

Narrator: Murray Cormack (MC)

Company Affiliations: Government of Manitoba—Department of Agriculture, Manitoba Pool Elevators (MPE), Manitoba Economic Consultative Board

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Summary: In his first interview, former CEO of Manitoba Pool Elevators Murray Cormack describes the first half of his career in the Canadian grain industry. He first discusses growing up on a farm and shares his father's history as a local board president for the Pool when it first began. He describes his first grain industry job as an Ag rep for the Department of Agriculture interacting with farmers at a time of big farm technology changes. After completing his master's degree, Thiessen discusses a brief period on the Manitoba Economic Consultative Board before becoming the Deputy Minister of Agriculture in the provincial government. Thiessen then became the assistant general manager and then general manager/CEO of the Pool. He shares the similarities and differences between working in government and the Pool, describes the Pool's dual concern with commercial and policy issues, and explains some of the main grain issues of the day. He discusses his connections with the Canadian Wheat Board, the Canadian Grain Commission, and Pool employees in Thunder Bay. Other topics discussed include railcar allocation, XCAN Grain marketing non-board grains, the beginning of elevator consolidation in Thunder Bay, the loss of farmer control as the Pools amalgamated and privatized, the future of the Canadian Wheat Board, and brief summary of the rest of his career.

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Time, Speaker, Narrative

NP: We are sitting here this morning in sunny Manitoba just south of the border speaking to Mr. Murray Cormack. Just so we have your voice on record saying your name and if you could introduce yourself, we will start with some general questions about your time in the grain trade.

MC: My name is Murray Cormack. We are living here at South of the Border in Winnipeg 111-328 Pembina Highway.

NP: You came highly recommended, and I also noticed that you are an inductee into the Manitoba Agricultural Hall of Fame. We have a short time with you this morning, so I should say to you as we move along if we find that we just don't have enough time, we will set another interview, if that is convenient for you.

MC: Yes. I am sorry about the time restriction, but I had this commitment.

NP: We understand perfectly.

MC: I should not admit it, but we are organizing a golf tournament for our golf club. We have our closing luncheon today, and we have to blitz everybody on ticket sales before they get away for the summer.

NP: Also recognizing that it is April 5, 2011, so it is nice that you are thinking about golfing. We would like to start the interview by asking people how they got involved in the grain trade, thinking of the grain trade quite broadly.

MC: I was born and grew up on a farm at Rosburn, Manitoba. My dad was a farmer and also active in Manitoba Pool Elevators. Way back at that time, he was the first president in 1928 at the local board. There is that history there. I went on after high school and took agriculture at the University of Manitoba and did some graduate work at the University of Nebraska and Iowa State. When I came back, I didn't go directly into agriculture, although I had worked for the Department of Agriculture after my undergraduate work. In 1967 I went back to the Department of Agriculture as an Assistant Deputy Minister and became Deputy a year later. I was with the government at that time for about five years, and out of the blue, the then general manager of Manitoba Pool asked me to have lunch and said, "What would you think about coming over and joining us at Manitoba Pool Elevators?" I thought about it, and it seemed with my background a good fit and something that I had a feeling for in terms of long history. My dad had been involved in the Pool Elevators at the local level. That was really how I came to join Manitoba Pool.

NP: Your father was a wheat farmer mostly?

MC: Mostly wheat, and of course grains, yes.

NP: What was it like on the farm when you were growing up?

MC: I was born in the '30s. Times were tough, but as a kid growing up there, you never would know it because on the farms we produced pretty well everything you needed for your own consumption. We lived reasonably comfortable, although I don't imagine money was flowing too much, but it still was a comfortable life.

NP: Did your dad talk much about his involvement with the Pool Elevators?

MC: At times he did, and he was still somewhat active with them even in the later years. But he did talk about the early years when Manitoba Pool, when the first elevator that was built there in 1928 and how they got started.

NP: Do you recall anything of his stories about them getting started?

MC: Not a lot except that there was a time, as you know, many grain companies in western Canada, and I think we had three or four privately-owned companies that had elevators in our town. There was a certain amount of concern amongst some farmers as to whether or not this was the best arrangement, and the idea of a cooperative elevator company had already started to form. I think that is what gave rise to one being established in Rossburn, and of course a lot of other towns in Manitoba.

NP: Was your dad, would you say, generally satisfied with the Pool movement handling all of the problems that they had hoped that they would handle?

MC: I think he was pretty satisfied with them. He was very loyal to the organization. I can remember him, one of his nephews who was still delivering grain to one of the private companies, getting a lecture from my dad as to why he was doing this and that he should be over because his father was secretary of the Manitoba Pool local when my dad was president. Uncle Lorne's son, he was a bit of an outcast for a while because he wasn't supporting the local Pool.

NP: Did he have a reason for not doing so? Did he say?

MC: I don't think particularly. I guess they had been delivering to one of the companies as did everybody before the Pool started there in that area and just continued.

NP: Then you said that once you grew up you went to university?

MC: Yes, University of Manitoba.

NP: When would that have been?

MC: In 1953, and I graduated in 1957.

NP: With a degree in--?

MC: With an ag economics major. I went to work for the Department of Agriculture up in Swan River, Manitoba, as what they called an Agricultural Representative for that area. Then from there I went down to the University of Nebraska to do a master's there. After that, then I went over to Iowa State for PhD.

I went back briefly to teach at Nebraska, but by that time I had discovered that teaching really was not my forte. Teaching was, but research was not something that I enjoyed doing to tell the truth. I enjoyed the results of research. But I found the "doing" of the research somewhat laborious and not suited to me.

I unexpectedly came back to Canada sooner than I should have and worked for an advisory agency that Duff Roblin had set up called the Manitoba Economic Consultative Board. It was headed by a chap that I had known and was one of the Kristjanson brothers from Manitoba. There were six of them who were all involved with agriculture at various times. I worked for them for a couple of years. Then Duff Roblin decided to wind that organization down because we had two mandates. One was to publish annually a public review of the performance of the Manitoba economy and the second was to act as an advisory agency to the government on policy. Well, those two things tended to come into conflict because we had an independent board at the Consultative Board with mainly businessmen from Manitoba and labour and the university was represented.

We said things in our public report as they were and sometimes that is not always popular with the government of the day. It probably was the right thing for him to do and so at that time I was asked to go over to Department of Agriculture at ADM there. NC: I want to go back. Obviously, you have had quite a career and a very varied one. I want to speak to you about the role of the Ag rep in Swan River. Just to help you focus—and I know they do a broad range of things—the focus of our project is Canada as an international grain trader. If as you respond to any of these questions, just keep that in the back of your mind, and think about how and what you were doing and all of your positions actually supported that role. Can we start right back working with the farmers in Swan River?

MC: The Ag reps as they are called at that time—and I think they changed names and restructured—but they were the representatives of the Department of Agriculture for that particular area or region. They were there to provide knowledge on any programs the Department had that were available to farmers and farm families. We had home economics at our office and did similarly with the ladies' group, children, and 4H work was a big part of our responsibility, promoting 4H and supporting it. I enjoyed it because I grew up on a farm and knew farm people and found it easy to work with them. Being fairly young at that time, there were two Ag reps at that time because we covered right from Benito on the south right up to The Pa in the north. Although there was not agriculture all the way between Swan River and The Pas. We worked together and had a home economist, and we had a fairly good staffing situation in our office and were able to work with a lot of different kinds of situations there.

NP: From the grain farming perspective, what were the issues of the day do you recall?

MC: At that time, a lot of the new technology was starting to emerge in grain growing with new varieties and herbicides. They were just starting to come out, and insecticides. We had to keep up to date on all of that new technology that was coming out and advise farmers on its use and applications to their situation. That was one of the big things in crop development at that time. It was post-war—well 1953 we're a little bit past post war—but that was when all this new technology started to really emerge, and there was a flood of it. New varieties of grain, new herbicides, new insecticides, new methods of cultivation, new farm machinery and equipment, different kinds of farm machinery and equipment were starting to come out then. The tractor really had not been commonplace for that many years even at that time. In the '40s, it was mobile tractors as I call them that really replaced the horses. It really started when my dad got his first tractor in 1939, and so the '40s and early '50s were still pioneer days in a sense with the start of modern equipment. We had a lot of work in that area with cropping.

NP: What was the producer's reaction to all of this change?

MC: I think they picked it up rather well. You always had what we called early innovators within the community, and often we used them as the source of information and the source of giving reality to the meetings where they had actually tried and applied some of these things. And they were very helpful in terms of doing that. Oftentimes, other farmers would say, "I did this," and it had more effect than an Ag rep saying, "I think this is what you should do." Although they both went together well. The new technology was picked up. It was an excellent farming area up in the Swan River Valley and a lot of good farmers. It was very progressive.

NP: Being a graduate of Home Economics, who was your home economist up there, do you recall?

MC: I want to say Marilyn Murray. Not Marilyn. She graduated about the same time that I did, maybe a year or two before me. She was there, and then there was another girl there for a brief time that came from the Boissevain area originally, and she would have graduated around that time as well.

NP: You then went from there, if I have got it straight, which I may not, back to university?

MC: Yes, back to the University of Nebraska.

NP: What was your area of study, and why to Nebraska versus coming back to the University of Manitoba?

MC: There was a fellow working with the department, another Kristjanson, and most of the Kristjanson boys had PhDs in economist, and Burbank was in our staff, and he persuaded that I should go back to school. Because he had graduated and did a master's there, he made the contacts for me with the staff there, and in fact they were up at an international meeting that next summer in Manitoba, so I got to meet them. That is the reason I went to the University of Nebraska. It was very good, and in fact, the head of the department who I worked under is still living at the age of 93 in Lincoln, Nebraska, and we see him from time to time.

NP: What was your area of study?

MC: It was ag economics.

NP: Was this research your piece of cake or what was it--?

MC: I was doing research on whether the different farm business models made any difference to the efficiency of the farms. We did the study in four states, being Missouri, Iowa, Nebraska and Kansas. It was called the MINK Study. We had worked with the other four universities as well on this. They had already done a lot of work in this area and there were large sources of data available by the time I was doing my work. We were testing--. And when I say different farm models, one would be single ownership by an entrepreneur, another would be various kinds of leasing arrangements. In other words, it would be a cash-rent base arrangement, crop-share lease arrangement, and probably two or three others. We compared the efficiency of the farms under each of these situations. That was really what the study was about.

NP: Was it conclusive?

MC: I think it was reasonably conclusive. We were able to identify a rating of the relative efficiencies of the different arrangements.

NP: Do you recall at least what came out on top?

MC: I would guess that it was the single ownership that probably came out on top. Although, again, you had different criteria to judge the efficiency because with lease arrangements, farmers were able to get into the business without purchasing and spending a lot of money for land as an asset. That was some advantage to farmers who didn't have the means to purchase the asset itself and they could still farm and lease that property.

Farm ownership, as you know, has been a big tenet in North American agriculture. In some countries that is not the case, but in North America, that has always been the goal, although it gets questioned from time to time as to why you should spend

thousands of dollars an acre to purchase land in the States especially when you could rent it. I would say it is still the prevalent form of business model, the single proprietorship. Now it is becoming in some cases a family corporation.

NP: Still prevalent but still questionable. It is almost like home ownership versus leasing where home ownership is preferred choice, but not necessarily the most economical choice.

MC: Yes. In farming, of course, is a combination. They will own land, and then they will lease additional land and that is very common. Probably the predominant form still, where it is neither either nor it's a combination of the two.

NP: You were at the university and then you came back to Manitoba?

MC: I came back to the Consultative Board and was there for just about three years.

NP: Was it an advertised position?

MC: The chairman of the board, he knew of me, and it was his brother who sent me down to University of Nebraska, so he followed my career.

NP: Which Kristjansons were these because Larry Kristjanson's name has come up?

MC: Larry is another brother who was at the Canadian Wheat Board. Leo the younger was president of the University of Saskatchewan. Al Kristjanson worked with our department for a time, and he is a staff member of the University of Manitoba. Chris Kristjanson was the assistant general manager at Manitoba Hydro for a time, but he had also been a staff member at the University of Nebraska. Burbank, who had been an ADM in the department here, he worked with FAO in Rome for a time and unfortunately got cancer and died a relatively young man. Balder was the oldest one, and Balder had been on staff at University of North Dakota way back and there was quite a controversy at that time over academic freedom, and he and Cec Haver, who is another prof, were fired over academic freedom questions. Balder went to Ottawa and worked, and Cec Haver went to McGill University and was on the staff there at MacDonald College.

NP: Quite a family!

MC: They were a very active family. They are all gone now except Larry. I think Larry is the only one left of the family.

NP: We are trying to locate a phone number for him.

MC: He lives at Gimli, so if you look in the Gimli phone book. Larry was in the middle of the pack age-wise.

NP: You mentioned Duff Roblin's board that you were working on, and I am assuming you were there representing the agricultural component of the economy?

MC: No, not really. I was there really as an economist, and the general economy was what we were concerned with. All sectors of the economy.

NP: What years would this have been approximately?

MC: I came back in 1965 and left there in 1967.

NP: If you can think back to that time and remember, because we are interested mostly in the agricultural segment of the economy, any thoughts about what were the issues then, what they felt were the changes that needed to be made? As you said, some of them were not too particularly popular.

MC: In the late '60s was perking along pretty good, and a lot of this technology had been adapted and farms were growing in size and growing in efficiency. For the most part, it wasn't that turbulent other than perhaps weather from time to time as it does now would interfere. The industry was going along pretty good at that time I would say.

NP: Was it directly from there that you had your conversation with the Manitoba Pool Elevator people or was there something in between?

MC: No, it was after I went back to the Department in 1967 as an ADM in the Department and then when Walter Weir succeeded Duff Roblin as premier, he made a big shuffle of all the ministers and deputies, and so I was moved to deputy at that time, and the fellow who had been deputy in the Department went up to director of the Planning Committee of Cabinet. I stayed then, and then the Schreyer government came in June 1969, and I stayed on with their government till 1973. That is in 1973 when Pool came along and asked if I would be interested in coming over.

NP: What was a day in the life of a deputy minister of Agriculture like? [Laughs]

MC: No day was the same. It was very interesting and a very busy job. Your time is not your own, and you think you are going to go in one day and do certain things, and you end up doing something completely different. It was good.

I had a good Minister. The first Minister I worked with was a chap by the name of Doug Watt who represented the Arthur constituency down in the southwest corner of the province under the Conservative. Then Sam Uskiw was the Minister in the Scheyer Government, the first Minister of Agriculture. I did not know at that time whether they would want to keep me around, although I had worked for the Liberal Government before and the Conservatives. I was kind of a--. Well Harry Enns would call me a political eunuch. Probably that means I didn't have strong leanings in any direction. Sam asked me to stay on after I worked with him for a couple of weeks, and he said, "I would like you to stay on." So I stayed on until Pool came along in 1974. For a matter of interest, I just attended Sam's funeral on Saturday. He passed away here this last Saturday. I was a good friend of his over the years.

NP: As you were saying the agriculture sector was percolating along.

MC: I would say it was going along pretty well in that time period.

NP: Were there any issues that you recall?

MC: Yes, there are always issues in agriculture.

NP: So if we think again in the grain area--.

MC: I spent a lot of my time as an ADM, and the year that I was an ADM, there was a lot of marketing agencies being established at that time and set up. They were somewhat controversial even within the government itself, particularly when the Conservative Government was there. The Minister of Agriculture because he had, from his constituency, he had a lot of push to have more marketing and establish marketing board commissions. Whereas Sid Spivak, who was Minister of Industry and Trade did not want marketing boards. That was always a bit of a rub in there, and I still remember the time when a friend of mine from Industry and Trade and I were sent home and told, "Don't come back until you have a solution to this particular issue over broiler marketing at that time." So we often laughed about that afterwards. He came to our house one time that night and had chocolate

cake, and John always remembered that occasion. I worked with him years later, and he was head of the Transport Institute at the university for a time. Then I did some consultant work with him, and he did with me, and in fact on the document that I will give you if it is of any interest, he was our research director on that.

NP: John--?

MC: John Heads. He came from England originally and worked for Industry and Trade for quite some years. Then he ended up going out to the Transport Institute at the University of Manitoba.

NP: I am going to ask about a few connections relative to your position with the provincial government, and we will probably come back to the same issues when we come back to the Manitoba Pool Elevators situation. You were mentioning the marketing Bboard as the granddaddy of the marketing control boards as the Canadian Wheat Board. Would you have had any connection?

MC: We had some connection with it, and of course the Canadian Wheat Board farmers and the majority of farmers even today support it. There is always a group that were fairly strong and fairly active that did not support it and did not want it around. That was at the policy level, and it was an issue. Our contact when I was with the provincial government was not a strong connection there between the Board and the Department at that time. The federal department is the stronger relationship as it relates to the Wheat Board.

NP: It continues to be a federal issue. Would the farmers lobby you to take a positing?

MC: They would lobby ministers, yes, and the document that I will give you was when I was executive director of the Western Grain Marketing Panel which Ralph Goodale set up in 1995. We produced a report on the future of grain marketing in western Canada. One of the major recommendations we made at that time—and I am side tracking a bit here—but was that the Wheat Board be controlled by a board of directors having a majority of farmers on it. That was the major thrust we heard when we held hearings across western Canada on it. That was a pretty major policy change, which he did incorporate into the legislation that he introduced in 1966 or 1967.

But the provincial department, while it would be interested in what the Wheat Board did depending on which government was in power, there was not a lot of going back and forth between the provincial government at either the policy or the technical level I would say.

NP: Did the same apply for railways then? Was it during that time or was later when the whole railcar issues, the request for provinces to purchase rail cars--?

MC: That would be I think well into the '70s, and also then Wheat Board purchased a number of rail cars itself. That would be on a little bit beyond my time in the provincial department. Certainly, the department was interested in the Wheat Board and saw it as a major institution in the grain business. There is no question about that. But in terms of policy, the provincial government did not have a lot of influence I would say on whether there should be a Wheat Board or should not be a Wheat Board, or various ministers may have had points of view on that, but it was not something that became a major provincial government issue I would say. That would be my observation.

NP: The year that the fellow from Manitoba Pool--. And who was it that came over from Manitoba Elevators to head hunt you?

MC: Bob Moffat. Bob was the general manager as they called the position at that time. He was the one who came over. I had not known him well before that, but I had met him. We had lunch in the restaurant of the old Eaton's store, and he asked me if I would be interested in coming over. So I thought about it for a week or so and talked some more with him, and it looked like it might be a pretty good fit. I was interested eventually in going into the private sector. So the timing was pretty good. I had five years at the deputy minister level with the province, and I thought, "I don't see myself here in another 20 years." I have never been one to be a long-term lifer in positions. I admire people that can do and remain effective, although I would say they are not large in numbers.

When I first went to Manitoba Pool, of course, there was a tradition of length of service. I remember going to retirement parties where fellows were 45 years and even 47 years even, who had worked there from day one. I admired that, and if they were able to stay effective which a number of them were, I had more admiration even for them.

NP: We have interviewed people in Thunder Bay with Manitoba Pool that started shovelling grain, and they stayed with the company for years and years. In moving from government into the Manitoba Pool operation, what did your job entail and also what seemed the same or different from the inside versus having seen it from the outside?

MC: I went over there as assistant general manager with Pool administration, and things like personnel came under my responsibility. Facilities came under administration. I think I had one operating department reporting to me. That is what I went over there to do. I enjoyed it in the sense that our board of directors met every month so that if there were issues that management had that they needed decisions on, you are always less than a month away from a board meeting and normally would get those decisions. In government, as you know, you go forward with something, then it gets referred to a Committee of Cabinet, and then it comes back to the department, and you have to do something more with it. Then it goes up to Cabinet and they delay a decision on it. You can be six months eaten up pretty quickly in government and maybe not get a decision. I found it easier to get things done or less time consuming to get things done than I did in government. I understand the reasons why in government that are the case. It can tend to be more so than maybe necessary at times, but it is not easy.

NP: That is true! It was an easy shift, because dealing with people in one organization is very much like dealing with people in another organization except from what you were saying it was a little easier because you can move along more quickly and probably had a bit more control.

MC: As you know, in the Pools, we had a democratic structure in their organization. We had a board of directors. Then we had rural members/committees at the local level, and then we had delegates, which are an in-between group between the local members and the board of directors. The delegates always attended the annual meeting, which was for four- to five-day annual meeting. There was a lot of participation by farmers in the organization, and in the sense, that was what it was like when I was out in the field with the Department of Agriculture in my early times doing the Ag rep job because you had a lot of contact with farmers through the Pool.

I always found that beneficial because we had access to what was happening out in the country more so than I think some of the private grain trade did have because we had this structure of local committees, then the delegate structure, then the board of directors, and then management. It was a good structure that we had for participation by farmers.

NP: From that position--?

MC: From there they made me general manager of Operations, and Bob was doing more of the policy and our affiliated company work. When Bob retired, they made me general manager, and then they changed the name of that position to CEO in the early '80s I believe it was. So from 1980 on, it was CEO at that time, but it was basically the same job.

NP: What were your years at the Pool?

MC: From 1973 to the end of 1987.

NP: In most organizations, the people who are most far removed from the decision-making area are the ones that have the most concerns or issues because oftentimes they are just not aware of what is going on in between. What were the farmer issues in those days, and what was the Pool's response?

MC: Manitoba Pool, you might say, was a dual organization. In one sense it was a farm organization policy group. Our members took prime policy issues up within Manitoba Pool and so did our board and largely with federal government policy and occasionally with provincial policy, but largely with federal government policy. Then on the other hand, it was a commercial business.

You had those two things going on, and both of those things would be matters that the farmers were concerned with. They would be concerned about better services, making sure their local elevators were in tip top shape, and that new sidings were being put into handle more rail cars—those kinds of issues at the local level. We were, of course, pretty large in the fertilization and chemical business, the farm supply business we called it. They would have concerns over what was happening there, commercially. Then we had a livestock program as well where we had livestock markets out of Brandon which we operated. They would have a natural concern for the wellbeing of those services and how they were being accepted by farmers.

NP: This would be the railcar issue?

MC: Yes, the railcars were often an issue. In fact, there was always some difficulty getting enough railcars, or there seemed to be always that problem. That was a fairly constant issue that would come before the local people at the local committees. A particular location might have, for a set of unique reasons, might have a difficulty because of where their location was and so on, getting adequate rail service and getting railcars. They are still having that today. So nothing has-- Well, I shouldn't say nothing has changed.

NP: There is probably periods when the cars that are now on the rail were purchased, there probably was a time, but now they are getting to the end of their lifespan.

MC: They are going to be getting to the end of their lifespan, yes. When hopper cars came in, that was a big move forward because the old boxcars were not only a lot smaller, but very difficult to unload at the Lakehead. Whereas hopper cars you could pull them on the track, open the chutes at the bottom, and out it goes. That improved the efficiency of the railcar situation quite a

lot when hopper cars started to come in. The Pool members at the local level were concerned with both farm policy and with commercial services in the organization.

NP: The connection obviously would be far greater—your connection with the Wheat Board—in that position?

MC: Yes, we had a very active relationship with the Canadian Wheat Board.

NP: Can you just expand upon that relationship?

MC: For one thing, keeping it on the railcar question, the Wheat Board were really the coordinators of the delivery of railcars between the railroads and the grain companies. They did the lot of the allocations. They worked closely with the grain companies to see what the grain companies' needs were. They looked at what the railcar supply was being offered by the railways and tried to match these up and allocate them in a fair manner. Of course, when you get into an allocation process with anything, there are always a lot of issues and a lot of arguments about why did that location get so many cars and the other not? Our people had a steady relationship with the Wheat Board people that were handling the transportation in particular.

Then our farmer members would raise issues about the Board on quotas and policies relating to quotas at the time when that was more of an issue than it has been of recent years. There were always a number of matters that we had to relate to the Wheat Board. Of course, we were concerned with grain marketing too. The Pools did a lot of their business through affiliated companies which we owned jointly. We had an export company called XCAN Grain. They were exporting largely the non-board grains, because as you know the Board exported all wheat and all barley out of Canada, and oats at one time, although that was taken away first. We had that relationship too with them on the marketing end. We were interested in what they were doing at the Board because that was what our farmers relied on was that marketing effort by the Wheat Board particularly on wheat, which back then was certainly the major crop. Canola has come along as another major crop now and so it's outside the Board. But certainly on wheat, oats, and barley our farmer members at Pool had very active interest in the Board and how it was doing in the marketing end of things, and of course on pricing they were always interested.

NP: Any clashes in goals or were they pretty much in line?

MC: I think the majority of farmers supported the Board, sometimes a little frustrated with some of their activities or what they perceived as lack of activities. But they were pretty strong. Our members particularly that belonged to the Pool would virtually all be supporters of the Wheat Board—not all of them—and different degrees of support, but for the most part strong supporters of the Wheat Board. That doesn't mean they wouldn't criticize if they thought that it was warranted or make suggestions, but they were strong supporters of the Wheat Board.

NP: The other piece that we have discovered through our time on the project is the Canadian Grain Commission. What would have been the connections there?

WC: With the Pool, grading issues were always a concern to producers. As you know the Grain Commission were a referee, if you will, between the buyer, the manager who was buying grain in both private trade, the Pools, and the producer. If the producer felt they were not given proper grade of their grain by the buyer, then they could appeal to the Grain Commission and have the matter either confirmed or dealt with. The Grain Commission too was really paramount in establishing the recognition

throughout the world of the superiority of Canadian grain quality. That was a big job for the Canadian Grain Commission and still is today, although it is being challenged a little bit by some. It is very important in the international marketing of our grain, because in the US, for example, when you buy US grain, you are never sure what you are going to get in terms of grade and quality—not as consistent.

In Canada, when that grain is loaded on the boat in Thunder Bay, there is a certificate final issued on the grade of that grain and buyers can rely on that. They will always cite that as advantage in buying Canadian grain is that the quality they say they want is what they get. Where in a lot of countries that is not the case. I am a little out of touch with the US now, they may have been improving. Oftentimes there were a dispute between the sellers in the US and the buyers because the buyers didn't feel they got what they had ordered.

NP: In your position in those senior positions with Manitoba Pool Elevators, would you have had any contact with your customers overseas or was that XCAN?

MC: XCAN was really our international arm for the grain. They were the ones that dealt with customers directly outside. I was on the board of XCAN and two or three others of our people were as well. So we would be involved in that policy sense, but not in the day-to-day activities of the international marketing. We would be interested in it, but not operational in it, let's put it that way.

NP: You had just briefly mentioned Thunder Bay. Obviously lots of MPE operations in Thunder Bay. Can I just leave you free-floating for you to comment on the operations in Thunder Bay and the people that you recall working with and so on?

MC: When I went to Manitoba Pool in the fall of 1973, I guess partly because I was in administration and had employee concerns under my wing, the company had always had a Christmas party for the employees at Thunder Bay every year. I was asked to go down to that, and I had only been there a couple of months. I went down to that and met all the fellows and ladies that worked there. It was a fantastic experience because I was impressed with the enthusiasm they had and the dedication they had to their work and their jobs. They wanted to talk about that. We had a dinner and a dance, so everybody was in good spirits. I was really impressed with that, which I later was confirmed as I had more experience working in the Pool. They were a tremendously dedicated group of people down there. The other thing that impressed me was that there was, in many cases, many cases, a second generation and even a few of third-generation families that were working at the Pool at that time.

We were operating two terminals down there then. A fellow by the name of Johnny Mallon—who you probably know—Johnny was in charge of our operations at Manitoba Pool. He had twin boys Brian and Billy, I think it was, that also then were just starting work really with Manitoba Pools, and they would have been working at that, I think, or very shortly thereafter. I don't know whether they have any family working in it today or not, but this really struck me as quite amazing in one sense that the generations followed in that same line of work. It was hard work, you know, and it was not easy work in those years because, as I say, the unloading was pretty antiquated at that time and it was a tough job working in the terminals at those times. But they seemed to enjoy it and were dedicated to it. They were tremendous employees as I learned more so over the years.

That was my first impression of the employees at Thunder Bay. Of course, all the labour down there was unionized, as you know, and we would negotiate as a group of companies with Thunder Bay. A fellow who you may have known, Frank Mazur, was the head of the union and chief negotiator, and we had a lawyer from Winnipeg by the name of Steward Martin who did our negotiating. We had a committee and a number of us sat on that committee with him. It was very interesting times during negotiations down there. There was a lot of brinkmanship played as well, but we never had really any serious setbacks in that relationship. In fact, our negotiator and Frank, while they were across the table would go at pretty hard, behind the scenes they had a pretty healthy relationship between the two of them. We didn't get into many deadlocks so to speak. That was a good experience. The employees, they welcomed being part of the union because no question it strengthened their position, but they never made an issue of that or talked about it as individual employees. As far as I am concerned, they worked hard regardless of what the situation was and were tremendous employees.

This is a little aside, I understand from one of our people who use to run the terminals from Winnipeg who was our terminal manager in Winnipeg tells me that Johnny Mallon may still be living. I have not seen Johnny for years.

NP: We interviewed him.

MC: Is that right?

NP: Yes.

MC: Is still going strong?

NP: He is still going strong, and we interviewed one of his sons.

MC: Yes?

NP: They were fantastic interviews. You might be interested in one of Johnny's comments was coming up to the meetings here and waiting in line to be called in in front of the management group and answering questions about the operations in Thunder Bay.

MC: He would always come to our annual meetings, and then the producers would have a chance to ask him questions. We always took a tour each summer of our delegates down to Thunder Bay to see the operations and to have a chance to talk to the fellows that were running it there and go through the terminals. That was an annual ritual that was always followed. Johnny was great at hosting those meetings. It was good for our members. They could ask our members questions, too, about things from the country that they may not have been as familiar with. It was a good relationship. Yes, Johnny was a very nice gentleman. I gather Ann has passed away some time ago?

NP: Yes, a few years ago.

MC: But I am, I guess, 23 years away from Manitoba Pool now, so over time you lose a lot of these connections.

NP: What was happening on the terminal elevator front during your years? It was not the horrible declining years that we have seen in the past--.

MC: Well, I remember when I first went down there, there was consolidation starting in the terminals, particular the older plants on the river. Those were starting to be taken out of operation. In fact, some of them were being knocked down at that time. That

was the beginning, I guess, although as far as the larger plants go that was pretty stable for quite a considerable period of time, until the movement of grain from western Canada started to shift from Thunder Bay to Vancouver because of our markets in Asia became larger. Our markets in the UK and Europe and Russia started to decline. I think it was the mid '80s, maybe a little earlier, there was about 70 to 80 percent of western grain went through Thunder Bay. I don't know what it is today, but I would guess it has reversed itself the other way.

NP: Yes.

MC: Almost to the same numbers going west instead of there, so that forced some further consolidation at Thunder Bay. That largely has happened after my time there. You could see the beginnings of that starting to happen.

NP: Do you recall how the decisions were made for what stayed open and what shut down, not obviously between the West Coast and Thunder Bay, but just picking which particular plants you--.

MC: Those were private decisions made by each of the companies that owned those plants. They were the ones that had to make those decisions.

NP: So Manitoba Pool didn't own any on the river?

MC: We were still operating the two terminals when I left there. Now I think it is down to one. Well, it is now Viterra, which now is the former UGG and the three Pools. I don't know what they are operating now. I am out of date now. At one time when I first went down there, I think Sask Pool was operating about six or seven terminals they owned. UGG had two terminals. We had two terminals. Cargill had one terminal, United Grain Growers had two. Did I mention them? Yes, UGG, and Parrish & Heimbecker had one terminal. I think when we did that study in 1995, there were still 11 houses, I think, operating at that time. I don't know now. I would be guessing, but I would guess Viterra have narrowed that down a fair bit. I wouldn't be surprised if they might be operating one old UGG plant and maybe two of the old Sask Pool plants and our one plant, which would be four. I am just guessing at that. I think P&H are still operating there, and Richardson's, I think, is still operating there.

It has reached a point that it is not going to grow any further. In fact, it may be something you may have heard, but I believe there was a spokesperson from the Wheat Board—and I wasn't at the meeting that made a prediction now—that there may be some reversal in that trend back to Thunder Bay because of what is happening in the international marketplace. South America becoming more of a potential market. That would be interesting if that is going to happen, and it could happen. If that does start happening, it will certainly stabilize the situation in Thunder Bay.

NP: Did you have terminal facilities on the West Coast?

MC: We had an interest in Pacific Elevators along with the other three Pools. Then we were one of the six companies that built the elevator at Prince Rupert. We did not own them outright ourselves any one, but we were part owners in those other two.

NP: The Prince Rupert one was that being built while you were involved?

MC: Yes, I was involved when Prince Rupert was being built.

NP: That would have put you in contact with Syd Halter with the engineering firm that built that elevator.

MC: I didn't have direct contact, but yes, I remember that. And Mike, our CEO there, he was an engineer who was our first CEO. His name won't come to me. He was a former Sask Pool employee. He was very involved in the construction and working with the engineering company that designed it. I remember flying into that island when they started work. I looked like a most ungodly place to have a terminal. I know it has had its difficulties since then. I don't know where their volumes are at now or whether they are even at the moment still operating.

NP: What were the problems?

MC: At one time, one of the problems was that the railroad had a cheaper rate to Prince Rupert than they did to Vancouver if I am not mistaken. I think that got changed. You would have to check this as I am stretching a bit here in memory. For whatever reason then and more capacity was added in Vancouver after that as well. So, the need, to some extent my sense was that the need for Prince Rupert maybe wasn't quite as strong as it had been at the time when it was being planned and built. But I am out of touch with that. I don't really know what the situation is there now on the West Coast.

NP: In our discussion so far, do you think you have touched upon what were the major changes and challenges that you dealt with or are there others that come to mind? Is this as far as Thunder Bay is concerned?

MC: Just in general with the grain trade? There has been a very rapid consolidation of the companies in the grain trade—something which I regret, looking back. The four Pools—the three Pools and United Grain Growers—there had been periodically to have the three Pools go together, and I think there was a further effort after I left to try it again. But it never was successful in bringing the three together. So Sask Pool said, "All right, we are going to go on our own. We are going to go global." They went off on their own and made some investments offshore and made more investments. Looking back, they should not have and got into some trouble.

Manitoba Pool and Alberta Pool then decided that they would merge to try and strengthen their situation. They did that into Agricore, and then I think they made an attempt to take over UGG, but it turned the other way, and UGG in fact took them over and became Agricore United. Then—I wasn't here and not involved at that time—but I think then there were discussions whether Agricore United might take over United Grain Growers or vice versa. I guess whether it was really a merger or a take-over I am not sure, but they got together and formed Agricore United.

Then I think there was some tussle as to what would happen with Sask Pool, but they found an investment fund out of New York that was willing to back them eventually, and they were in some financial difficulty at that point. They ended up taking over the other three companies and formed and became known as Viterra and are a publicly traded company now. In my sense, the farmers lost a lot of control and influence on the industry as a result of all that that happened.

NP: That issue comes up a fair bit. Will that make a difference do you think?

MC: I think it will lessen the farmers' influence on the agricultural industry in Western Canada, particularly the grain industry. There is no question in mind it will.

NP: What kind of impact will that have?

MC: I think now that the companies that are there now are not all publicly traded, but Cargill is a private company. From the standpoint of interest to farmers, privately run companies—as they should—are there to make a profit for their shareholders. That is number one in their mind every day they go to work. I know that I worked with ConAgra for five years and that is their number one interest. The Pools had an interest in making profits. Number one, if they did make profit, most of them got returned to the farmers, but they were concerned with farmers' interests, not only commercially but on the farm policy sense too. The farmers I think through losing the Pools have lost both the commercial organization that acted in their interest and the policy organization that was also lobbying in their interest. So they have lost both of those. I don't want to be critical of the companies that are now remaining and being publicly traded. That is how so-called free enterprise system works. The major difference is that when those fellows go to work every day, they have got their shareholder in mind, and in most cases, they are not the farmers. There may be a few farmers who own shares in them, but that is minuscule.

Whereas when you go to work for the Pools, you have the farmers' interests in mind every day because you know that they are the ones who call the shots. I think that is the significant difference. We have had a general weakening in our farm organization as well, Canadian Federation of Agriculture now, and how often do you hear about them anymore? They were once a very prominent organization. Even at the provincial level, I think Keystone in Manitoba Ag Producers are fairly an active group, but they are not able to marshal the big interest, I don't think, of the farmers beyond the provincial borders.

NP: As you said you had moved on from Manitoba Pool by the point that all of these mergers, take overs, buyouts were going on. This may be a bit of speculation on your part. Since those organizations like Sask Wheat Pool, Manitoba Wheat Pool, UGG, I understand to a lesser extent were farmer owned, how did all of this happen if the end result is a weakening of the farmer's position?

[Audio pauses]

Going back to the conversation that we were having before. You had commented how the farmers had lost a major part of their voice with the disappearance of the Pools. This leads me to ask the question is it likely from an economic standpoint to lead to a real buffeting of Canadian farming to global markets?

MC: Maybe to some extent, but I would not want to over emphasize that because the Canadian grains industry has always been very subject to impact from the global markets because it is always operating the global market. Most of our grain is exported from Canada, so we have always been subject to the whims of what is happening to our major customers around the world. That probably has not changed. I am not sure to what extent that is going to necessarily impact the exporting of our products from Canada, only to the extent that farmers may find they're receiving less a return than they might have received had they been able to retain their own organizations. I think it would be at that end of the spectrum where the impact would be.

NP: A lack of loyalty to Canadian farmers by organizations that are not farmer-owned would not necessarily have its own impact beyond that?

MC: No, I think they will still be fighting strongly to get the farmers' business, and there will be still a fair amount of competition. There are not many companies left now, but there is still enough there that I think they will compete for export grain. You still have Richardson's, you still have Cargill, and you have Viterra, which are the three major ones that are going to be competing for exporting Canadian grain. I am saying again those organizations loyalty and interest in making returns are for the shareholders not necessarily for the farmers. They would say, "Well we are not going to get the farmers' business if we don't pay them what they should get." I think with the Pools there, they might get paid a little bit better for what they produce, and they may with the present organizations. I am not being critical. That is their job to do it the way that they have to.

NP: That leads me to a discussion we talked about your involvement with the Wheat Board in relation to your job with the Department of Agriculture. Once you got to Manitoba Pool Elevator, then that would have been a far closer relationship with the Wheat Board?

MC: Yes, it was a much closer relationship. The Pools I would say probably had a considerable influence on the Wheat Board too in terms of adopting policies that were suitable to farmers and appropriate for farmers.

NP: What were the Pools' issues with the Wheat Board? Were there any?

MC: They were concerned with the international marketing, but they tended to be concerned with how they impacted back in the country. Quotas for example, railcar service, those were the kinds of major issues that the Wheat Board were involved that would get back to the far side of things, and that is where a lot of the concerns would register.

NP: If we think of the Wheat Board in relation to comments about the change in the industry, would you care to comment on the future of the Wheat Board and its importance to Canadian farmers or not?

MC: I would argue that is important to them today as it has been for a number of years. Although a number of the major buyers now, a lot of our customers for grain used to be single-desk agencies themselves, and they preferred dealing with the Wheat Board. That has changed to some extent and some of those buyers have now gone to private sector buying, and in a sense, that does not mean the Board still can't deal and doesn't deal with those buyers, but it is not quite as easy if you will as dealing one on one, one agency selling and one agency buying. It is more of a challenge, I would say, for the Wheat Board. What the Board has always done and what they used to do for the customers that wanted to deal with a private sector rather than a Board, they would be agents of the Board. The company I was with in Montreal that was a major part of our business, acting as an agent for the Canadian Wheat Board and exporting to private trade, whereas with the Board, most of its exporting was agency to agency. That has changed and made it more of a challenge for the Wheat Board and its international marketing in dealing with probably more buyers than they used to deal with at one time. In the sense I don't mean more countries or that, but more buyers within some of the countries.

NP: Any country in particular that comes to mind when you think of that?

MC: I am not really current with what specifically what the countries have done. This is certainly a view that I have picked up from what I hear that there has been quite a change. When we did this work for the Western Grain Marketing Panel, we had one major study in which all the major customers of the Wheat Board were visited to see where they were at and to see what their

views were on the Board and that was back in the mid '90s. It was a very positive view on the most part they had of the Board because they liked dealing with them. But as I say, since that time, I think there has been some loosening among some of those countries for buying more through their private trade than necessarily a state agencies or both perhaps in some cases.

NP: XCAN was operating almost like an agent for the off-board wheat. What were the synergies or possible conflicts between Wheat Board marketing and XCAN marketing?

MC: XCAN did some agency work for the Board but not a lot. At one time, we were the largest agent of the Wheat Board on their agency Board marketing at ConAgra. They concentrated canola, and canola was a big commodity for XCAN, which was what really got it started. They handled largely the non-board grains and the export. They would from time to time do some agency work with the Board. I wouldn't say it was huge amount of their business.

NP: What happened to XCAN?

MC: That is a good question. I think it got absorbed within UGG when it reached that stage, and I don't think it exists as such now. I don't believe it does no.

NP: I don't think so either. Sorry to speed things up a bit. I don't know, Bea, about a second interview, whether we should plan that. It would be something you and Mary would do. We have the ConAgra experience and then we have the consulting or the board with the Western Grain Marketing Panel, which I think has valuable information.

MC: On that one I have two documents, which I can give you. One I am going to have to get back from you because when you are in a ConAgra, you are always getting rid of things, and I threw out the other one.

NP: Would a second interview be okay, Bea, from your perspective?

MC: Our panel, we put out this as an information piece and it is a good summary of the whole industry. This was our report to Minister Goodale after we had finished our work. It's about a year's work that we did on this. This will have a good summary. It's for general information and has a little bit on terminals but not a lot. There is a whole historical overview of what happened and key happenings in the industry and then all in the system. This is the one I haven't another copy of so I would like it back if I could.

NP: I can scan them and get them back to you.

MC: I don't know whether there is enough to warrant another interview or not. I will leave that in your hands. We probably got through the most of it.

NP: I would like to leave it open to another interview, and it may be a shorter one. I think if you and Mary review those reports as well, some of the details of that information could come out in it. Even though it is there, it is so much better to have it voiced rather than just say, "Read the paper." Given the fact that you visited all the customers around the world.

MC: I didn't do it myself. We had a researcher do that.

NP: That would have been a nice job to have been the researcher on.

MC: Denny Stephens did that work for us, and Frank Rowan used to be with the Wheat Board.

NP: We have both of those fellows.

MC: Ask Dennis about that consulting work he did for the panel.

NP: To wrap up today, from Manitoba Pool Elevators you went to--?

MC: ConAgra.

NP: Directly to ConAgra?

MC: In Montreal, yes.

NP: And were stationed in Montreal?

MC: Yes.

NP: And then from there--?

MC: From there we came back to Manitoba, and I set up this consulting business. We came back in 1993, and I did that until 1996. Then Jim Downey persuaded me to go back as Deputy Minister of Industry, Trade, and Tourism. I went back as Assistant Deputy for a short time because he wanted to finish a reorganization he was doing, and his Deputy went east, and so he asked me to take on the Deputy's job. Then Jim decided he wasn't going to run in the next election, and I had to go in for an operation, and I was 64 by that time, so I thought, "Well maybe it was a good time to pack it in." I stayed on with the new minister until he got his feet wet. His name was Herb Tweed, who is now a federal member in Ottawa. Then I retired. I did a bit of consulting after that.

NP: In the grain industry?

MC: No, it was food processing. I was involved with some consultants from Toronto on that and one from here. Then I did some work with two of our boys who were in business down in the States, so I did some work with them. But that was a little different. That was the kind that doesn't pay. [Laughs]

NP: We will call it a day for today.

MC: I am sorry I have to rush away.

NP: No, we recognize the time limits when we set this up, but I wanted to get the major part of the interview under way. Thank you.

End of interview.