

**Narrator:** Murray Cormack (MC)

**Company Affiliations:** Manitoba Pool Elevators (MPE), ConAgra Grain, Government of Manitoba—Department of Agriculture

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**Summary:** In his second interview, former CEO of Manitoba Pool Elevators Murray Cormack discusses the latter half of his career in the Canadian grain industry. He picks up at his time becoming assistant general manager of administration for MPE, describing some of the personalities he worked with and his quick ascent to CEO position. He shares some issues during his time as CEO, like country elevator consolidation and rail line abandonment. He then discusses moving to ConAgra's Montreal operation with the goal of expanding their Canadian business, but soon realizing the company was winding down its expansion. He describes some new insights he gained in the position, particularly about lake shipping. Cormack then discusses his next major undertaking, being the executive director of the Western Grain Marketing Panel. He describes the context for the panel's creation, its members, opinions they heard during hearings, major recommendations that came from the final report, and the research studies produced. Other topics discussed include the history of ConAgra, issues with grain transportation, predictions about the Canadian Wheat Board's future, predictions of Thunder Bay's future, and his major pride in restricting Manitoba's Department of Agriculture.

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Time, Speaker, Narrative	Questions

NP: We are here on May 13, 2011, to continue our interview with Mr. Murray Cormack. Let's begin the interview with having you state your name and your date of birthday for our records.

MC: My name is Murray Cormack, and I was born in Rossgburn, Manitoba, in 1934.

NP: Just to follow up on our previous interview, we were following your career from your time as Ag rep in rural Manitoba through to work with the provincial government in the Department of Agriculture. I know I am summarizing very briefly here, and we ended with at least the start of a discussion of your time with Manitoba Pool Elevators.

I would like to start with a bit more information on that position and move onto your work on the eastern port of Montreal with ConAgra. At the time of your recruitment to Manitoba Pool Elevators it was Mr. Moffatt? We would like to flesh out the personalities and get the names of them, but we really didn't hear much about who they are. There is the official record and then there is the record of the people who have worked with them. Can you tell us something about Mr. Moffatt?

MC: I had known Bob well before I was approached by him. I knew who he was and certainly he was prominent in activities in Winnipeg. He grew up in Elgin, Manitoba, and had both a law degree and an economics degree. I believe he did a master's in economics, and he did practice law in Winnipeg for a time, and he was also on what we now call City Council for a few years. I believe then was brought over to Manitoba Pool as secretary of the corporation somewhere I would guess in the mid to late '60s. Then when the general manager at that time retired, Bob was moved to taking that position as general manager. So that was what he was when I first met him, and he approached me about coming to join the management team at Pool.

NP: From the perspective of being an employee of his and just understanding how others within the industry related to him, what was he like?

MC: Bob was a very interesting gentleman. He had a different style of management than I had been accustomed to. He was a very bright individual, very sharp, and very knowledgeable, and I always said I never went down to his office, but what I anticipated a very interesting discussion and that

always happened. He was a very thoughtful person—an idea person. It was very interesting I found to work with him.

NP: Given the skills that you brought over from the administration standpoint that probably was a good fit?

MC: Yes, I think we fit pretty well together, and of course, there were other senior management people there as well. Bob and I got along well together. When I went in 1973 and I forget when he retired but probably in the late '70s, somewhere in that time period.

NP: You say he had a different management style than you were used to?

MC: Yes. I recall when he first approached me, he said, "You know, why don't you just come on over and work with us we will kind of work out afterwards what you ought to do?" I said, "Well, I think, Bob, we probably ought to sort that out beforehand." I said, "Both from the standpoint of the staff that are there will want to know what I am coming over to do, and I would like to know that myself." That is how he said, "Well we will call you assistant general manager in charge of administration." That is how it happened. [Laughs]

NP: Maybe more flexible than from the standpoint of not set in any particular way?

MC: Yes, he was quite flexible. He would call a management meeting, and I recall there would be some issue we had to deal with which clearly would fall in the responsibility of one of the senior management people in his area. But Bob would often say, and we would outline this problem, and he would say, "Now who is going to deal with this and who is going to take the lead on this?" I always found that a little unusual because it was obvious whose responsibility it was, and I don't know whether it was the way of keeping everybody on their toes, but he had that style of managing. Very capable gentleman and I enjoyed working with him because he was always interesting and never dull.

NP: How would you describe his connection with the producers?

MC: Because he did have a farm background originally and grew up on a farm in southwestern Manitoba, he had that background to come from, I think he left that environment and was away from it for a lot of years, but Bob had to the extent related directly with farmers he had a pretty good rapport.

NP: Good, because you would think given his educational background that there could be quite a rift, but that farm-boy background stuck with him?

MC: No, he understood the rule and Manitoba well.

NP: Who were the—both during your time in the administrative position and when you moved up to CEO—who was the other leaders of the other grain companies that you would have been dealing with?

MC: There were quite a few changes amongst all of the companies over that period of time. At Cargill, there was a gentleman by the name of Roger Murray who was from England originally and was a very interesting person and one I enjoyed working with. United Grain Growers [UGG], that was after I became CEO, Gerry Moore was the counterpart in United Grain Growers. Gerry is still alive and well out in Alberta. I would have to stop and think about all the ones. Of course, Parrish & Heimbecker [P&H], Bill Parrish was always the lead man in that company here, and Paterson's family was pretty much involved in running that company. Sask Wheat Pool, a gentleman by the name of Ira Mumford was the general manager at that time when I was in Manitoba Pool, and he was a very capable person. Alberta Pool was Wally Madill who was also on our Western Grain Marketing Panel. He was the CEO at Alberta Wheat Pool, and Bruce McMillan was the president of Pioneer Grain at that time. Bruce, as far as I know, he is still living. I haven't seen him for a time. So those were most of the players that were involved when I was in management at Manitoba Pool.

NP: As in any group, you have personalities surfacing, and if you were to ask one person about the other, and let's say there are eight of you, seven of you would have pretty much agreement on the

eight person which regardless of whom was commenting on who. Were there personalities that surfaced through that and predictable?

MC: Oh, there were some interesting personalities in the grain trade and always have been! I found that a very good industry to work in. We were competitors, but we worked together a lot through both the country elevator association and through the terminal elevator association. We had a lot of dealing with each other and even when we built the new grain terminal in Prince Rupert that was a joint venture amongst both the cooperatives and the private trade. We had a lot of interactions with each other. That was one thing I enjoyed about industry.

NP: People can agree to disagree, and I speak very freely about their positions and still cooperate. Would that be a description?

MC: Yes, I would say that would be a good description. Of course, there was a different philosophy between the Pools and the private trade which would show up, but that didn't prevent working together when that occasion required that.

NP: I would like to come back to that particular point when we move on to talk about the Western Grain Marketing Panel because I think that was actually, to a certain extent, designed to formalize those differences.

MC: Yes, they all had to be recognized in the makeup of that panel.

NP: You took over the position of CEO and--. Do you recall the year?

MC: I was named general manager. I do not have the exact date on that, but it would have been in the early '80s. They renamed the position CEO, which was really the same position in about 1984 or 1985.

NP: The major items that you would have been dealing with until you moved out into another company, that would be the early '80s?

MC: I left Manitoba Pool at the end of 1987.

NP: Right. That is what I thought. What came across your plate that sticks in your mind as you used to do it?

MC: I had the responsibility, being the senior staff person, for the operations of Manitoba Pool itself. But we had a number of joint ventures with other companies, and I was on the board of several of those as well as being CEO of Manitoba Pool Elevators.

NP: What were some of those companies?

MC: Western Co-op Fertilizers, for example, where we manufactured fertilizers for our own companies. CSP Foods, which was a food processing company out of Saskatoon. Then there was Prince Rupert Grain where I was on that board for building a new terminal at Prince Rupert. I was on the board of Pacific Elevators, which was a company that we had a small interest in on the terminal end at Vancouver. Alberta Pool and Saskatchewan Pool had more shares than that. We were the smallest owner, but we were represented on there. I was on that board. XCAN Grain which was our international marketing agency, and I was on the board of that for a number of years.

I had a dual responsibility. Although when I was on those boards, there was always usually at least one member from our board of directors on those companies as well. There is a mixture of management and board of directors that got appointed to those boards. It was a fairly heavy job and a lot of travelling because most of these other companies were located, with the exception of XCAN, were located in other cities. I had to spend quite a bit of time on that work as well as being senior management person on Manitoba Pool Elevators. It kept me busy.

NP: There was chairman of the board. Who was the chairman of the board during your tenure?

MC: Jim Deveson was the first chairman I worked under of the board as general manager then CEO, and then Wallace Frazer who was the second person that I worked under. Bill Strath was the person that I worked under. He was still the president when I left Manitoba Pool.

NP: Just for purposes of transcription Wallace Frazer and Strath and Deveson. Are any of them still living?

MC: Bill Strath is still living.

NP: Your travels, were they exclusively in Canada?

MC: Yes, pretty much in Canada at that time, yes. All of our companies were headquartered in Canada, so it really involved Canadian travel primarily.

NP: With marketing, obviously with wheat and barley the Canadian Wheat Board [CWB] was marketing that on behalf of the farmers. Was there a marketing division that was marketing for Manitoba Pool Elevators for the others?

MC: Yes, we had a marketing division. As I mentioned, our international marketing for the non-board grains was through XCAN. But for domestic marketing, that was handled by people in our marketing division. Yes, there were non-board grains.

NP: Do you recall anybody working at that time in the marketing division and their names?

MC: In our company?

NP: Yes.

MC: Jim Dual was one of the names. Jim was very much involved in the marketing at that time. We had a number of other people in that division, but he was one of the principal ones yes.

NP: Any crisis management necessary during your time there?

MC: There would be some, but our board met every month of the year, the board of directors, so if there was an issue that a decision couldn't be taken at the management level, we always could bring that forward to the board in 30 days or less or 30 days at the worst. I found that pretty good because

we could get decisions within that time frame. Having come from government where it takes a little longer than that to get decisions made, I found it easier to get things done in many ways

NP: You haven't said it, but I can say it. A pleasant change!

MC: I enjoyed government days. I found them very interesting, and I enjoyed it. Getting things done point of view, you could get more things done in this case in the cooperative than I could in the same amount of time in government. Let's put it that way. There are reasons for that.

NP: Were there any systemic problems with the grain trades servicing at that time or dealt with at that time that you recall?

MC: The big issues we faced, which was an issue for our farmer owners and for us as a company, was the acceleration in the consolidation of our country elevator system in western Canada. That was a thorny issue because from the standpoint of efficiency and profitability there were pressures to consolidate. You can appreciate from the farmer's point of view that wasn't always the first and foremost in their minds. They wanted access to facilities within a reasonable distance from where they farmed. That was always a major matter that we had to concern ourselves with. Those were not easy decisions for the board because they had those two pressures on them.

NP: How did that mesh with rail lines?

MC: It would certainly very much. Rail line abandonment at that time was very much a part of this whole discussion, and it was forcing some of the consolidation. We were in several fights with the railroads over maintaining certain lines and certain points on lines, and so that was a big part of the whole discussion as well. Getting railways to provide proper sidings and so on. This was a very much part of that issue.

NP: When you think back on the discussions with the railways, how would describe—if you were keeping score—success in stating your case sidings?



MC: I think we had a fair amount of influence on the railroads, although they use to take the position in the early '70s and through that time that they were not making money from hauling grain, so it wasn't as interesting to them as some other commodities were. Now there were not that many commodities that had the kind of volume that they got from the grain industry. In spite of them saying they were not making money, they did have a strong interest in it. But we had some fights over rail line abandonment with them and that often went to hearings in front of various jurisdictions, and occasionally we even went to court with them over sidings over elevators and who was to pay the cost of those sidings. Overall, it was a good relationship we had with the railroads. We worked quite closely with them.

NP: These disputes that went forward, who would hear the disputes and make a decision?

MC: It would depend over sidings. I would have to think about who the tribunal was at that time that dealt with those kinds of things. It would be somewhere within the Department of Transport that would be involved in those kinds of decisions.

NP: The court cases?

MC: They would be handled by a judge, but those were not frequent, just occasional.

NP: Before I forget to ask the question, and you may not know because Manitoba Pool Elevators stayed as an individual entity a few years beyond when you left, did they have a regular system for putting their archives in a certain institution, do you know?

MC: That is a good question, and I am not sure what happened with a lot of the materials that they had. I think the *Manitoba Co-operator* had access to some of those and may have them. I know I was doing some research on one of the people that use to be in the Pool, and I went back there to the *Manitoba Co-operators* and found sources of information. But I think there was probably some that went to libraries, but I can't tell where and what material there was. I think some of it might have gone to the Rural Centre at Brandon University, but I can't be certain on that from what I have heard because I wasn't there at the time it was being dispensed.

NP: We hope they just didn't hand out to the landfill.

MC: No.

NP: Coming to the end of your time at Manitoba Pool Elevators, how did the shift take place? What opportunities were presented to you?

MC: I was quite happy at Manitoba Pool, but I was approached by ConAgra and by Dick Strauss who ran the company by the name of Agro Canada in Montreal at that time. Dick wanted to sell his company and to retire. He was well on in his seventies at that time. I didn't know him well, but he knew of me, and however it happened, I guess I was recommended as a candidate to take over the management of his company when he sold it to ConAgra, and ConAgra looked to him for a recommendation on that question.

NP: Was ConAgra's first movement to the Canadian market or did they have a presence before?

MC: They had a small presence before in, I think, a company called United Agra Products, which was in the farm supply business. They were not large, but I believe had a presence in western Canada. When I went down to Montreal, they also had a small presence in Quebec at that time. But I think that was the only presence they had pretty much at that point.

NP: What appealed to you about the opportunity?

MC: I have been with Manitoba Pool for just about 15 years at that time, and in my career, I have never been one to remain in one place a long time, and that was probably a pretty long time for me. I enjoyed it, but I am a believer that a person makes their contribution in an organization in some period of time, and that it is a challenge to make that over a very long time. Although I admire people, when I first came to Manitoba Pool, I remember going to retirement parties for people who had been there for 40, 43, and 44 years, and it wasn't uncommon in those days. They started as somebody out of high school, and they retired at that age.

NP: Yes, we had that discussion on the first tape.

MC: Yes.

NP: You are consistent in your comments!

MC: I had not been of that face, so to speak. It looked like an interesting opportunity. It was attractive financially, and I think that had some influence on it, but it was fairly gutsy move looking back to leave a good job that I was enjoying and take on a new challenge. I thought I was fairly careful in my interviewing with them in terms of what they wanted, and that included going to a meeting with the chairman of the board with ConAgra before I was hired and through several of their senior people. I came home one night and said to Catherine, "What do you think about moving to Montreal?" She said, "I am game!" She was very good that way in being ready to take on new things. I thought about it and talked to a few people. I had to keep it fairly confidential before I told Manitoba Pool that I wanted to leave. I decided to take a go at it. I went there on a three-year contract and ended up staying about five and a half years. I can talk about that later about what transpired at that point in time.

NP: Would this be a good time to just continue?

MC: Yes, we could do. ConAgra was a company that was very much on the rise at that time when I joined them. They were expanding very rapidly. Most of their expansion was through acquisitions and they established an international division which we were part of in Agra Canada. The fellow who was leading that was a very aggressive person and a great person who was of the old Peavey family originally out of Minneapolis.

NP: Who was that?

MC: Truxton Morrison was his name. He had known of the trade here in Winnipeg too, but he was the head of the international. They expanded very aggressively, and in fact, there was almost some competition within their company for getting around the world, so to speak, in terms of establishing and buying companies around the world. International had the prime responsibility, but some of the

others major parts of ConAgra would also extend into other countries with their program. One of the things I learned afterward, but didn't know before, was that if you wanted to do anything in another country, it was hard to get any autonomy for doing that in the other countries. ConAgra controlled pretty much all of it from the US.

NP: Say a bit more a bit about that.

MC: To give you an example, the Cargill model had been when they came into Canada that they pretty much gave the management in Canada the full authority to go ahead and expand where they saw fit. They still had to have approval from Minneapolis on the capital end of things, but they operated pretty much as an autonomist company in Canada, although there were definite ties particularly on the financial end there. ConAgra, as I discovered later, their pattern was to control everything pretty much. If they had a meat packing company in the United States, which they were large in, and you wanted to establish a meat packing company in Canada, it wouldn't be done by the Canadian presence here. It would be done by their company in the United States, and probably then they would send up the management to run that as well. It was a different kind of a model that they used as compared to some of the international companies that had expanded.

NP: ConAgra had its roots where?

MC: It had its roots a way, way back in Nebraska Elevators, a small company that started there and then they ultimately bought Peavey Grain, which was one of the largest grain companies in the United States out of Minneapolis. That gave them their big presence into the grain industry. From there they moved into the processing industry, and they bought the old Swift Company in Canada. They bought two or three other companies in the States. They were really large in meat-packing business particularly in Colorado, which is where their headquarters are for their meat packing industry.

NP: Were they privately owned?

MC: It was a publicly traded company.

NP: From the outside?

MC: Yes, a private company from the outset and then it became public. I don't know when they became publicly traded but certainly well before the time I joined them. They did very well, and their share prices went up for a number of years very consistently, and they did it mainly by these acquisitions they were making. They had a policy of not wanting to buy companies that were trouble, you know, buy them and spin some of it off. That wasn't their game. They wanted to buy companies that were successful but too small to expand on their own, and often they would develop a 50/50 partnership with each company or even maybe not take a controlling interest. As the pattern developed, of course, when those smaller companies needed money to expand, they didn't have the money. ConAgra would put up the money. Therefore, they would increase their share and control of the company.

So they expanded with that model pretty rapidly for all the years I was with them and while they were building the company. They got really large in the processing. Then they went into processed foods of various kinds. My sense is that they have slowed down a lot. I haven't followed them that closely for a time. They got out of some of their meat-packing business. They were big in poultry. They have cut back and are now concentrating more on processed foods is my impression now what they are doing.

NP: You mentioned the difference in approach that Cargill had versus ConAgra. What would your comments be about the impact of either of those approaches on the Canadian grain industry?

MC: I think that when I went there, I discovered when I talked to the chairman of the board of ConAgra I said, "What do you want me to do up there?" He said, "I want you to find opportunities to expand." I interpreted that to mean expand in other than grain as well as in grain. Because there were not a lot of opportunities at that time to expand in the grain industry, particularly in the country end of the business and even in the terminal end of the business. They were pretty well established. The country was beginning to consolidate.

I was trying then to seek expansion in areas other than the business that this company that I went to had been in since early 1940s. I learned after being there a period of time that this was not the way they functioned. They functioned on that, as I mentioned, that if you want to do something in another country, you did it from your base in the United States and ran it and controlled it from that base.

That was somewhat different than I had maybe even hoped or thought I understood when I went there. Because the grain business and particularly the business which we were in—I will talk about that later—the margins were narrowing, and it had a limited life in terms of profitability. Anyway, that was what I found there.

I had no regrets about going, and I stayed there, and they decided to wind down the company. They had bought a number of trading companies in a number of countries to put their foot in the door to see what was going on in those countries, then they ultimately closed a lot of them and sold them off because they then used any information they had from that to further base companies in the United States to be the ones to expand into those kinds of things.

NP: If I go back to my initial question, you had the Cargill approach and you had the ConAgra approach. What were the effects on Canadian industry, negative or positive?

MC: I would have to say that Cargill was much more successful in expanding its presence in Canada. When I first knew Cargill, they were simply an export office out of Winnipeg. A fellow by the name of Earl Green ran that. When they brought Roger Murray in, as I mentioned earlier, that was the beginning of their expansion, and they bought the old I guess it was National Grain Company. That was really the beginning of their expansion of a physical presence in Canada in the grain industry. As you know, they got into a number of ag-related business in Canada as well. I think they have been quite successful in expanding their presence in Canada and their business here.

That didn't happen with ConAgra. They did build four country elevators later on, which was a bit unusual after I had left sometime, but those were sold off. I believe they don't have any ownership in those now. I think they may still have an office here, which they use for relationships with the

Canadian Wheat Board to buy wheat for their milling business. I am not even sure if it is still open here or not. They didn't choose to go the route of expansion in the ag industry in general terms beyond the grain industry.

NP: As far as economic advantage to Canada in the long term, the Cargill approach--?

MC: I think they have been relatively successful in their approach to Canada and their expansion, and they are building their business in Canada. One of the things, for example, I tried to interest ConAgra in—and we did quite a bit of work for them—was in buying the old Canada Packers Company when it was up. The trouble there was that Canada Packers had never been that real profitable, and they didn't like the looks of something that wasn't real successful. They said, "We are not really in the business of buying something and trying to fix it and trying to spin off the parts that are not working and so on. If we are going to buy, we would like it to be a relatively successful company, and we will build on that." They didn't take up the interest in doing that. There were two or three other things that I tried as well to persuade them that it might be something we should look at and those didn't go anywhere. They have cut back considerably on their international efforts, and I think now they seem to be concentrating from what I see from afar pretty much in the processed food industry.

NP: I will leave it open to comment on further the Montreal situation. I am curious since we focus so much on the western grain trade in the interviews—we have had to so far because of people's experience—we really don't have a lot of information on how things are different down east.

MC: The business when I went to it, the major business that they had were in acting as an agent for the Canadian Wheat Board. Dick Strauss and his father had fled Europe before the war broke out and came to Montreal, and they started it as a feed company at that time for the local farmers and built it into grain, because he had contacts in Europe that were very important for grain industry. He built up a strong relationship with the Canadian Wheat Board and did extremely well with that business.

At one time, Agra also had a very important domestic business in Quebec, because Quebec at that time were not producing their own requirements for feed grain. So they imported—imported isn't the right word but—feed grains from western Canada and sold that grain to the people in Quebec who needed it. That at one time was a big business. Not as big as their export business, but it was a significant business. But by the time I went there that business had started to wane because the Quebec producers were then producing most of their own requirements, so they didn't require nearly as much from western Canada. So the biggest part of our business when I went there was export business. It wasn't totally agency business with the Canadian Wheat Board, but that was a big part of that. Dick Strauss had successfully built his business around that, and he was quite elderly at that time and wanted to get out from under it. He got out from under it at the right time because its future, I warned ConAgra after I had been there for a couple of years, that this didn't look good from a long term point of view that kind of business.

NP: Why was that?

MC: The margins were getting narrower all the time. You see, we would buy the grain from the Canadian Wheat Board and then sell it to our customer. The ability to buy it and keep profitability margin, the Wheat Board sharpened their pencils over the years and that margin kept going down. It was getting more difficult to do the business on a profitable level.

The other thing that happened was that we used to originate some grain in the United States, or Agra used to, like corn for example and some of those products, and when ConAgra of course bought the company, then Peavey Grain, they wanted to do anything that was going to originate in the United States. So that got curtailed to some extent. We were relying largely on that one part of a business. Our domestic business was really on this direction because of the reasons I said, and so it wasn't real profitable. We were still making some money on it but not a lot of money like they use to make when they could bring that Western grain in, and they had a captive market in Quebec for it.

NP: You were working out of an office essentially in Montreal?



MC: Yes, we had an office. We had about 20 to 25 people there in the office in Montreal.

NP: You had mentioned Dick Strauss's success in the business that he started up with his dad?

MC: Yes, his dad had come over, and I think his dad was quite elderly at that time when he came over, and Dick started as a small feed company, mixing feed and selling it to the local farmers.

NP: The connections that they had I would assume essentially in Europe?

NP: Yes, in Europe.

NP: My understanding of agents for the Canadian Wheat Board is that many of them specialize in different countries and built up a really deep connection. What countries--?

MC: Three companies were the biggest ones for us. One was Italy, one was the UK. It had been pretty big in the milling business at that time, and then Portugal, processors in Portugal, were significant buyer from us. That was not Board grain, that was outside of the Board, the Portugal business. The Italy business and the UK business was primarily the Board grain agency business that we had.

NP: Did you meet your customers ever?

MC: Yes, we meet from time to time and our head guy in marketing and trading, he did quite a bit of that. [Laughs]

NP: When we were talking about Manitoba Pool Elevators, you were saying that XCAN would do that marketing externally, and your connections and travels were largely within Canada. Did you get a different perspective on the Canadian grain trade from having meeting customers in other parts of the world?

MC: I suppose to some extent. I wouldn't say a lot of different perspective but some different perspective, yes.

NP: Can you expand on that?

MC: Well, I don't know that I can. They were buyers. They were the ones we were supplying, and it took you into the whole business of contracts and shipping. We had a shipping department in Montreal, and when we made a sale normally the transportation was handled by our shipping department. We had a very experienced fellow who ran that. That was a new dimension, because most of the selling from Canada was what we called FOB, free on board, and transportation would be provided by the buyer in many cases.

NP: What did you learn about the shipping system?

MC: There are complications in that. There can be because you either rent vessels for a time charter, which means you rent it for a period of time, or you rent them by a voyage charter. You run into problems like weather and timing and getting your goods to a certain point. And in some cases, you run into problems at the port you are delivering to. They can't receive the vessel when it arrives, and you have demurrage on those. So that was a whole new and somewhat similar to getting grain to western Canada, where you can run into all kinds of complications with it. These were new ones that I hadn't really experienced directly before.

NP: Your eyes were open?

MC: Yes, it was interesting to see that end of the business and to follow it.

NP: What would have been your connection to terminals then, because again no ConAgra terminals?

MC: No, we really had no interest in terminals other than our sales would be out of terminals often in Montreal or Thunder Bay and some occasionally further east in eastern terminals. That was really our connection. We didn't run a terminal or have any operational responsibility for it.

NP: Did your previous experience with Manitoba Pool Elevators have any implications for your dealings as a ConAgra person with Thunder Bay in particular?

MC: I don't know that it did directly. There might have been some connection there but to any extent. It probably was more influenced with our experience when I was with Pool working with the Wheat Board. Of course, that was a big part of the business when I was down there, and there was more connections there than there was to, say, the terminals in either Thunder Bay or Montreal because we would unload a vessel there, but that would be pretty much the extent of our involvement there with the terminals.

NP: The whole operation of the eastern part of the first supply chain, do you have any comments to make on what you learned or what surprised you or disappointed you about the things that, as you said, the work that you were doing here in Manitoba once it got on the ship you breathed easy and away it goes to someone else's responsibility?

MC: It is largely at the shipping end where that new experience would be, and often it was more with the receiving end for the buyers than it would be with the shipping end here. There were not a lot of problems with the shipping end from here. One of the big advantages that Canada has with the export grain and putting it through our terminals, the certificate final is issued by the Canadian Grain Commission [CGC]. Our customers are virtually assured of getting exactly what they contracted to buy. Whereas you watch the United States, they end up with all kinds of fights over that, where the quality wouldn't match what buyers thought they were getting.

That was one of the biggest advantages that Canada had in exporting grain was that the customers knew they were going to get what they ordered. That removed a lot of problems that you would otherwise have if you were delivering grain and the customer was—now I don't say we never had that question raised—but it was one that could be resolved easily because it could go to a tribunal, and they could settle whether the grade was up to contract standard or not. It was a good system that I think we had in Canada for exporting because the customer was generally satisfied with what they received. There issues were more relating to timing, seeding or if you ran into problems with shipping or strikes at ports and so on then you could have a problem with customers.

NP: Who would have been the shipping companies that you would have been dealing with?

MC: There were a number of companies in Montreal that were used.

NP: Mostly agents again?

MC: They would own their company, but we would contract with them. We did not own any vessels ourselves.

NP: Did you get to meet any of those?

MC: There was quite an association amongst the companies down there. They always went to a black-tie ball every year. It was quite an organized association that they had amongst the shippers.

NP: That would be Canada Steamship Lines [CSL]?

MC: Yes, Canada Steamship Lines was one of the big ones. Algoma was more of the lake side. There were a number of big companies that were headquartered there. Our guy that ran our shipping had a good relationship with that industry, and he kept close contact with it.

NP: Do you recall his name?

MC: David Allen was his name, ConAgra and he is still in that business in another company.

NP: We hope at some point to beef up our shipping interviews because most of them, as you said, are located down east and putting in a plug for our project. Working on a shoestring, our travel budget is nonexistence. You mentioned that one of your major customers was Italy. Was that durum?

MC: Durum and spring wheat.

NP: Any supply issues?

MC: Generally not. There normally were supplies. We could buy the grain from the Canadian Wheat Board generally.

NP: And again, was the quality assured?

MC: The quality was assured. That part of it was generally not the problem. The problem was trying to maintain a margin between what we bought it at and what we sold it at.

NP: The Commodities Exchange would be part of your--?

MC: The futures markets were used to protect, to hedge your positions, and they were used, and all of the exporters used those who wanted to protect themselves in the market. That is a tricky business, too. Traders sometimes get a little carried away, and they want to go beyond just protecting your position. They want to speculate a little bit around their position and that is always a difficult thing to control. We had some problems at XCAN with that when I was on the board there.

NP: Did ConAgra have its own traders?

MC: In the United States they did, yes. ConAgra's headquarters are in Omaha, Nebraska, but their grain division was run out of Minneapolis. They had a large complement of staff in Minneapolis, running their grain business there.

NP: I focused your answers by asking questions, but are there are some things that you think are important to add related to that experience that you haven't had a chance to record?

MC: Not really from the standpoint as it might relate to the terminal elevators. We used the terminal elevators for shipping from, but we had no operational responsibilities for them in that company. It worked rather well. The companies that operated those terminals, they were reliable and there were not many problems.

NP: Most of those terminals would have been internationally owned? I am thinking of Bunge and Cargill.

MC: Bunge had one, and the port of Montreal, I think, had one at that time that was a publicly owned. I believe that that has changed hands now. I think it has been sold to a private interest. Yes,

there were some international, and Cargill had an elevator in the east at Baie-Comeau further down the river. They were very good to work with.

NP: Which raises a question I have not thought of before and that was the terminals in Thunder Bay and the terminals in Vancouver and Churchill would have been at that time the Pools and cooperative efforts with, say, Richardson. Why no presence on the St. Lawrence?

MC: By those companies?

NP: Yes.

MC: Saskatchewan Pool and at one time Alberta Pool and Manitoba Pool all had facilities in Thunder Bay. Richardson's were out in Vancouver, and they were also involved in Thunder Bay. Cargill for quite a time didn't have any facilities in the West Coast, but they had an interest in the area. United Grain Growers was on both the West Coast and Thunder Bay. Most of the companies had facilities in both locations. Cargill had further east in the river. The companies I mentioned generally were not represented down there.

NP: Why?

MC: I don't know. I don't have answer as to why. Whether those companies didn't think it was a profitable venture--. And you see, at one time, a lot of the grain went right to Thunder Bay and then went on from there. There wasn't, at one time, a lot of direct shipping from here to the further down ports of Montreal and then further down the river.

NP: And perhaps it could be back to what we were talking a bit earlier is once you have got your certificate final and payment for the grain, then it is someone's issue to get it out of the port of Thunder Bay into the transfer elevators and across to one of those markets being shipped out of there.

MC: I guess these companies didn't see the need to go beyond Thunder Bay in their investments, most of them, and because the laker system and then in the wintertime there was some direct railing of course on it.

NP: In the early days, if my mind serves me, there were some forays into elevators in the States, and I think particularly by Saskatchewan. In Buffalo, there was a Saskatchewan Cooperative Elevator, I think. This is going way back and maybe in New York as well. There was an attempt early, but way before your time. [Laughs]

MC: That must be a way back! I don't recall that. It would be before my time.

NP: Yes, way before your time. Yes, but maybe they had a long institutional memory and said, "Been there, done that, forget it!" [Laughs]

MC: I don't know about those.

NP: Unless someone just picked up the Saskatchewan name.

MC: I wonder if that wasn't the case because I don't think at that time Saskatchewan would have had investments in the United States. They did in later years when they went on their big expansion. They bought facilities and over in Europe and of course those didn't work out.

NP: No, this is going way back, way back, I think before the Second World War. We are talking history. Anything else than about the ConAgra experience?

MC: No, I don't think there is too much. I never regretted going down there, and I knew there was some risk to it, and that's why I signed a three-year contract and ended up staying there. They decided to really wind down as they did with a number of their small companies. They bought in different countries around the world, and they bought those down. I look back on it and say that they were used as a window to look into what was going on in those countries. But in many cases, they

didn't do anything beyond that through those companies. If they were going to do anything, they would do it from their base in the United States.

NP: What was the fate of the Montreal operation?

MC It was really just wound down. There was a couple of senior employees attempted to buy it, but there wasn't an agreement reached between them. So they went off and then established their own company doing much the same kind of thing on the export side as they were doing before.

NP: What was the name of that company?

MC: It's called Agro-Haribec, I think. It started out as another name and I am not sure the last part of the name of that company, but it still has Agro in its name. Agro-Hall, it started out at. I am not sure whether they made the change or not to change that to another name, because the Hall was going to have been their partner, a support agency over in the UK. I don't think that went ahead on that basis. So they may have had to change that name. They had to support one of the shipping companies, I understand. They have kept it as a pretty small operation. Not small in terms of staff because the domestic business they had nothing to do with that. As far as I know they are still operating.

NP: Did ConAgra get into the malting area when you were there?

MC: They were just starting to look at the malting industry when I was still there. They did get involved, but I don't know what all countries they were into with that. But they did get involved into the malting business.

NP: I think there was some venture into Thunder Bay. It was Canada Malting at the time.

MC: Canada Malting, yes.

NP: By ConAgra, but there seemed to be a quick bounce from one company to another.



MC: Yes. I am not sure whether ConAgra is still in the malting business or not?

NP: We will have to find that out. [Laughs] So, then you were faced with what to do next. What happened next?

MC: I thought I might semi-retire at that point. We decided to move back here because our family and friends were largely here from all the years we spent here. I came back and the Canadian Business Development Bank wanted me to come in and do a project for them, so I went in and did that for a year. It was involved in family transfer or estate planning, and I ran seminars for them around the province for a year.

I did that and that kind of led to another, so I set up a small consulting company and did some work for the province. Then in 1996, one of the projects was acting as executive director on this Western Grain Marketing Panel, which we published this report in 1996. Then the Minister in Industry and Trade had been doing reorganization in his department, and he had not got it done and came to me and said, "Would you come over and finish this reorganization we have been doing?" And I said, "Can I go over there as a contractor?" He said, "No, if you go over there as a consultant nobody will listen to you." He said, "You have to come in on an administrative basis." I went in as Assistant Deputy Minister, and then his deputy left within the year, and he asked me to go in as Deputy. I was with him for two to three years until he decided he was going to step down, and I had to go in for an operation at that time and decided it was probably a good time to retire. So I retired in the summer of 1999. I think that sounds right.

NP: We are going to pause now, and when we come back, we will spend time talking about the Western Grain Marketing Panel because from what I have read, it was a real attempt to get a grip on what was happening in the grain industry and move forward. **[Audio pauses]** We are back now to discuss the Western Grain Marketing Panel work and the resulting report. I would assume they started in 1995, approximately, was the year?

MC: In 1995 I believe they were appointed, yes.

NP: How did it come about, and if could you tell us a little bit about the members of the panel and how they came to be selected?

MC: Well, as you know, there has always been a certain division amongst farmers on question of grain marketing in western Canada. They have bubbled up—and more noticeable publicly at times than others—but unrest was always there. In the early '90s it seemed to be the unrest and disagreement amongst the farm groups seemed to develop pretty strongly again at that point in time. Ralph Goodale, who was Minister Responsible for the Canadian Wheat Board at that time, he decided to set up a panel to review western grain marketing in western Canada. He chose people who would be mostly known to represent one side or the other of the issue, particularly as it focused on the Canadian Wheat Board. That was really what the central issue was, whether there were some that wanted to get rid of the Board, market on their own, and there were others that were strongly supporting the Board and wanted it to maintain. It wasn't that narrow in its focus, but that was a lot of the reason why there was so much difference of opinion amongst farmers in Western Canada at that time.

He chose a number of people to represent those views, including also John Neufeld, who was a representative from private industry—a processor who was a user of grains in Western Canada. The others were, with the exception of Tom Malloy, who was a prominent lawyer out of Saskatoon, who Ralph Goodale knew of and was an independent person. He didn't come in with strong views, if any, of what made sense or didn't make sense in this whole dispute that was going on.

So the others were representative. Jack Gore was a farmer from Alberta who would be on the side of more freedom in the marketing of grains in Western Canada. Wally Madill from Albert Wheat Pool, and I mentioned John Neufeld who was with Ogilvie's at that time. Bill Duke was a farmer from Saskatchewan who would be much like Jack Gore. He had been involved, and I think he was president of the Western Canadian Wheat Growers at one time. Jim Leibfried, of course, who was a former commissioner with the Canadian Wheat Board. Owen McCauley, who was a prominent farmer in western Manitoba and did work for the federal government from time to time as well as farming, and then John Pearson who was with Alberta Wheat Pool, vice president there, and Avery

Saul, who was the vice president of Saskatchewan Wheat Pool. That was the makeup. They set up shop I think it was early 1995, if I am not mistaken, and they were looking for somebody to act as the executive director, so they approached me, and I took that on for a year and a half to two years job. We went from there.

NP: Now there are a couple of other names that come up throughout the report that are not on the panel per se but are in charge of the research?

MC: Yes. John Heads, I hired him as director of our research program. We talked about him earlier. Before John was retired from at that point, well, he was still with actually the Grain Transport Institute at the University of Manitoba. Very capable person. For different research projects that we undertook, we engaged other people to undertake those. There was one person that was well known in the grain industry was Denny Stephens, and another one was Frank Rowan, formerly prominent with the Wheat Board. They were the ones that did our large study internationally to visit all of our customers of the Canadian Wheat Board and get their views on that relationship and their views on what was changing in the world of international trade. We had different people for some of the different projects that we undertook for research projects.

NP: I am thinking about Mr. Rowan in particular being very closely tied with the Canadian Wheat Board, and Dr. Leibfried as well. Who made the decision and was their agreement on the panel part of who was hired to do research, or was that determined before the panel started its deliberations?

MC: I got approval for hiring our director of research. Beyond that, they left it to us as to who we would engage to do these studies. We got approval of the studies we were going to do and then they said, "Go hire the best people you can get for those," and we did that. The panel knew who they were, who we were.

NP: You started out by mentioning that the impetus for the panel's deliberation was likely the contentious issue of the Wheat Board's single-selling desk, or dual issue that surfaced all the time, but that the actual deliberations included was far broader because it is difficult to just pull the plug?

MC: It is much broader than that, yes, and it was never advertised as that being the reason why it was set up. I guess I am guessing a little about what was in Mr. Goodale's mind, but I am sure he was interested in all of the broader issues, too. Central to that, I feel it was the issue over the future of grain marketing and whether it would be through free markets so to speak or whether it would be through an agency. That was pretty central to it.

NP: Were you given a fairly broad set of goals?

MC: We were given terms of reference, but I can say there was no interference or expectations that we should come to any particular conclusions. The minister was very good in that respect. He never tried to influence what was going to come out in this report. Our chairman—it was some advantage—he didn't know much about the grain industry, but he was a very sensible gentleman who knew very quickly where the issues were and who was on what side of these issues. He was a very good chairman and was able to bring the report to a unanimous agreement in the final analysis. That was quite an achievement in itself because there were some strong differences of view amongst these people on the panel on many of the issues, in particular the one relating to the marketing.

NP: It would have been doomed to defeat if the differences of opinion were not represented on the panel, I would say?

MC: Yes, it wouldn't have been credible if there had not been both of those factions or sides represented. It had to have. I think the minister deserves a lot of credit for making sure those elements were all present.

NP: You referred to the background information that was produced to help the panel making their decisions and provide some guidance for those people who presented and organizations that presented to the various sessions that you held to pull in people's opinions. One of the first ones was the general background piece that went out that you gave me a copy of. How did that come into being, and what was the thought process behind having to have that as a starting point?

MC: The idea was that we wanted everybody to be working from the same base, so to speak, and when I say working, I mean all the people who were going to be involved—the farmers and industry and so on—with a common set of information which really took some historical picture of the whole grain system in western Canada. We felt it was important to get that out to every farmer in the province and all the provinces as a first step. The panel decided that was what we should do is get that out as quickly as possible, so that when we started holding the hearings, they would be coming there with hopefully having read this, and some of them were knowledgeable on most of that and some not. It was to get a common level of understanding about what the history of these things were and how certain elements of the industry worked. Like a lot of people were not familiar with the terminal and what happened down at the terminals. There was an attempt to put a historical perspective on it and an explanation of how the different legs of this industry work.

NP: In reading that, it was factual which I think was the intent. But even with facts sometimes there are disagreements. Describe how the initial draft might have differed from the final draft?

MC: Not very much on that document. There were some refinements, of course, but there were not a lot of disagreements on that because most of it was not something to be disagreed on. It was mostly factual information about the history and how things worked. Within the panel there was not a lot of difference of opinion on what was in there. That was the easiest document. This one was more difficult.

NP: The final report?

MC: Yes.

NP: A lot more input for that one and a lot more opinion and speculation.

MC: When it was distributed, we got very little reaction on that first document because it wasn't intended for that purpose. It was intended just to be a factual set of information so that all the farmers coming there and the organizations with some common base to work from.

NP: When I was reading that initial document, especially the first pieces where it talked about the establishment of the Canadian Grain Act and then the initial version of the Wheat Board and it moved pretty rapidly through to post Second World War, what struck me there was the number of times the government had to intervene.

MC: Yes. For example the Pools tried a system of pooling grain with wide price swings, and of course it got into financial problems with that, and the government had to move in and cover for that. Yes, the government over the years has had to be involved in the early history on more than one occasion to help out. I suppose that may have given rise to the thought that rather than looking at unexpected bailouts, we should maybe set up an organization that we would still support but it would be a little more orderly framework and one that could hopefully sustain itself over the period of time. That is what happened. The Wheat Board, if I remember right, had to only call on the government four or five times and not in a large way to meet the shortfall in their operations.

NP: Interesting.

MC: Yes.

NP: In light of current situations.

MC: Yes.

NP: There was a slowing down of those interventions or they were not mentioned beyond and with the establishment of the Wheat Board on a more regular basis.

MC: Yes. It eliminated the government's being called on almost entirely.

NP: Can I leave it to you to give a summary of the presentations to the panel and the give and take of the panel discussions that resulted in the final report?

MC: As you noted in there, we had a number of town-hall meetings across western Canada. We had formal hearings in each of the three provinces and it was pretty good coverage, and then in addition,

we received written submissions that anyone that wished to put them forward, and we had large number of those as you will see in the appendix.

To me, the overwhelming response we got from the farmers regardless of which side they were of this issue—and that is maybe not quite right regardless—but what really came out of listening to the farmers was that if the Wheat Board was going to continue, and some were on both sides of that issue, but if it was going to continue they wanted it to be controlled by farmers not by the federal government. That was a very consistent theme at all of the hearing and all the submissions that were made. In my mind, that was the strongest point that came out on this whole matter. That is what really led us to the recommendation that was made to convert the Board from a government appointed commissioners to a board of directors with a majority of farmers elected to the board. Initially, they were appointed to get the operation going, but they were later to be elected. To me that was the major recommendation that came out of the whole report. There are a lot of other matters that were recommendations on.

But the second recommendation we made which was more specific and narrower recommendation was that wheat should still continue to be exported only through the Canadian Wheat Board because it appeared that they were able to extract higher prices for wheat than what they would have been able to on an open market. But we did recommend that feed barley for export be taken out from under the Board and for two reasons. One was there was no evidence that they were able to extract the extra margins, if I can use that term, out of selling to the Board as they could on the open market. Secondly, a lot of the discontent over the marketing of grain circled around barley and Alberta. The Alberta barley producers were the strongest proponents of getting rid of anything going through the Board but particularly barley. For those two reasons we recommended that feed grain barley be taken out from under the Board and put on the free market as domestic barley was. You could market domestically Canada on feed barley.

NP: Why was Alberta a big proponent?

MC: A lot of their barley goes into feeding, and they thought that was a good market for them, and they thought we should be doing the same on the export market. We should be free to sell our barley on the export market without having to go through the Board. It was partly a philosophical thing with Alberta. There is a difference in the politics of the three provinces, as you know. Its part of their philosophy and that is why they also believe that wheat should be out even though they were confronted with evidence that they probably would get higher returns, but freedom to market was the big issue with them.

As far as malt barley was concerned, we recommended it stay with the Board because it seemed to be working quite well between the maltsters and the Board on both sides were favourable towards that actually, but not both sides of the farmers. But the maltsters were satisfied with the way that was working with the malt barley, so we recommended it stay there.

Ultimately, the minister chose not to accept that part of the recommendation for taking feed barley out of the jurisdiction of the Board on export markets. I don't know what his thinking was, but there was some that feared that that would be a step opening the door to then taking wheat out, and of course, oats were subsequently taken out of there so it never went.

But the major recommendation in my mind, was the one to restructure the Board because all the farmers regardless of their views of about whether they wanted a Board or not, if there is going to be a Board, they wanted it to be under their control. We recommended that there be a board with the majority of farmers on it, a government representation on it because they were still guaranteeing initial payments made by the Board, and trade representation or someone from outside the industry who could bring new ideas to the board. That was the way it was, and Mr. Goodale did accept that recommendation and the way it was set up and it is still operating today.

There is some concern now, of course, if you have an unfriendly government, they appoint their own people, and the two outsiders are appointed by government, too, so they can appoint their own people. So, you have a bit of a conflict, and we have had for a few years on there, between ones that really didn't want to support the Board although they were on the Board and the elected farmers who



were supportive of the Board, and that battle has been going internally on for some time. That was in my mind the most important recommendation and follow-up that resulted from this whole thing.

NP: You also looked at grain transportation to a certain extent, grain handling, and terminal operations. Can you comment on those?

MC: To a certain extent. There wasn't a lot—as you will notice in the recommendations—there wasn't a lot of time spent on those, and I think it is probably a reflection that those systems, particularly the terminal elevators, were operating pretty well, and there were not a lot of problems. Transportation was more contentious because the question about whether the railroads were providing adequate services or not is always a question that was there. There is not a lot of detail you will find in the report about those areas of the report, and they didn't come up a lot at meetings. I guess that was another reflection in the report of not spending a lot of time on certain parts of the industry because farmers were particularly unsettled about those.

NP: There were some research papers produced?

MC: Yes, there were some research papers produced, and they are listed in the Appendices of the report. There were some good reports done and the one in particular that I mentioned that we engaged Frank Rowan and Denny Stephens to do, where they visited all the customers of the Canadian Wheat Board, that was a very significant study. Clearly out of that came the view that there was a great deal of satisfaction amongst the customers who were buying direct from the Board.

Of course, that included at that time largely the state buying agencies, although not exclusively the state buying agencies. Some of the private trade that dealt with the Board were all right too. That was a significant study because—while I don't know, but the Board, I suppose, did some of that—but nobody really knew how the customers felt about the dealing with the Board. We heard anecdotal things over the years that, yes, they liked dealing with the Board, but to really go out and talk to them and get their frank opinions and pretty frank opinions I think was important. That is what the panel felt was important to get those views so that was done.

NP: Were there criticisms that you recall?

MC: I would have to go back. There were not significant criticism or else I would have recalled that, but I am sure there are some things that they would raise where improvements might be named. A lot of their concerns, of course, do relate to transportation and getting shipping on time. I recall you, in the first interview we had, you asked me what my first experience was with the terminal elevators, and it was really before I went to Manitoba Pool when I was with the Department of Agriculture. In 1968, Walter Weir and Duff Roblin the Premier stepped down, and Walter Weir became the Premier, and Doug Watt was the Minister of Agriculture, and he was appointed the same day as I was appointed deputy, and this was in October. And that year there was problems developed in the movement of grain from here to terminal position, and there was about 12 or 13 vessels, as I recall it, sitting outside the harbour but waiting to pick up grain in Vancouver. This got farmers really worked up in western Canada about this, and of course as the new premier and new minister, they were getting heat on this issue too.

Although as I mentioned we didn't have a lot of direct contact with the Board or the Transportation System as a provincial government, the premier decided he would send the minister and I out to the West Coast to try and get to the bottom of what was going on and why. Doug Watt and I went out there, and we went through two or three of the terminals and met with several of the terminal people to get their thinking about it. That was my first exposure to the grain terminal and the business, and it was quite impressive to see those terminals down there.

What I am leading up to saying is that the customers were very concerned, of course, about this back log because the vessels that they had engaged to pick up their grain couldn't pick it up in time. They were sitting there waiting, and on top of that, the farmers were paying through the Wheat Board were paying demurrage on all those vessels that had to wait for, and that was running up a big bill, so there was a lot of political pressure at that time.

And of course, as you always find in these kinds of situations, tend to blame everyone else, and it is very difficult to get to the bottom of exactly what the problems were. The terminal elevators say,

“Well, we haven't got the right grain here to load those vessels they are on grain man ship.” They were also citing problems with the railroads. The railroads were failing to pick up the grain on time at the country elevators across western Canada. And of course, the elevators were saying, “Well the farmers are not delivering when they are supposed to be delivering.” It was a bit of a blame game going on over the whole thing. It was an interesting experience, and of course we came back, and the minister had a press conference with the premier, and there was a big to-do. It was my first exposure to the terminal elevator situation until I went to the Pool some years later. This was in 1968 and I went to Pool in 1973.

NP: Just a comment you made brought up something that I read, and I didn't understand, and it had to do with several of the presenters commenting on the need for farmers to be penalized for not delivering as contracted, have I got that right? I just thought it was something that I had not heard of before, and it was even coming from farmers groups saying that there had to be penalties in place for non delivery. Does that ring a bell at all?

MC: I would have to look back at that section. That would be cases where they were not delivering against their quota probably. Back in the earlier years, there were quotas, and those have gone by the wayside, but they had to meet quotas and sometimes they would leave filling their quota until the last few days of that quota. The quota would be open for a certain period of time and a tendency to wait. That may have been what the reference was to that. Then of course everybody wants to deliver at once and then you have a problem with a bit of a backlog. It may have been in reference to that. I would have to go back and look at that section.

NP: It was just something I came across, and I thought it was strange that even farmers groups were saying that there needed to be penalties.

MC: Yes, I think that was the context of it.

NP: We were talking about the different research papers that were produced and the major one that look at the customer reactions. Then there was one done by Daryl Kraft and two others related to

trying to get a grip on whether the Canadian Wheat Board actually did provide a premium to farmers.

MC: Yes, there were seven studies, and I am just peeking at their Appendix on those.

NP: I think mentioning them would be good.

MC: Yes, the one was a Technical Study done by Walter Bushuk, who was a prominent researcher out of the University of Manitoba, on new technologies in grain production and processing. That wasn't a major issue amongst the farmers at the time, but it was an important background piece. Then Doug Ford, who is president of the Winnipeg Commodity Exchange, we asked him to look at the future role of the Winnipeg Commodity Exchange in terms of where it was going and what role it was going to play. John Heads, who was our director of research, he did work on the grain handling and transportation. He was the drafter of a significant portion our report.

Then we had one on barley marketing because it was such a sensitive issue particularly out particularly in Alberta, and we had Can-Agra Management Services, and he was from Alberta and a fairly outspoken individual. He did a paper on that.

NP: Who was that?

MC: Ken. His last name will come in a moment.

NP: Not a problem.

MC: I think that is why it was called Can-Agra. Then Bill Miner, who was an official in Ottawa who had trade experience in external trade and he was always involved in international negotiations on grain matters. He wrote one on the international trade policy environment in Western Canada for grain and what some of the international issues were on that.

Then Denny Stephens and Frank Rowan did one on looking at buyers. We had a fellow Bill Wilson who was from the University of North Dakota, and he'd done quite a bit of work on grain marketing

down there, and he was familiar with the Canadian system, and he did some work on his perspective on what was happening in Canada and the possible changes there might be.

Unfortunately, I am not sure what has happened to all of those documents. They were good documents, and I hope that they are still available somewhere, but I can't tell you where that would be now with what has transpired. Whether the Wheat Board, I am sure, would likely have copies of it in their library, but I can't say that for certainty.

These were done as broad background papers. Some of them indirectly related to what we were doing you might argue, but some of them fairly directly, and in my mind the one done by Rowan and Stephens was very significant to the work of the panel because part of that was trying to assess what customers believed, and that was very important to everyone.

NP: Certainly, if they had come up with the results that they thought they were doing a lousy job and could hardly wait to see the end of them.

MC: Yes, it could well have changed the recommendations in the report.

NP: I was interested in reading about the US-Canada issues because that seemed to be sort of major thorn in everybody's side.

MC: There were some issues, yes. And of course, the going back to the unrest for farmers particularly along the borders in the provinces that thought, "Well, gosh. We see the daily price in the market, and we see that they are much higher than what the Board is paying." That was the flavour of the day price, and they were comparing with the average price that the pool price that was paid out for the whole year. Part of the unrest particularly in Alberta was that they wanted to be able to market their grain direct to elevators in the United States.

Part of the problem with doing that, even if the Board was changed, is that the American farmers did not want a whole deluge of farmers coming down there to be delivered to their Elevators and taking up all the space and so on. Their country elevators were not as numerous down there as ours were in Canada. So farmers had to go considerable length further to deliver the grain in most cases than we

do up here. They would not look favourably upon this grain coming down there. That was a bit of an issue, but it was theoretical at that time because Canadian farmers couldn't really do that. But what some of them were lobbying for were to get rid of the Board. That is one of the reasons why they wanted to do, and that would have become an issue.

There were some issues about durum wheat, and I would have to review the report on that in terms of what those specifically were at that time. The US was an important market for durum wheat for Canada. I can't recollect just exactly, and I would have to go back in that section again and have a look as to what the specifics were on that issue, but there were some issues surrounding the marketing of durum wheat particularly to the US.

NP: There was also a discussion of the broader trade talks, the world trade talks on tariffs and so on. Any implications out of that research?

MC: Not really related to it. That is why we had Bill Miner do that paper because he was familiar with international trade and had been involved with a lot of the negotiations over the years that it had gone on. I don't know that we really spent a lot of time on that subject as it related to because these rounds of negotiations go on for several years, and of course, now again, they are significant because if the draft agreement that there is now on this latest round of trade negotiations goes through, it would do away with the Canadian Wheat Board because the other countries are claiming it is distorting trade artificially.

Of course, the Canadian position has been that it is not, but with us now having a government majority to the Canadian Wheat Board, I'm suspecting that one of the ways they might choose to get rid of the Board is to let it happen under that trade agreement, in which case they would say they would be able to escape the blame for it happening. Now they may not wait that long because it doesn't come out to 2013 or 2014. And it may not ever happen. As you know, those agreements go on and on and sometimes they are never concluded those rounds. It is something that could have a direct bearing on the Board.

NP: I think a comment in one of the papers reported in the final report said that once it is eliminated under that NAFTA or World Trade Organization then getting it back in would be--.

MC: It can't be brought back supposedly. If it is judged to be trade distorting, so to speak, I guess that then what stays out has to stay out forever. It's probably more of an issue right now than it was at the time we did this report. I think there were attempts in some of the earlier rounds to--. The US in particular has never liked the Canadian Wheat Board, and they have lobbied to get rid of it through these trade rounds. They are more so even than the European Union because the European Union has their own programs, which one could argue are trade distorting. The US do too, by the way, but they don't recognize that. I can't remember at that time how much of that an issue that was specific to that issue, but it may have been there at that time when we were doing these hearing too. It wasn't one that came up at the hearings though a lot in terms of farmers concerns at that point as I remember it.

NP: There was a large section on Canada's place within the international competition for grain products and statistics on what percentage of the world trade Canada had versus US and Australia that I think were the other two largest exporters. I think at the time of that study the Australian Wheat Board had just been sold out to the farmers' cooperative or taken over by the farmers cooperative but that was some time ago 1996.

MC: I think that happened after this study was done.

NP: Yes. I think there was mention of it in there happening.

MC: I would say yes.

NP: I don't know if you followed the Australian situation at all then as it was the precursor of the Canadian Wheat Board disappearing and whether it had any tragic effects on the farmers of Australia?

MC: I haven't followed it real closely, but my impression is, from what I have read about, is that converting it to a farmer-owned company even though it had handling facilities was not successful

because they of course didn't have control of a lot of the grain, and it didn't necessarily get delivered to them. So therefore, they were not in a strong position in going to buyers as they had been before. I read something just recently where I understand and I think it was about three years after this happened, that that company has now been purchased by Cargill. So it no longer exists.

In relating it to our present situation I do not know how comparable it is, but my guess is that we could experience much the same thing happening here, particularly since the Wheat Board here does not own any of the elevator facilities and would have to make arrangements for handling with actually their competitors if they were to really become a grain company.

I have always argued that if the Wheat Board didn't have the monopoly on those sales that they could really not function successfully at all. It will be just a more painful death if they try to do that than shutting them down virtually in one shot or letting the trade agreement shut it down. That would give it two or three more years maybe. So I am not optimistic that it could survive in any meaningful way if it were converted to another grain company. First of all, the competitors would not want competition of a government-sponsored grain company, and secondly, they control all of the facilities. It would be extremely difficult. The other thing that would be difficult would be whatever agency it would become would have difficulty in getting enough grain volume under their control to deal with the big buyers they would have to deal with because the other grain companies would say, "Well, we can do that."

NP: In your opinion, would it be a very short step to the Canadian Grain Commission's role as well disappearing?

MC: Not necessarily. I think there are some important elements in the Canadian Grain Commission that would stay—the one being this issuing of certificate finals on shipments of Canadian grain. If Canada wants to maintain its reputation for that, I think they would be wise and there would be support to keep that portion of the Grain Commission's functions. The function that probably would be given up I would guess is as you know they have a strong role in protecting the rights of farmers in dealing with grain companies as to matters of grade and payments and so on.



NP: Licensing?

MC: Licensing and the whole thing. My guess is that might be the first part that would fall under a new regime, so to speak. I have no reason, well, other than that they have been, for example, one of the problems has been--. This would be where there was a spate of new small companies trying to get into the grain business came up. This would be about 10 or 15 years ago, and many of them went broke and left farmers unpaid. So theoretically the Grain Commission was supposed to license those companies, but it didn't happen in all cases and made sure that farmers get paid for what was purchased from them. The Commission, I think, played a fairly strong role during that period. But there have been threats, well, not threats, but indications since then that, well, do we really need to be performing this function? Farmers are bigger now and they are more informed. Do we really need to be protecting them against possible unscrupulous buyers?

I would think there will be pressure on that part of the role of the Canadian Grain Commission. I think on the inspection side of it--. Another part that may be under pressure is at Thunder Bay and I guess at Vancouver, too, there is both inward inspection and the outward inspection. Some are saying that we no longer need an inward inspection. The only place we need that is for producer-car deliveries, because when producers send cars down they load themselves, or with the help of an elevator—elevators are not enthusiastic about them—but they go down to Thunder Bay and the only way of getting a confirmation of grade there is in inward inspection because they then get pooled and so on and lost in the picture. That to me is the most legitimate need, but it is not a large need because producer cars make up a very small percentage of the cars that go down there.

NP: Your comments raise another point in the panel's report. They had done some research into transportation costs difference through the States versus through across the Prairies, and in many instances, it looked to be much more cost effective to choose the American system with some exceptions—one being through North Dakota and so on. The implications, then, with the possible changes, and I am thinking here particularly here in Thunder Bay—and correct me if my thinking is wrong—but if we look at a scenario where the Wheat Board does disappear in whatever manner, comments being made, and I have heard these, that some of the American and multinational firms

not just American ones, are licking their chops, thinking we can hardly wait, and your comments about sort of ConAgra, and ConAgra being very US focused in however it expanded into other countries, it would seem to me that that is the perfect storm for eliminating Thunder Bay as a port?

MC: I think that question will be more driven by markets and where the markets are than by those considerations that you mentioned. I think we talked briefly the last time, and I am not current on what these statistics are now, but for a long time the shift went to Thunder Bay to more going out the West Coast. I understand that is levelling off, not that it is any where equal now but levelled off, and in fact maybe even taken back some gain to Thunder Bay. I haven't seen the statistics on this, but I think it is something out of the Canadian Grains Council meeting that I saw in the paper to that effect when a speaker from the Canadian Wheat Board was who mentioned that. The reason for that is that the markets that are better served out of there are kind of coming back more to the fore than they had been for a time, and South America I believe is an example of one of the countries that is now becoming a bigger customer for some of the Canadian products. I am thinking that the demand and where it is coming from for product will probably have more to say about whether Thunder Bay's future as a port than will the other question of who owns the facilities and so on.

NP: But why not out of Duluth, say?

MC: I don't know that that would be any cheaper. Duluth is a long way from port's position, and whether that would be any cheaper to do that or not I don't know.

NP: But it may come down to that?

MC: It could, I suppose, be an alternative. That I guess has been discussed before a bit, but my recollection of any of those discussion was that it was probably going to be more important to move it down that way through the system to the port in Louisiana than it would be to move it to Montreal either direct or through the lakers. I don't know. I could be wrong here, but my thinking is that that will be more controlled by where the markets are than by the owners or users of the facilities.

NP: Exciting times! We are almost into our two-hour time. Just a couple of general questions that I want to give you an opportunity to answer. When you think back on your time in the industry, what do you think was your greatest challenge? Can you identify it?

MC: In the grain industry?

NP: Yes. The greatest challenge that you had to take on?

MC: Well, I suppose being with Manitoba Pool probably gave me the most diverse experience in the grain industry. We were involved both in the handling of grain in the country and in the terminal position. We were also involved in the farm-supply business, sell of chemicals and fertilizers, and we were in livestock marketing also. And then through affiliated companies we extended into food processing and fertilizing manufacturing and international grain marketing. I don't think I could have experienced a more wider, diverse challenge having responsibilities in all of these areas with Pool, and it was quite enjoyable. So probably I would cite that as you would call a challenge. It certainly was a challenge.

NP: And keeping all your customers happy on both sides?

MC: That is right yes. I enjoyed that part of it, having a farm background myself. Also, with the Department of Agriculture for a few years and had those kinds of contacts with the farmers as well. It was a good fit for me, and I really enjoyed that, and I would say it was probably the most challenging of the job.

The job when I was with ConAgra was a narrower role, which I had hoped to expand into something much larger but discovered after some time there that that was not the model that they chose to expand into non-grains kinds of activities. I had advised them that if we couldn't expand into non-grain activities that our role in the grain side of it was dimming. We were not successful in persuading them that we should undertake some of the other expansion and to unrelated to grain. So that focus was fairly narrow on exporting grain and some domestic business within Quebec.

NP: If you were asked, and I will ask you, to pick what you were most proud of in your career, could you?

MC: I don't know if I could do that. I started out in academics and discovered fairly quickly that that was not my cup of tea. I enjoyed the teaching but the research, and I liked working with the results of research, but I found the doing of research rather tedious, and you have to have a particular mind to do that. I was always more action orientated and I learned that about myself fairly quickly and so moved from the academics into a more administrative role with the government when I came back from the States.

In terms of what I was most proud of, I don't know. With the Department of Agriculture, one of the things that I was proud of was that I gave a leadership on the reorganization so that we could bring more specialist services to the farmers in Manitoba. Before we had our specialist, our crop specialist, our soil specialists, our weed specialist, our livestock specialist and everything all here in the head office here in Winnipeg. It was not only very expensive to try and service the province like that by all the travelling, but the specialists were not as accessible to farmers as I thought they should be.

We studied it back in 1969 and had a committee within the department and we decided to regionalize the structure at that point so that we had some specialist in those fields in five or six regions—home economists and other specialists in each of those regions. Services could then be more readily available to farmers, and that model changed here in the last couple of years, these Go offices, and I don't know whether it is just a change in name or how significant that is. Basically, that structure stayed in place for many years. I think it was a much better service to the farmers.

I feel that I had a role in that, and we were able to persuade our new minister because the Schreyer Government just came in at that time. I was working with Sam Uskiw who was the Minister, and we were able to persuade them that this is what we should do, and he supported that.

NP: The bringing in the change in it is an accomplishment, but what is more of that accomplishment is the fact that it stayed in so long. Often time government flavour of the month change.

MC: As you can imagine, never having had an NDP administration in power before, naturally there were a lot of changes made, and I didn't know if I would be around or not because I had been Roblin and Weir for a time. Especially a government coming in for the first time, they are rightfully in some cases suspicious of the people who had been there with the previous government. I felt once the minister said, "Oh I would like you to stay." For him to support us and make that kind of a move, I felt pretty good about that because he said, "Let's forget about that. That is for the birds."

That was one thing I was quite pleased with. In the Pool there were probably several things. One of the things that I did feel good about was the relationship I had with the board of directors, and I think kept management and the board in a good relationship and that was really important in that kind of an organization. Also with our delegate structure because we had a democratic structure that went back out into the country beyond the board of directors. The delegates who attended our annual meeting and we also had to defend ourselves in front of a four-day annual meeting every year and explain the operations and the results from those operations. I felt pretty good about that relationship all the time and I like to think I maybe I had a little bit to contribute on that front.

NP: I have one final question and that has to do with--. And I had mentioned to you on tape or off tape is that there is an umbrella group to this Voice of the Grain Trade special project that we are doing here and it is called Friends of Grain Elevators. Our hope is that we would eventually be able to establish a centre under the umbrella of Parks Canada and celebrate the history of the grain trade, which our group feels very strongly was critical to Canada's success as a nation, not to mention its economic success.

If such a centre were able to be established, could you pick three things that you think deserve recognition that you would not want the country to forget? I should narrow this down a bit because we are looking in Thunder Bay to celebrate the terminal elevators and the export trade in particular, so that might help narrow it down a bit.

MP: I don't know how you might contemplate maintaining a physical visibility of this. I suppose you could say that already exists and will stay in some form, so you maybe wouldn't have to worry about that in a museum other than perhaps some pictorial background for those.

NP: Are you talking about the elevators?

MP: Yes, the elevators.

NP: They are disappearing, hard as it is to believe.

MP: Yes, I appreciate they are, but I would think you are going to have four or five left there if not more over a long period of time. So you maybe don't have to worry about the physical side of it too much. But the location for this might be important in the sense that perhaps people--. If you don't need to worry about that you might still want people to come there and be able to see it, and it would be nice if the location could be somewhere where they could do that and see what you have within your museum or whatever the proper activity centre.

NP: Museum activity centre trying to balance the past with the future.

MP: That would be one thing, and then of course, the work you are doing now would be important in terms of the accessibility to visitors and don't know how you do that. I am not up on all these latest technologies that are available, whether it is pictorially or in a manuscript or in a computer.

NP: There are a lot of opportunities!

MP: Lots of opportunities. I think that would be pretty important with some of the history and the basic facts about that, and then of course, you would want to include the important role Thunder Bay has played in the export industry for Canada as it relates particularly to the grain. You would want to have that covered off. I am not sure if these are the things you are thinking about, but this could be very important to maintaining that history. I suppose you would want it to attract visitors

that might not necessarily have any knowledge of the grain industry or the role that Thunder Bay has played.

We were down in Florida this winter and went to the Golf Hall of Fame that is located there. They had a very interesting series of displays throughout their Hall of Fame building that depicted some of the history of players and history of designers, which really was quite impressive, but it took up a lot of room, three stories of the building, and it was a fairly large building. You maybe can't contemplate anything like that, but certainly people recognized that history because of the players largely that they were during their era and right up to the modern. Nancy Lopez was the last one that was featured there, and she is relatively recent. It was very well done, and they did have some computers that you could look for further information on it.

NP: We feel very fortunate with the grain industry because there is sensual aspects of it, too, like the taste and that. It is a natural for engaging people in that way.

MC: Yes, you could certainly try that end. Even establish a food products identification and maybe even an active restaurant or something associated with it focusing on products from the grain industry, which might be a source of revenue.

NP: Yes. We are always looking for sources of revenue. We are just like the grain trade that way.

MC: That is difficult.

NP: I have taken up a lot of your time. I very much appreciate your willingness to share your stories. You have been a great addition to our stories!

MC: Even though some of this is a bit rusty with me now. It is good to be forced to think back about it.

NP: We are very pleased to have your stories.

MC: Good. I enjoyed it.

<b>End of interview.</b>	
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