumer insight—Randolph's knowledge

How Netflix took on Blockbuster, brought streaming to the world and became an integral part of pop culture

1997 Netflix launches in a strip mall in Scotts Valley, California, mailing DVDs to customers. It abolishes the late fees charged by video stores, most notably Blockbuster, then valued at $4.6 billion

1999 Netflix raises $30 million and starts its subscription service, where members pay a monthly fee to access rentals. Hastings takes over as CEO

2000 Hastings offers to sell Netflix to Blockbuster for $50 million, an offer Blockbuster declines

2002 Netflix's IPO brings in $82.5 million

2003 Netflix hits one million subscribers

2006 Amazon introduces a video-on-demand service. Netflix offers $1 million to anyone who can improve its movie-recommending algorithm, Cinematch. The prize goes to AT&T Labs

2007 Netflix delivers its billionth DVD and starts streaming online

2008 Streaming company Hulu opens for business

2010 Blockbuster files for bankruptcy. Netflix expands to Canada, its first international market

2011 Hastings proposes to shunt DVD-watching customers to a separate company, Qwikster, but backs down after an outcry; its share price plummets. Netflix starts streaming in Latin America and the Caribbean

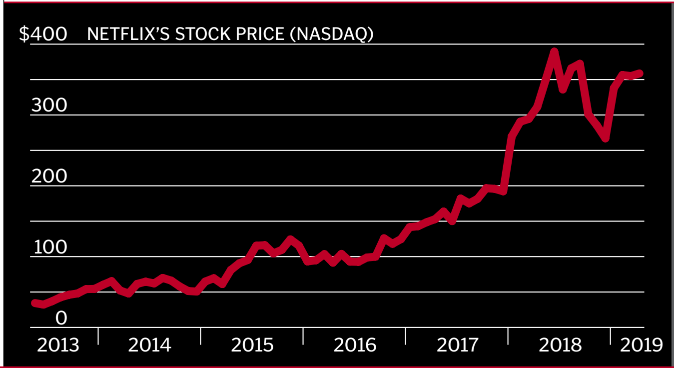
2012 Netflix enters northern Europe

2013 Netflix begins streaming its first major original production, *House of Cards*, a show for which it outbid HBO

2016 Netflix announces its intention to expand into 130 countries—minus China, North Korea and Russian-occupied Crimea

2017 Netflix subscribers in the U.S. surpass those paying for cable

2019 With Disney and Apple set to launch new streaming services, Netflix commits a reported $19 billion to produce original shows and an anticipated $2.9 billion to market them



and sense of empathy—and Hastings's expertise on the engineering side," says Gina Keating, the author of *Netflixed: The Epic Battle for America's Eyeballs*. "Both were equal—the yin and yang of the company, the art and the science."

Randolph takes credit for two of Netflix's greatest early insights: first, that movie renters wanted a greater selection than any one bricks-and-mortar store could provide, and second, that they were thoroughly sick of paying late fees at the local Blockbuster. He and Hastings charged a monthly subscription fee to customers to rent DVDs via mail (an innovation Randolph takes full credit for), choosing movies from a personalized web page geared to their movie tastes (an idea for which he shares credit with Hastings).

Hastings, who has a master's from Stanford, created the underlying algorithm, Cinematch, that now powers the entire company. When Randolph left in 2002, Hastings took sole charge, relentlessly trying to perfect Cinematch's accuracy in suggesting shows that customers will actually want to watch. When he wasn't satisfied it was doing the best job it could, he offered a $1-million prize to any data scientists who could improve the accuracy with which it gauged viewer tastes; the prize was won by a team led out of AT&T Labs.

But as the company moved toward producing its own content, Hastings knew he needed marketing muscle. Enter Kelly Bennett. "We knew our future was increasingly global and increasingly dependent on creating our own programming," Hastings says. "That meant we needed a CMO who could take on these twin challenges of introducing new markets to Netflix and then getting our members excited about shows and films they hadn't yet heard of."

At around the time Bennett came on board, Netflix bid $100 million for the rights to *House of Cards*, which starred Spacey as a climbing, corrupt politician in Washington, D.C. Netflix believed the show was a sure thing, based on the copious data it had collected from its subscribers: Fans of the original British version of the series, then streaming on Netflix, also liked movies starring Spacey and projects created by the project's producer-director, David Fincher. The company was so sure it had a winner that Bennett's team crafted an early email to Netflix members that confidently posted the title of the show and the message "Coming Soon"—just enough to intrigue the target audience, nothing more.

Although Hastings has called Bennett his chief emotion officer, the ads produced on his watch have been notable more for their ingenuity and playfulness than their appeals to feeling. A television spot for *House of Cards* in the run-up to the 2016 presidential election starred Spacey, then at the height of his popularity, and mimicked an actual presidential campaign ad: "This message approved by Frank Underwood." (His character has since been killed off following the sexual assault allegations.)

A recent ad for *The Santa Clarita Diet*—starring Drew Barrymore as a suburban zombie mom—starts off like a promo for a new weight-loss regimen but takes a gruesome turn: Barrymore happily eating human flesh from a bowl, blood trickling down her chin. To advertise its stand-up comedy offerings, it put up billboards around L.A. stating simply, "Netflix is a joke." As Bennett says, "People thought, 'Who's trolling Netflix?'"

On the social side, the challenge is to think small. "Now, we say, How do you sum up your campaign in a tweet?’” says Bennett. “If you can be really precise about the story, you know you’re onto something. In 20 years, we’ve gone from a 30-second commercial being the ultimate thing, or the single-page magazine ad, to making an Instagram story that’s five seconds long. But it can reach 10, 50, 100 times more people in a moment than a physical printed ad or TV spot ever could.”

“We’ve gone from a 30-second commercial being the ultimate thing to making an Instagram story that’s five seconds long. But it can reach 10, 50, 100 times more people in a moment than a TV spot ever could”

The social strategy also involves reacting to whatever’s happening online. Take *Bird Box*, set in a dystopian future where demons visit Earth; to look on them is death, so the characters wander about blindfolded. After its release, a meme arose on social media that had people walking around blindfolded in what they called the Bird Box Challenge. The Netflix response was deft and speedy: “Can’t believe I have to say this, but: PLEASE DO NOT HURT YOURSELVES WITH THIS BIRD BOX CHALLENGE. We don’t know how this started, and we appreciate the love, but Boy and Girl [two of the film’s characters] have just one wish for 2019 and it is that you not end up in the hospital due to memes.”

“We’ve developed a strong voice on social media,” says Bennett.

To date, he’s had a princely budget to go at these challenges—it has grown from $1 billion in 2017 to a reported $2.9 billion for this year —but he bristles at the suggestion that it’s bloated. “The marketing spend may seem like a rather large number, but when you break it down, market by market, around the world, across 20 to 30-plus languages, it’s quite manageable—if you look at how other entertainment companies spend on a title-by-title basis.” Indeed, the marketing budget for *Avengers: Endgame* was reportedly around $200 million (with the movie generating $2.5 billion in its first two weeks). *The Wall Street Journal* has estimated HBO spent $20 million to promote the final season of *Game of Thrones*.

The biggest challenge for Bennett has been selling Netflix abroad. “In a traditional business, you expand market by market,” Bennett says. “You do deep market studies, lots of testing about whether there’s viability. We had done a lot of that in prior expansions. But this time, we learned about the markets after the launch.”

Netflix’s uptake in Latin America’s biggest market, Brazil, was initially below expectations. For one thing, broadband Internet wasn’t widespread, which meant subscribers couldn’t stream shows. Many were still watching local television shows the old-fashioned way. And so Netflix went to where the viewers were, taking over an hour of traditional television to air an episode from its ’80s-themed horror series *Stranger Things*, complete with retro-style ads and newscasts to fill the full hour. That strategy gave Netflix a subscription boost and won an award for creativity at Cannes.

It has also helped that Netflix is spending big to produce shows outside the United States, including in Canada, where it reportedly has about 6.7 million subscribers. This past winter, Netflix announced its intention to establish 250,000 square feet of studio space in Toronto and invest $500 million (Canadian) in production north of the border by 2022. It’s spending similar sums to produce work in many other markets. But even this has risks for its image: “Locals are getting restive about this American company coming in, buying up all the great artists and content,” Keating says. “I don’t think Netflix has any bad will, but just by being there, they change the market.”

While Netflix is certainly the leader in streaming, it’s still only capturing about 10% of screen time in the U.S. And it’s in for a fight. Disney is getting set to launch its own streaming service in November (it already has a stake in Netflix rival Hulu, which has 25 million subscribers). So is Apple. Amazon, meanwhile, has been bulking up its Prime offerings. That’s in addition to competition from the likes of YouTube, HBO, traditional cable companies and the remaining movie studios, MGM among them.

So far, Netflix’s defence against the coming onslaught seems to be to appeal to just about everyone. “Our members are super-diverse—everything from a parent who has pre-K kids, to young teens, to adults, to sophisticated elites who want to watch the hundred movies they need to see before they die, to people who love documentaries—we have all these different audiences,” says Bennett. “We want to be the pre-eminent destination for filmmaking and series.”

Ad Week writer Jason Lynch believes this is Netflix’s strength: “It wants to be all things to all people and provide a never-ending stream of new content in pretty much every genre you can think of, so its subscribers will have no need to seek out any of its rivals.”

Bennett, however, won’t be around to fight the streaming war.

When he announced his decision to retire in March—walking away with $19 million in Netflix stock—he said he wanted to spend more time with his family and “to contribute more to my community.” He immediately decamped to the High Sierras, in Yosemite National Park, with Dominique and their kids (aged 11 to 17) to wrap his head around the implications of his decision.

A few weeks later, after his return from the woods, we spoke again. So, what does the next episode in the Kelly Bennett show look like? "Given that I've achieved really everything I set out to achieve professionally, it's time for me to refocus," he told me. He has already accepted a seat on the board of the German e-fashion giant Zalando, and he hopes to join the boards of a few non-profits, particularly ones with environmental and educational missions. He even mused about teaching a marketing class at a local college. Though he's lectured in the past at Oxford and Stanford, and could probably land a more prestigious teaching gig, he'd prefer to join the sort of place where kids without much money—kids like he once was—would study.

As for politics, Bennett has been known to give messaging advice to Barack Obama. So will he be offering help to any of the candidates in the upcoming 2020 presidential campaign? "No. No interest," is his curt reply. He's not leaving one hurly-burly to dive right into another.

Looking back on his seven years at Netflix, Bennett says it has changed the way he thinks about marketing, perhaps aided by Hastings and his Cinematch algorithm: "When I started, I thought advertising was 90% art—great creative, great images, great trailers, great storytelling—and 10% analytical. Now, I think it's 60% art, 40% science."

That could be a friendly nod to his data-driven soon-to-be-former boss. But a longtime Netflix observer confirms there has been tension within the company that might explain Bennett's willingness to depart. Hastings has said publicly that one day, he wants to spend nothing on marketing, letting Cinematch do all the work steering viewers from one binge-watch to the next. (Indeed, reports have been circulating in the trade press that Bennett's team is being disbanded once he departs—a rumour Netflix denies—and Stephen Bruno has already quit to become MGM's chief marketing officer.) The algorithm is something of an in-house god at Netflix. But for his part, Bennett told me in our first interview: "I don't think it's realistic to imagine that we could ever get totally out of marketing."

Post-announcement, he's more plainspoken: "An algorithm will never really understand the human connection to movies, the universal truths in them," he says. "Algorithms are not evolved yet to predict why people like the things they like."

He ends our interview with a summary of the thoughts that visited him in Yosemite: "Something that big reminds you of your place in the world. There's great beauty, great adventure. Being with your family in a place like that reminds you that there's more to life than just your career."

After some time away from this game, will the marketer in Bennett beckon him back? For now, his answer is no. But time can alter our views. What looks like static wallpaper one moment can morph, with the flapping of a butterfly's wings, into something different, less fixed, the next.

It's 2019. Where are all the women?

By now, female executives were supposed to have smashed through the glass ceiling and reached parity in corporate leadership positions. But look around: Men still dominate the boardrooms and C-suites of Canadian companies. We take a look at exclusive data and speak with leading female business leaders—and a male ally—to find out what it will take to finally bring equality to corporate Canada

By STEVE BREARTON, DAWN CALLEJA and JOANNA PACHNER

Isabelle Courville

Chair of Canadian Pacific Railway

The real issue is board renewal. Boards everywhere need to constantly evolve, and that means regularly evaluating their directors and assessing corporate needs. Is the company entering new geographies or adopting technologies that require different skills and experience on the board? I hope and trust that if boards were refreshing their members more often, female directors wouldn't be an issue any more. After all, lots of women are capable and knowledgeable in IT and finance. I'd be very surprised if boards opened up lots of new spaces and still weren't able to get enough women to join them.

In Canada, we might need a bit of help on that front—not necessarily through quotas, but through term limits. In France, legislation caps director tenure at 12 years; after that, you are no longer considered to be an independent director. Boards say, "We need this [long-time

Isabelle Courville photographed by Elyse Bouvier at CP Rail's head office in Calgary

“Any country that adopts a quota system forces board renewal, because otherwise, you can’t get enough new director openings”

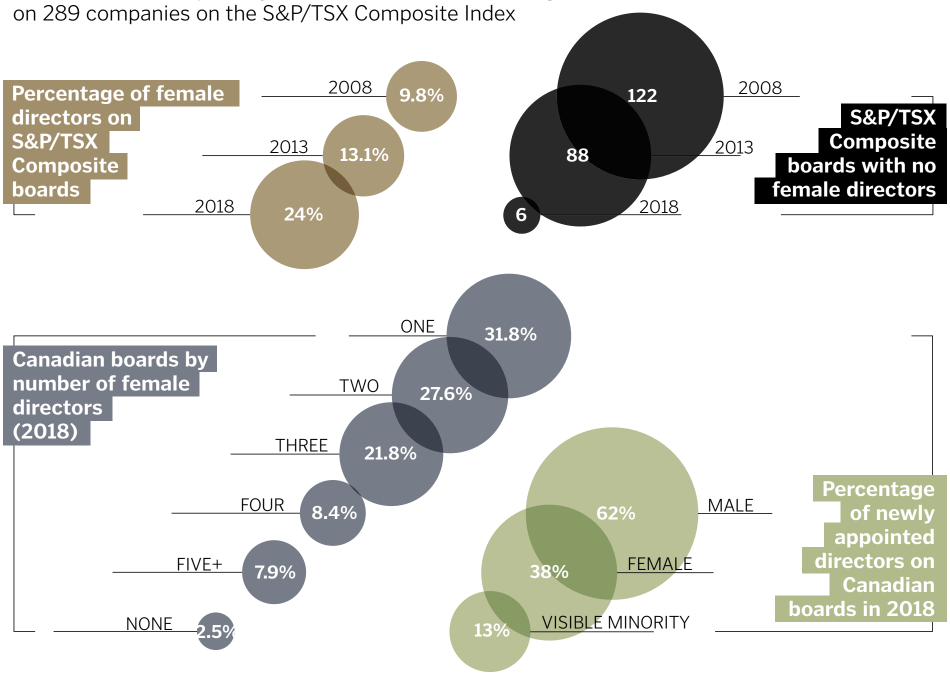
director’s] expertise at the table.” Okay, the person can stay on as an adviser, but they can no longer serve on some key committees. Fifteen or 20 years on a board is too long. Any country that adopts a quota system forces board renewal, because otherwise, you can’t get enough new director openings to meet those quotas.

Board chairs and nominating committees also need to be careful when creating job descriptions for new directors. If you say something narrow like, “sitting CEO in the same industry,” there may not be many female candidates who can fit. You need to build in some flexibility in terms of candidate criteria and then, through a solid onboarding process, invest in the people who join your board. Each of us builds our own credibility in the board arena. I have been very coherent in how I focus my board work: in regulated, capital-intensive, B2B companies, often unionized. I’m an engineer and a lawyer, and I understand those industries.

I’ve never had any difficulty finding qualified women for the boards on which I serve. Canada has lots of associations that promote female directors. I personally maintain a list of potential female candidates, and when I’m asked to join a board but can’t do it, I pass on my list. And female board members really do serve as role models. If you want to have more women on your board, appoint a woman as chair of your nominating committee. We have our own networks of interesting female colleagues, and when the board is diversified, it really sends a message.

BOARDS BY THE NUMBERS

Based on data compiled by the Rotman School of Management on 289 companies on the S&P/TSX Composite Index



Kathleen Taylor

Chair of Royal Bank of Canada and former CEO of Four Seasons Hotels & Resorts

I've been on this journey from the first roundtable on "comply or explain" legislation, where we thought we had found the secret formula for making big things happen. That has turned out not to be the case. The slow pace of change on both gender and non-gender diversity on boards has been a surprise.

Having said that, we're starting to see the institutional investor community bring their voices to the fore, and I think that will prove to be a watershed moment. When we launched comply and explain, someone told me board diversity was "not really on our agenda." There's been a sea change in that view, because major institutions have come to the table and said: "Diversity of gender, background and experience brings huge value to the corporation, and now we're going to use our voting power to institute some changes." CPPIB, BlackRock, the list goes on—if you have no women on the board, it means you're not taking diversity seriously, and we'll vote against your governance chair. And next year, we will engage more directly.

Before we start looking at quotas, I'd like us to focus on targets. What gets measured gets done, but we don't actually say what we're going to achieve. We say it about sales targets or earnings-per-share growth—how about measuring the most important asset, which is people? Some say targets are the same as quotas. They're not. Quotas are rules. Targets are aspirational. We set reasonable milestones to get there. Look at the 30% Club and the impact it has had overseas. When the idea took hold, everyone moved toward it. It gives everybody a road map.

Kathleen Taylor photographed by Geneviève Caron at the Royal Bank's headquarters in downtown Toronto

CAROLINE CODSI

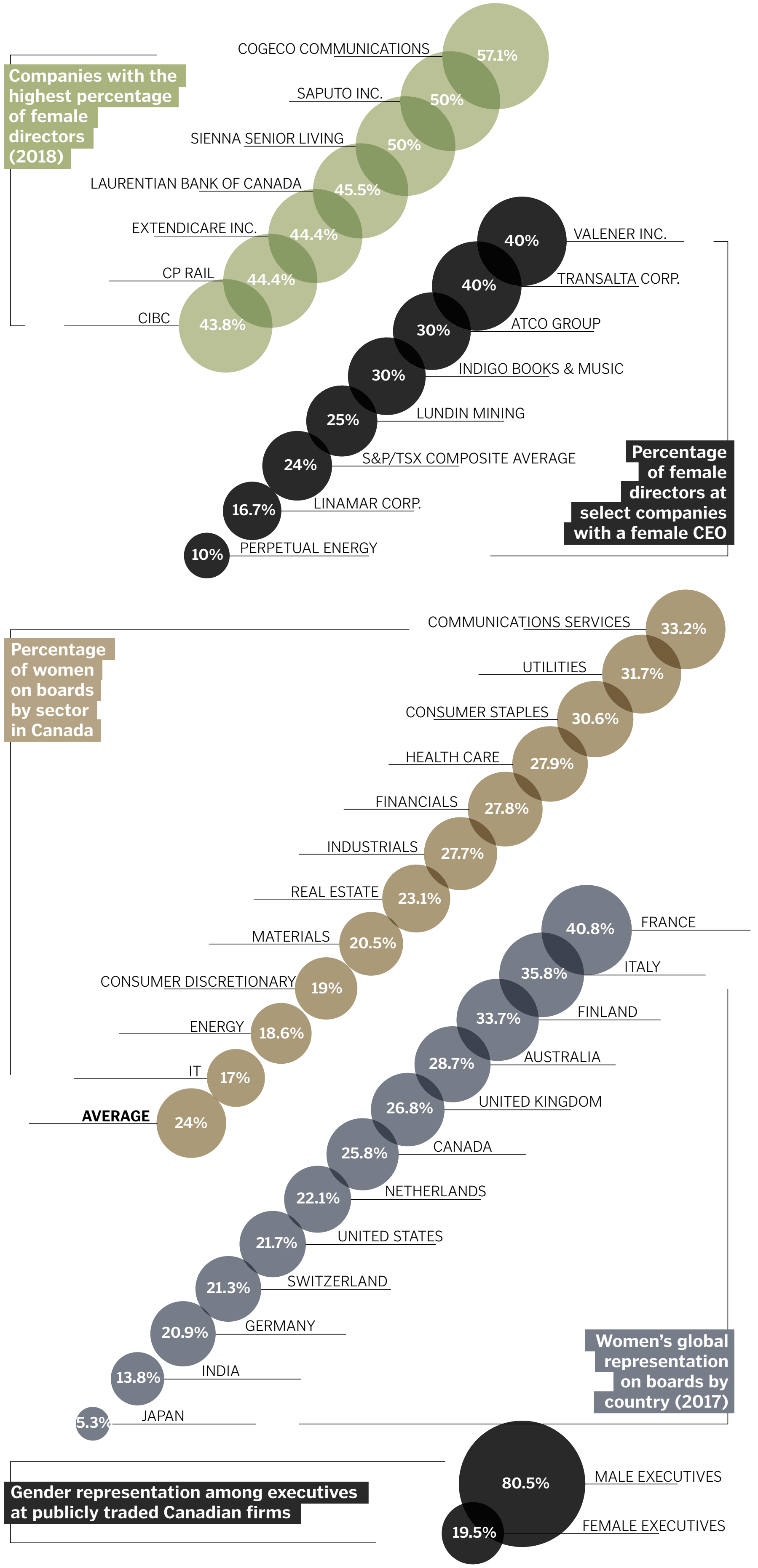
Founder and president of Women in Governance, dedicated to increasing female representation in the corporate sphere

Why aren't women moving up? Let me start with the reasons that belong to women. Women underestimate themselves. They don't talk about their achievements, or ask for pay increases and promotions. A guy will say, "I'll wing it at the meeting," and a woman will say, "I need to read all night." This is why, when you add women to the mix, you bring up the boardroom's depth—because the men around the table are like, "She's done her homework."

As for organizations, they need to understand they shouldn't be doing

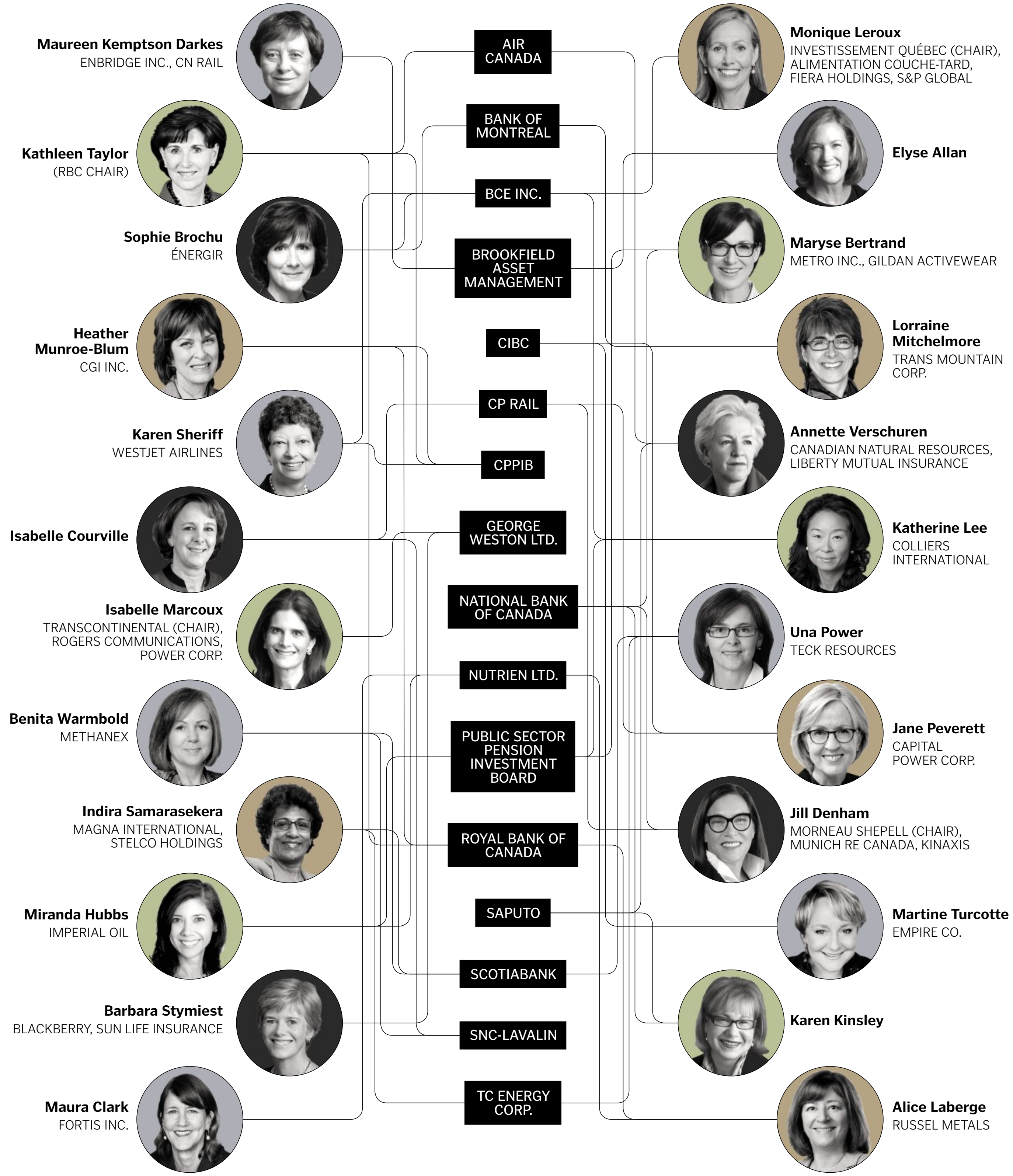
this to please women. They should be doing this because they want to make money. When you're Reitmans and you have 11,000 employees, 80% of them women, and maybe 95% of your clients are women, you don't think a woman would help your strategy? After all these years, Reitmans ended up adding one woman to its board.

As for the government, I'm pro-legislation. Not because I want an easy way in—I'm as competitive as the next girl—but because it's not happening naturally. European countries that have imposed quotas for women on corporate boards have hit those targets. But here in supposedly progressive Canada, among all publicly traded companies, according to data from the Canadian Securities Administration, we have 14% of board seats held by women. There are 211 publicly traded companies that have no women at all. Their excuse is they can't find qualified women. But if they had no choice, *of course* they'd find competent women. My line is, "When you legislate, you find women. When you don't legislate, you find excuses."



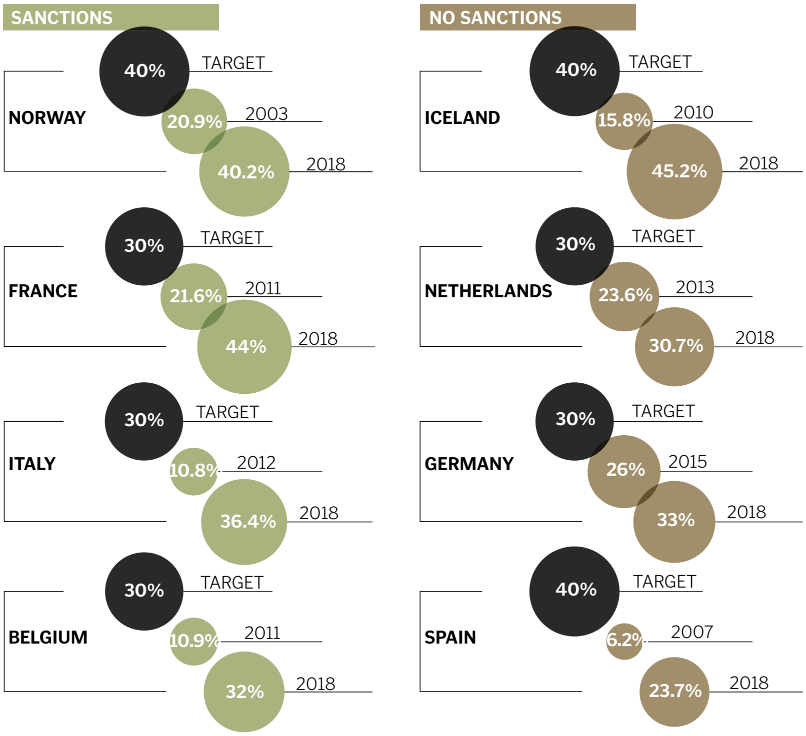
MAKING CONNECTIONS

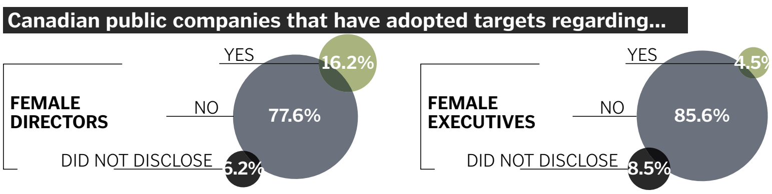
We look at 24 female directors to see where they intersect and list their other corporate directorships (many of them also sit on the boards of charitable or non-profit organizations)



TO LEGISLATE OR NOT TO LEGISLATE?

The Ontario Securities Commission's "comply or explain" rule compels companies to hand over details of their diversity policies or explain why they're witholding the information. But Canada has no quotas on female directors. These European nations do (half backed by sanctions and half without). We compare the percentage of female directors the year the target was imposed versus 2018.





DAVID PATHE

CEO of Sherritt International and co-chair of the 30% Club Canada, whose mission is to increase female representation on boards

There's a recognition that these issues are easy to talk about but difficult to make progress on. Certainly, that's been Canada's experience in recent years. But among the big TSX 250 companies, we frankly lag behind other jurisdictions on diversity.

I fundamentally believe organizations that are more diverse will make better decisions, on average, over the longer term. Ultimately, the opportunity is to define the place you want to work, where people from different backgrounds or experiences can thrive and grow. Changing the culture in any organization is difficult, but for it to have any chance of success, there needs to be a public, visible commitment from the top.

Some boards are voluntarily adopting quota-style measures because they know that if the industry doesn't take this on itself, quotas may well be the result. We have a couple of women on Sherritt's board, and it takes a while to get people to believe that the commitment to this issue is real and not just lip service. But I think we're really starting to get traction. It's incumbent on companies to get ahead of this, because even if they aren't swayed by arguments of diversity or don't think their business should be a place for social experimentation, it's the way the world is going. More and more of your investors are going to be looking for it.

Indira Samarasekera

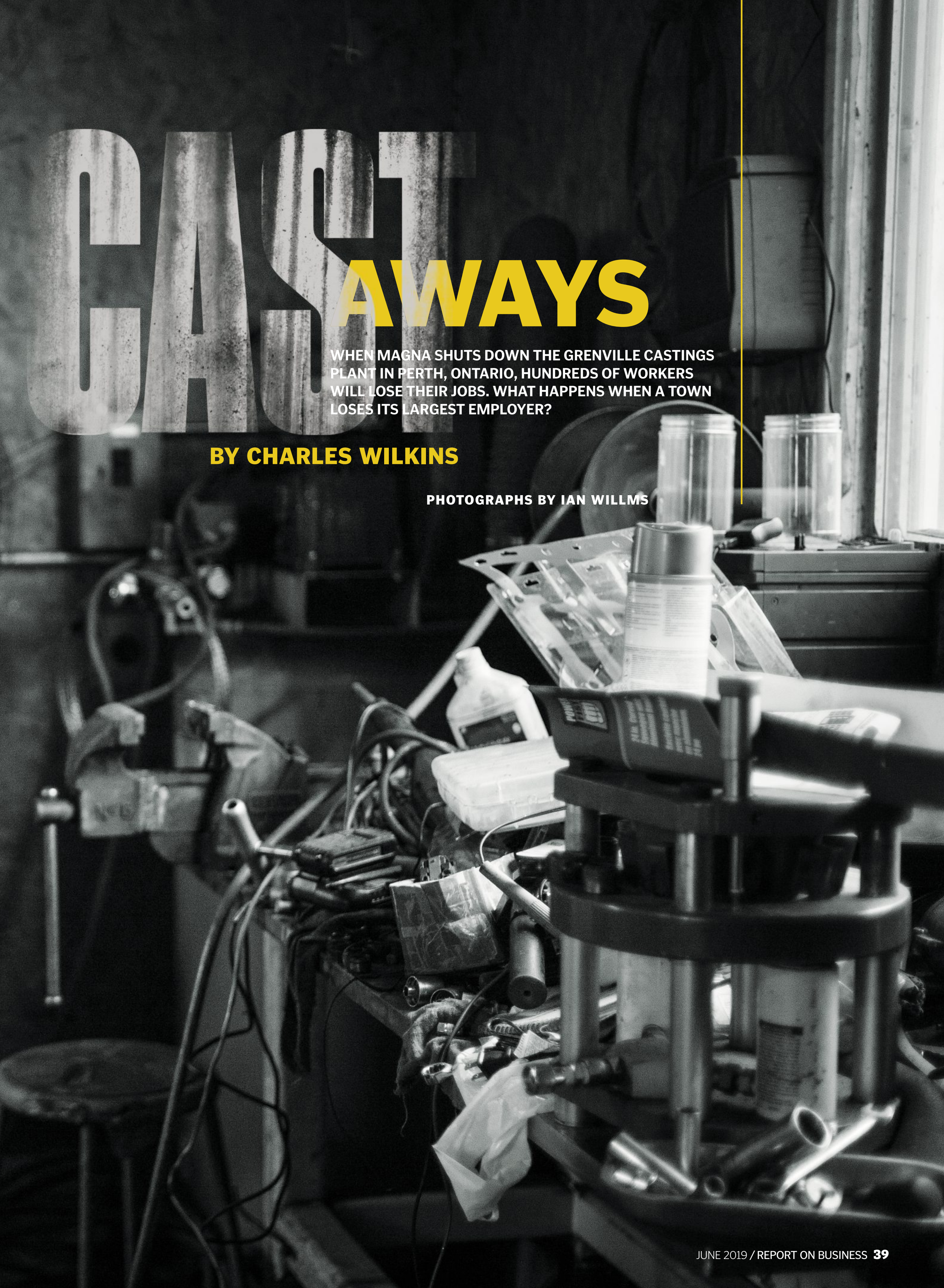
Director at Magna International, Scotiabank, Stelco Holdings and TC Energy

The lack of women in senior leadership positions is a key reason for the shortage of female directors. To be on a board, you need to have exposure at a senior corporate level, and when you look at statistics on women in leadership, it's disheartening. Many boards are looking for people with financial expertise who can chair an audit committee, and you need to have been a CFO at a company of similar size and complexity. Not many women have been in such a role, and those who have are in such great demand that they often have to say no. The pipeline is not as robust as it could be. But I think quotas have to be approached with a great deal of caution. I'm not a supporter. You run the risk of devaluing the individuals who are brought on through a quota approach.

There are many, many qualified women who could serve on a range of boards. But it's not about women per se; I think female representation is overemphasized. It's about having a diversity of experience—that's what's enriching, especially when a company has operations around the world. Boards benefit from having people with industry experience, but often a director from outside the industry will ask questions that might not occur to industry insiders.

Women would do well to educate themselves on the opportunities out there. Maybe organizations like Catalyst, in combination with individual women, could identify boards that would appreciate female candidates with specific skills and proactively reach out. It's all about fit.

Indira Samarasekera photographed by Arden Wray at Toronto's Pearson International Airport



CAST AWAYS

WHEN MAGNA SHUTS DOWN THE GRENVILLE CASTINGS PLANT IN PERTH, ONTARIO, HUNDREDS OF WORKERS WILL LOSE THEIR JOBS. WHAT HAPPENS WHEN A TOWN LOSES ITS LARGEST EMPLOYER?

BY CHARLES WILKINS

PHOTOGRAPHS BY IAN WILLMS

Les Peters (previous page), who has worked at Grenville Castings for more than two decades, at his home workshop. Mayor John Fenik (left) has presided over Perth's town hall since 2006 and was first elected as a councillor in 1997. The Tay River meanders through town (right). Another quiet night in Perth (far right)

WHEN John Fenik was a teenager, during the 1970s, he worked nights at *The London Free Press*, stacking freshly printed newspapers for distribution across the region at 5 a.m. It was a job he recalls with whimsical, almost mystic, fondness, because, for a couple of hours between his leaving work at sunrise on Saturday mornings and the point at which carriers plopped the newspapers on subscribers' doorsteps, he alone in London knew what was happening in the community and in the world. "I loved it," he said recently. "For a little period every morning, I felt I had this special knowledge and power."

Nearly 50 years later, as he ate lunch on June 18, 2018, Fenik, who is now the mayor of Perth, Ontario, got a phone call that induced that same quixotic feeling, a private foretaste of what was about to transpire out there in the wide world or, more accurately, in the microcosmic world that is the town of Perth (population 6,000), approximately 80 kilometres southwest of Ottawa.

Whereas his boyhood clairvoyance had felt good, the current version was shocking and demoralizing. "When I hung up the phone, I was frustrated; was angry. Immediately, I was thinking of things I should have asked or said."

Fenik's unexpected call that day came from a man he identifies only as "a senior executive" at Magna International, the hugely profitable Canadian-based auto-parts maker—a company that operates some 439 facilities in 28 countries on five continents, the lot of them producing $53 billion in annual sales and nearly $3 billion in profits.

"They have all this wealth, all this success, all these reasons to be magnanimous about their place in the world," says Fenik. And yet the message he got that day represented for Fenik what he later described as "this huge social and economic impropriety—to me a kind of major ethical crime."

To understand that alleged crime, one must first know that Perth's biggest private employer in recent years has been an old-style aluminum auto-parts foundry called Grenville Castings—"a real descent-into-hell sort of place," as one employee puts it—located in a nondescript industrial park on the south side of town. Many of the plant's 380 full-time non-unionized employees have survived for years there, under working conditions that include 12-hour shifts, unbearable noise, objectionable fumes, and interior temperatures that in summer can soar to 60°C and in winter drop to the freezing point, because the plant's industrial doors have been opened to dispel the heat from contraptions that include vast masonry-lined "melters" in which aluminum ingots the size of La-Z-Boys are liquefied at more than 700°C.

From a metaphorical point of view, it may also help to know that the plant is one of the ugliest structures not just in the industrial park or in the town but, quite possibly, in Creation—a great barn of a place, clad in phlegm-coloured metal, topped by a forest of belching ventilation stacks, and barnacled by rusted appurtenances and a sheet-plastic lean-to for resident smokers. The lot of it is surrounded by makeshift parking spaces, Atco trailers, bunkers of scrap metal and rumbling 18-wheelers whose engines run constantly, adding to the low-level toxicity that seems to surround the building. The place has no grounds and has an all-but-morbid shortage of windows, which perhaps more than any other factor suggests a neglect of what it means to bring human beings together under livable circumstances.

The plant manufactures, among other things, framing components and differential housings for the likes of General

Motors and Tesla. The work has been described as "a sort of a black magic." But the phrase does not fully honour the resident magicians, because low-pressure aluminum casting—a process few understand and even fewer can perform—combines old-world alchemy, metallurgical voodoo, near-masochistic self-punishment and hints of fine art on a level that sculptor Henry Moore would almost certainly have appreciated. Besides which, it is perilously dangerous. A few drops of water in the melting furnace can, in an instant, create a kind of hydrogen bomb with the power to blow the roof off a place like Grenville Castings. When a Bic lighter recently ended up in a melting furnace, it created an explosion that, had things gone max-badly, could have maimed half a dozen workers. Machinists and operators are frequently required to service moulds operating at 800°C without even shutting them down, and employees say they have often ended up in the local emergency ward suffering various traumas and contusions.

For anyone who has not guessed, Grenville Castings is owned by a division of Magna International. And it is not the physical ugliness of the plant that has been an issue in Perth in recent months (although it might have been, given that Perth is considered one of the prettiest towns in Canada and is not partial to squalor). The issue, rather, is the socio-economic ugliness that, on the day Fenik got his phone call, lurched out of the factory and up Gore Street into town.

"What the Magna guy told me," says Fenik, "was that company officials were on their way to Perth, and that at 4:30 they would be addressing Grenville's workforce to let them know Magna was shutting the plant down for good." And the company would be skedaddling from a town that had treated it with more dignity and generosity than Magna was now treating the town.

Fenik immediately summoned his executive team to the War Room—otherwise known as the Sunshine Room—of Perth's historic town hall on Gore Street; it is a room whose eccentric presences include not only the ghosts of the Scottish colonialists who built the town and of town councils past but also of Perth's annual Santa Claus parade, in the form of half a dozen large papier mâché heads that sit at the edge of a loft, peeking over the work area like escapees from a Lewis Carroll nightmare.

"I called Magna back," says Fenik, "racking my brains over whether or not there was something we, as an administration, could do in the way of water costs or tax incentives, whatever, in order to save the jobs." The mayor acknowledges he was furious that he and his council had not been included in the conversation to shutter the place. "I mean, we put a tremendous amount of effort and expense into underwriting these companies, in terms of making a life, a culture, recreational opportunities for the workers and management, and their families."

But Magna wasn't budging, and Fenik says that as the afternoon wore on, "the inevitability of it all became increasingly oppressive."

QUESTION: What does a town of 6,000 do to give itself a fighting chance on a globalized map in restless economic times, on a puny budget, almost all of which is swallowed by mundanities such as policing, garbage pickup, and water and sewage treatment? How does it survive trade wars and climate change and once-faithful industries that have decided to trash their citizenship—and with it, just about everything else they apparently once honoured in a community?

On a day this past January, Fenik was in his office in Perth's town hall, contemplating that very riddle, discussing his town's assets, hopes and challenges—which, these days, point about equally to the future and the past. He is amused to hear that an online forum has been debating whether residents of Perth should be called "Perthites," "Perthlings" or "Pertherts."

Under any name, such residents are likely to agree with the mayor that, despite a persistent deterioration of the manufacturing base, their town remains a resilient, even extraordinary, place to live. In its attempt to transcend economic vulnerability, in recent years Perth has also transformed itself into one of Canada's most popular and accommodating places to die.

Les Peters (left) at his home 20 kilometres outside of Perth. Aluminum castings gone wrong await pickup so they can be shredded and remelted (right). Michael Groulx (far right), a 27-year-old operator at Grenville, will be out of work come June, when the plant shuts down

Statistics show that 40% of the citizenry are superannuated seniors whose presence has fuelled Perth's carefully orchestrated emergence as a "full-service" retirement community: health services, funeral services, cemeteries.

Ironically, the town's unofficial motto, "Aged to Perfection," applies less to its human population than to the disproportionate amount of 19th-century cut limestone in its architecture and the fact that virtually every downtown intersection doubles as a living diorama of Perth's 200-year-old roots.

"We're very definitely about history," says Fenik. Which, in the wake of closures at factories such as Grenville Castings—and at Yarntex and International Scissors and Heritage Silversmiths and Brown Shoes—has become a kind of survival strategy unto itself. History as tourism. History as commodity. History as psycho-cultural elevator music for the long, slow descent of the retirees. The joke goes that while nearby Smiths Falls is selling "stoned" (its magnificent new cannabis company, Canopy Growth, occupies the abandoned Hershey chocolate factory), Perth is still selling stone.

But it is selling that stone with the same sort of passion that it once made and sold scissors and yarn and shoes. The words "heritage" and "legacy" bloom like petunias in the town bumph. Even the local plaza, a model of up-to-the-minute mediocrity, has been revivified as the horsey-sounding "Perth Mews." Ye olde municipality hosts a music festival, a maple festival and a college program in heritage carpentry. The Perth Citizens' Band, the oldest of its kind in Canada, has been around since the mid-1800s, shortly after Scottish masons arrived with their chisels and hammers to reinvent the dwellings their forebears had abandoned during the Highland Clearances.

However, in a small-town economy, nothing can quite replace the security that comes with factories cranking out goods around the clock, generating wages and taxes and support jobs. And community life. And the idea of a future (even an unsustainable tomorrow is a tomorrow). Such was the bonhomie around Grenville Castings when its Toronto owner, Tritec Corp., expanded it from Merrickville to Smiths Falls in 1992, and on to Perth in 1994. "I remember my first day on the job that year," says a senior employee at the Perth plant. "I came home from work that afternoon and announced to my wife that this was the best job I could ever hope to have. Friendly owners. Great management. If you produced your quota of parts by Friday noon, they brought in lunch for everybody and sent you home for the rest of the day."

It was in 2000, during a major retooling to produce parts for a U.S. powertrain maker named American Axle, that the wheels began to wobble. Lack of capital to purchase state-of-the-art equipment for the new initiative necessitated the sale of the company to what the employee calls a "bigger corporation," which in turn sold to a consortium, which sold to another corporation. "There were so many owners in that era, you couldn't name them all. Then came the crash in 2008, and the plant's American owner entered Chapter 11 bankruptcy. And the company was bought out again."

A mould operator recalls that by the time Magna International came on the scene in 2011, "things had reached a point where some of us had the feeling they weren't going to make it," the employee says. "The plant got congested to the point of chaos—one machine on top of another, I guess to increase production. The real problem, though, was that headquarters never properly worked with our people. They just told us what we had to do. We'd do it, and it would mess up. And we'd get behind. And the pressure to produce would build. Oh, it was fierce. GM's not going to sit around waiting for parts from Perth."

These days, thousands of finished

parts are spread like Tinkertoys in giant bins or on skids across every available square metre of the company's outdoor space as they await shipping. The undercurrent of turmoil in the plant is perhaps best captured in the fact that Grenville has had eight general managers in the eight years since Magna bought it—and at some points has experienced as much as 70% turnover in personnel.

PERHAPS predictably, the meeting between Magna and the plant workers on that fateful day in June 2018 rapidly disintegrated into anger and recrimination. A normally soft-spoken senior employee is said to have screamed from the floor, "I've given my life to this goddamn operation... and here I am being told that I'm not needed anymore, that I'm disposable." Others accused Magna of ruining Grenville with its ineptitude and greed. "We've worked our asses off every day, in this heat, in this terrible f—ing environment," hollered one employee, "and this is our thanks."

Within minutes, the meeting was shut down for fear it would disintegrate into violence, and the employees went home to ponder the stunning new narrative of their lives. In effect, it was a tale told by an idiot. Magna, which claimed it "cared deeply" for its employees, promised to help them find jobs, plan for their futures and write resumés—this backed by an economy in which companies such as Magna are busily killing precisely the jobs they are encouraging their castoffs to find.

The plan was that Magna would keep the plant open for a year—not for the employees but for the company, which had contracts to fill. Meanwhile, Magna offered modest severance pay: one week's wages for each year of service, plus what Magna calls a "seniority-driven" bonus. "But we have to work to the bitter end to get that. We can't leave a day early, even for another job. And we have to shut up. No yapping to the media. Which means you," said one worker to an inquisitive magazine writer.

A Magna representative confirmed in April that the company's policy on severance eligibility is that workers "must remain in good standing." As for the additional seniority payment, Magna said there is a "general confidentiality obligation" imposed upon eligible workers, but said there is "no specific reference regarding speaking to the media."

During the weeks that followed the announcement, a hundred or so workers, mostly those without much seniority and therefore expecting little in the way of severance, quit and took jobs elsewhere. The departees were replaced by temporary workers bussed in from Toronto and Ottawa—some of them conspicuously unhip to Grenville's life-or-death safety standards. "The rules were explained to them meticulously in English," says one worker. "But some of them didn't speak English. I saw one guy come into the plant with a can of pop and set it down near one of the big aluminum melters. In the old days, he would have been fired immediately. It's the equivalent of setting a box of TNT on top of a wood stove. But nobody on the floor said a thing." Magna declined to comment on the incident.

As for the company-imposed silence, most of the employees obediently lost their tongues. Those inclined to talk have sounded off anonymously about deteriorating plant conditions and eviscerated company-employee relations. One worker speculated that when Magna bought the foundry, the company's idea was to have its own technologists and engineers learn and perfect the plant's "magic" and transport it to somewhere it could be done more cheaply. "We had people from Poland in here studying what we were doing. Then there were people from China," says a veteran machinist. "But it's not something you can pass on in a matter of weeks or even months. In fact, in all these years, the people who've been observing and working with us have really never figured it out! And Magna still doesn't get it." The machinist explained that he and the operators used to design their own casting moulds—fiddle with them until they were perfect. "We knew what we were doing. Then Magna took that away from us, implying we were incompetent. Now we get these moulds from all over Ontario and the U.S., supposedly professionally designed, and they're not right! They don't work."

As a result, the employee says, the quality control has been "awful" for the

Janet Girdwood (left) works at a local chocolate shop and has seen other shutdowns decimate jobs in her community. The Perth Citizens' Band (right), formed in 1852, rehearses at the town hall. Victor Saikaly (far right) dishes up lunch at his namesake diner, which he runs with his son, Keith. Mr. Victor's Diner will lose a considerable chunk of its business when Grenville shuts down

past few years. "Five years ago, it would have taken us a week or more to fill the 53-foot scrap Dumpster at the plant's south door," says the worker. "Now we fill it eight times a week!"

Historically, Magna's inclination has been to say nothing to the public about plant closures. But when informed of the reported chaos at Grenville, company representatives agreed to speak to *Report on Business* in the hopes of lending perspective to the reports from employees. But they would do so for reference only, not for attribution. In that mode, they explained that the creation of excess scrap—which, incidentally, is shredded and recycled through the melters—is an inevitable result of the introduction of new machines and processes, and increased production. ("Yeah, and bad tools and faulty moulds," counters one casting technician.) They declined to comment specifically on the eight-fold increase in scrap.

In the same vein, Magna said it had no intention of moving the plant when it bought it. There was even hope for an expansion, when Magna bought an adjacent soccer field owned by the town. But to this day, it is used for soccer.

Otherwise, Magna's communications since the announcement have been a kind of drift, an Orwellian seepage, that might be read, indirectly, as a condemnation of the very kind of capitalism the company has practised on Grenville Castings. It might be read less generously as a menu of brazen corporate euphemisms for the New Age. The company claims, for example, to harbour "a great empathy and concern" for its workers. "I guess there's some respect there," says an employee. "Unfortunately, they don't respect us nearly as much as they respect their investors and their need to make money no matter what the human cost."

As for the reason for the closure, Magna insists "commoditization" is the major culprit, which in market-speak means auto parts such as those made in Perth are interchangeable with similar parts made using similar processes by any number of companies—and must thereby be sold competitively. "No value can be added," says a Magna rep. "Anyone can make them."

Which is why, of course, the company must decamp for lower-cost jurisdictions. In other words, says Mayor Fenik, "to places where shipping is cheap, property is all but worthless, taxes are not an issue, environmental standards barely exist, and you can't live on the wages. Places like Mexico. Like China. Like parts of the United States of America." While Magna refuses to say where it will be making its castings from here on, it has been operating in all of those countries for years.

When the company declared it would be "rolling out" its severance package, one employee complained, "You'd think by the way they talk we were gonna have some major avalanche of money coming at us when, in fact, if you're like me and have only been there nine or 10 years, it'll be, like, $8,000 or something—hardly enough to prolong the agony."

Magna is adamant the closure of Grenville is not related to aluminum tariffs imposed by the U.S. But they are quick to acknowledge it is "tough times all over" in the auto industry. GM, for example, is in the process of cutting 2,300 jobs from its Oshawa, Ontario, operation. "Mind you, it's exciting times too," said a Magna rep, whose company has invested heavily in producing a kit that will convert conventional cars to self-driving models. But as *The Guardian* columnist John Harris asked: How long will cars as we know them even exist? The supposition is that the future of transportation lies less in privately driven autos (on which some cities have already imposed selective bans) and more in high-speed mass transit, like light rail, which is in fact a projected centrepiece of Fenik's vision for the future of Perth.

AMID this free-for-all of non-attributed commentary, one Grenville employee, a 52-year-old machinist named Les Peters, spoke fearlessly, openly and on the record about the effects of the plant closure on him and his family. Peters lives with his wife, Tracy, and their 24-year-old son on a wooded acreage in the verdant Brooke Valley, 20 kilometres west of Perth, where his ancestors put down roots in 1813. Les is a soft-spoken, self-described obsessive-compulsive, who began work at the plant in 1994, and for much of the past 25 years he has used his skills as a tool and die maker to construct parts for the plant's machinery and otherwise keep the machines running. He has applied his wages, which today sit at just over $30 an hour—roughly $63,000 a year—to buying the land where the family lives, to paying the mortgage on their unassuming house, raising two children, taking modest vacations and keeping a succession of what Les calls "decent used vehicles." He and Tracy have no savings to speak of, and Les's severance pay is likely to max out somewhere just above $30,000, minus deductions.

This has him worried—partly for his own sake, but more so for the sake of those around him. For one thing, he says, he will be unable to help his 21-year-old daughter repay the $60,000 she owes in student loans. His son works at a machine shop called Bell's Machining, Welding & Hydraulics, which does occasional contracts for Grenville and could be vulnerable to the shifting industrial climate. "We wouldn't be able to help him either, if he should lose his job," Les shrugs. Tracy, a medical secretary, has contributed heartily to the family finances, but she is now disabled by illness and has been in and out of the hospital in Ottawa for the past two years. Her current regimen of 12 medications is covered largely by Les's company drug plan—which is, of course, about to lapse. "I look at my pills," she says, "and I think, Okay, maybe I can do without one or two of them. I could take the chance."

Tracy says what bugs her as much as "the big things" is the way the impending shortfall grinds away at the sort of grace notes that give margins and plausibility to a life. "I get asked if I can contribute a toonie to a local charity, and I say, 'Well, no, I'm sorry, no, I can't. Not today.' Do you know how utterly shitty and deprived that makes you feel?"

For years, Les has saved money by joining with neighbours to cut firewood, for example, or to raise buildings or shovel snow—basically to get the benefit of shared or exchanged labour. He is, among other things, a talented (if uncertified) automobile mechanic and has dreamed for a decade of running a modest repair and machining facility out of the barn-sized shop he built in the trees, on the high ground, behind the family home. He does occasional repairs on neighbours' vehicles and farm machinery. "But I'm not quite at the point where I can go it alone," he says. "It'd be a pretty limited income at this stage. I feel I should probably hold a job for a few more years." The problem is to find a job—one that suits his skills and temperament. "It's not easy at my age. Plus, I'm not keen to leave the valley. I just feel I'm a little too old to abandon everything we've built here."

Les's situation at work these days is even less sanguine than it is at home. As a devoted and highly skilled machinist and an intuitive mechanic, he is constantly called upon to fix machines, make parts, solve problems—this, in an environment that is increasingly hectic as the plant stumbles toward the finish line. "Even before I'm through the door," he says, "I have people asking me to help them do this or that—in addition to the long list of other jobs I can't ignore."

The subject infuriates Tracy. "I keep telling him he mustn't do it; he has to guard his health, to tell these people that he'll put them on a list and help them if he has time. He's been loyal and committed to this company for decades, and he'll be loyal to the last minute. And why?"

Tracy leans toward her interviewer and says quietly: "Les has worked *sooo* hard." Her words fall somewhere between endearment and condemnation. "The guy is exhausted with the stress."

"I can't say no," responds Les, whose old-world allegiance is to co-operation and community—perhaps too often at the expense of self.

FOR Les and Tracy Peters, and for many Grenville employees, the months since last June have been rendered all the more galling by the fact that Magna's founder, Frank Stronach, and his daughter, Belinda, engaged in a business spat so boisterously public, and involving so many billions of dollars, as to make the TV serial *Schitt's Creek* (a satire on small-town facsimiles of the Stronachs) look like an enactment of the most boring statutes of the Old Testament. "Their fight isn't even about Magna," says Les. "It's about their other company, the Stronach Group." But it is nonetheless a reminder to Grenville employees that as they fight to save their $900-a-month mortgages and find minimum-wage jobs, their struggles have made a few people (to use the words of a dissident Grenville administrator) "insanely, even brainlessly, rich."

Some employees were irked in a different way when, in mid-February 2019, the British rock star Sting, who was performing his musical *The Last Ship* in Toronto, volunteered to perform it in Oshawa, in support of the unionized employees being put out of work at the GM plant. The production chronicles the closing of the shipyard in Sting's home of Wallsend, England, during the 1980s and the catastrophic consequences for the city's residents. "I love Sting, and we don't begrudge them the support," says one veteran Grenville worker, "but in a way, hearing about such things just makes you feel smaller and more helpless, because of course Sting's not going to perform in support of a crappy little non-union plant like ours. Why should some guy we don't even know recognize us when we're not even recognized by our own company?"

Meanwhile, of course, hundreds of local residents have made it their business, their concern, their survival, to recognize the importance of Grenville and its employees—to understand the blow that will be dealt to the community when the castings plant is gone. "They say six jobs are affected for every primary job that gets smoked," says Keith Saikaly, who, with his dad, owns Mr. Victor's Diner, within a hundred metres of Grenville Castings. "And, of course, the city loses taxes, and the landlords lose tenants and the stores lose customers." Mr. Victor's will itself lose some 25% of its clientele. "There are mornings when I deliver as many as 50 takeout breakfasts to the plant," says Saikaly, who anticipates rough days ahead, but feels he and his dad will weather them somehow, with adjustments.

Janet Girdwood works the counter at Perth Chocolate Works on Wilson Street. But she was once employed at the Rideau Regional Centre, a mega-institution for people with developmental challenges, in Smiths Falls. When the centre closed about a dozen years ago, more than 800 regional residents were put out of work. "This was around when the Hershey plant closed," she says. "A lot of Perth people worked at each place. Oh, it was a disaster. These sorts of things affect schools, community programs, real estate. Members of my family had a health-food store in Smiths Falls. It was over very quickly for them. And, of course, new businesses won't come. The money is leaving."

Girdwood's 22-year-old daughter, Cal, recently opened Koolz Vapes in Perth, many of whose customers work at Grenville. "These people are working stressed," says Janet. "And when that happens, they have more accidents; their sense of community deteriorates; there's a more destructive energy around them. Grenville is a very tough place to work at the best of times."

All of which circles back to the question of how a town survives, both socially and economically—to issues such as the promotion of Perth as a retirement haven and the repackaging of the town's history as a consumer item. The problem with the former, as Saikaly points out, "is that the selling of retirement is as economically unstable as the manufacturing of car parts." For one thing, the cohort of baby boomers on which retirement communities feast will not be around forever. And old folks on fixed incomes are unable to create growth. Plus, young people, unless they are in health services, are inclined to move away from a town devoted to long, comfortable dying.

It is for all of these reasons that Mayor Fenik, while deeply appreciative of the town's past, would be happy to make a little more of selling the future—particularly to the town's youth. In that regard, he and his council have been integral in bringing state-of-the-art fibre optics and communications technology to Perth, and have facilitated the renewal of Algonquin College's 350-student campus on the edge of town. Fenik is also an avid proponent of the handful of small factories—an electrical components plant, a wire factory, an adhesives manufacturer owned by 3M—that are holding their ground in Perth. His dream, he says, is a high-speed light-rail system that would deliver commuters from Perth to Ottawa in 40 minutes and to Toronto in two hours.

For Perthlings such as Les Peters, the future these days has more to do with quietly contemplating the survival of his family and of toughing out his final days at the plant.

"I'll keep givin' 'er to the end," he says. "I'm not angry, just very frustrated and exhausted over the way things have gone. And I guess, in a sense, I'm relieved that it's over. To tell the truth, I was relieved the day Magna announced the plant was finished. With all that was happening, I just couldn't see how it could go on—couldn't see how I, myself, could go on in that environment."

Tracy Peters is not so forgiving. "If you happen to mention me in the story," she says as she listens to her husband, "would you kindly refer to me as 'Les's embittered wife, Tracy?'"

On a morning in early spring, a Grenville floor manager who identifies himself only as "George" sits in Mr. Victor's Diner after leading a company workshop in the X-raying of castings, a process whereby flaws can be detected in the metal. It is part of Magna's attempt to prepare Grenville's employees, or at least a few of them, for opportunities of the sort Magna is about to snuff out forever in Perth. "Most of us will turn up somewhere," says George. "I may look like a foundry worker, but my main love is astrophysics. Who knows? Maybe Magna will head off into space, and I'll apply for a job out there."

The more likely scenario is that Magna will continue its migration to countries such as Mexico, China and India. "Contrary to what you might think," says one Magna administrator, "I'm sorry we're leaving Perth."

A year ago, most of the local workers felt much the same way. These days, as one employee puts it, "We're just bloody glad to see them off."

Editor's Note: In the hours before this story went to press, Les Peters revealed that he had left Grenville Castings and taken a job alongside his son, Riley, at Bell's Machining, which makes firewood processing equipment just a few hundred metres from Grenville Castings. He will receive his severance pay from Magna and hold on to his benefits until the plant closes in June.

IN CONVERSATION WITH

WITH THE GLOBE'S PORTUGAL RIVER CRUISE FEATURED JOURNALIST ERIC REGULY

The July Portugal River Cruise begins in the city of Porto, famous for its Porthouses, vibrant restaurant scene, and breathtaking views

Eric Reguly is the European Bureau Chief for The Globe and Mail. Based in Rome, he's covered economic, financial and geopolitical stories including the euro zone crisis, the bank bailouts, the rise and fall of Russia's oligarchs, the Arab Spring, the migrant crisis and the rise of European populism. Reguly is one of The Globe's journalists who will be on board the upcoming Portugal River Cruise in July. Learn more at **GlobeandMailCruises.com**

You were on The Globe's French River Cruise last year and you are on board again this year for the Portugal one. From your experience, what makes them so special?
The river boats are small and intimate – but absolutely sumptuous – and everyone gets to know one other pretty fast. In last year's French river cruise, I found the guests friendly, enthusiastic and curious – truly engaged and opinionated Globe and Mail readers, many of who have fascinating careers and all whom share a great interest in history, architecture and cuisine. It was a delight yakking away with them and they seemed genuinely interested in my European career and how austerity, populism, political fragmentation and the migration crisis have turned the continent on its head.

What are your favourite memories from the previous cruises?
My favourite memories are of the exclusive access to some of Europe's greatest artistic and historical treasures that were arranged by the cruise organizers. A decade ago, in the Mediterranean cruise, we had the Sistine Chapel, in the Vatican Museums, to ourselves – it's normally packed and noisy. If that were not a rare luxury in itself, we were also treated to a special performance of the Pope's own choir. Last year, in France, we had a spectacular dinner in the medieval Gothic papal palace in Avignon. I can't wait to see what unique access the Portugal cruise organizers will have in store for us. Whatever they are, I guarantee they will be remarkable, once-in-a lifetime experiences. Also, the meals on both cruises were knock-out delicious and always varied.

Have you been to Portugal before or any of the spots on this River Cruise?
The last time I was in Portugal was in the 1970s, when I was a kid. Our transAtlantic ship from Naples to Halifax stopped for a day in Lisbon. All I remember was the Tower of Belém, the fortified tower on the water that was built in the 1500s, and the delicious food.

Is there a spot you are most excited to visit on the Portugal cruise?
I am looking forward most to seeing Porto. I am no fan of modern architecture and the city seems to have preserved its historic centre exceedingly well. From the photos, I love the colours - especially the burnt yellow and reds. Of course, I am also looking forward to downing a glass or three of the famous Porto fortified wines. Will it be bad form to drink them at breakfast?

Last Word

Naomi Azrieli

CEO of the Azrieli Foundation. Scion of developer David Azrieli. Dancer. Volunteer. Science nerd

- **I grew up in a very warm**, traditional family, with a stay-at-home mom. She eventually went back to school and finished her BA, and then got a master's and became a librarian. My dad was larger than life. He was exceptionally supportive of us kids—in particular, our academic pursuits.

- **My dad was born in 1922**. He survived the war, and had all sorts of tragedies and adventures before he got to Canada. Yet, he was a feminist before that became a thing. For him, there was never a question of me and my two sisters not being able to do something because we were women. Never.

- **Our older brother** was born with a developmental disability called Fragile X. My parents were told to put him in an institution, but they never even considered it. Every human being deserves a life of dignity. Everyone has capacity. It's up to us as a society to help people actualize that capacity.

- **I worked summers** for my father's real estate company. I did accounting for property management—which, I will tell you, is not the most fun thing to do. But I learned a lot.

- **The younger me** was very intent on showing what I knew and what I could do. Sometimes that meant I wasn't always listening to the people around me. I would say to the younger me: "Shut up and be quiet for a second."

- **I realized a number of years ago**, when my dad and I were setting up the foundation, that I had to find some balance, because I could come to work every day at seven and stay until nine or 10 and still have a lot to do. I used to dance very seriously, and I've come back to something called Nia—a combination of dance and martial arts.

- **I always wanted to be a doctor**, but I wasn't top in math or science, so I wasn't encouraged to go into medicine. But I am very interested in science in general and, specifically, in the brain. Some of that is connected to wanting to better understand the disorder my brother has.

- **Canada punches above its weight** in brain research, and yet, particularly for younger scientists, it's often hard to get support. I am very passionate about increasing that pool.

- **Most of our areas of impact** have their roots in the wishes of my father. Holocaust education was one of the first programs we launched. He was also very interested in scientific research and architecture, in music and the arts. Education is the thread that goes through everything we do.

- **For my parents**, it was always better to be generous. If you had to err on the side of more or less, do more—and I don't mean only financially.

- **The continuation of wealth** over generations, which was assumed for centuries, is not assumed anymore. More people are thinking about their legacy in terms of how they can change the world.

- **I love the Warren Buffett** and Bill Gates Giving Pledge. But my dad just *did it* and didn't make a big deal of it. The vast majority of what he created was left to philanthropy, making us the largest foundation in Canada. We grant $80 million to $85 million every year. You can do a lot of good in the world with that, let me tell you. **/Interview by Kristy Woudstra**

This interview has been edited and condensed. Read more at tgam.ca/r

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