

Narrator: Peter Thomson (PT)

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Summary: Retired administrator for the Grain Transportation Agency Peter Thomson describes his long and varied career in various roles within the Canadian grain industry. He discusses his first role in journalism at various publications, covering the Winnipeg Grain Exchange and general agricultural issues at a time of consolidation on the Prairies. He then moved on to become an executive assistant for several government ministers, dealing with policy issues such as grain surpluses, the Great Russian Grain Robbery, and low grain prices. After a brief time as executive assistant in the Canadian Wheat Board, Thomson became deputy administrator then administrator for the GTA. He explains the context for the GTA's creation, their main function of railcar allocation, and the constant pressure from industry players for more railcars. He shares the major changes in the industry during his time, like shifting export markets, the change to the Crow Rate, and less volume being exported due to growth in livestock industries. Other topics discussed include the GTA's port offices, a grain trade social group called the Mouse Trap Club, stories from his time in politics, changes to the industry that have led to positive and negative outcomes, and the GTA's labour relations with Thunder Bay.

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Time, Speaker, Narrative
NP: When I speak, it's bouncing way up. If you want, just move the thing away from me.
BC: This will--.

PT: You asked me if I had any questions. I have one. I presume you have interviewed Bill Parrish?

NP: Yes.

PT: Senior?

NP: Yes.

PT: Yeah. He just wrote a very interesting little book on the industry.

NP: You know, I'd like to take some credit for that because, oh, maybe three years ago I did a pre-interview with him. At that time, I could tell he was a really good storyteller, and I said, "You know, you should really write this down."

PT: I think he mentioned your name to me in conversation. You see, this is one of the glimmers as well that I can't really--.
[Laughing]

NP: And he did a wonderful interview, and I'd like to get the book because I haven't seen him since that came out. He had been ill too, I understand.

PT: Yes, yes.

NP: But he's bounced back?

PT: He's okay now. I haven't seen him recently. The Mouse Trap Club doesn't meet as frequently as it once did, so. [Laughs]

NP: So you would know Doug Ford too then?

PT: Yes.

NP: Who is a personal friend. I went to school with his wife Dorothy.

PT: Is that so?

NP: Yeah.

PT: Oh, yes.

NP: It's a small world.

BC: It is.

PT: Well, the grain industry people used to have coffee together, the Mouse Trap Club.

NP: Yes. Doug had often talked of that.

PT: You know the history of that?

NP: The exclusive--. No. Is that something we can tape? Yes?

PT: Yeah, I guess so.

NP: Okay. Yeah, it seems to me you'll be discrete. [Laughs]

PT: I'm not the historian but did come across a document yesterday that I think has the history in it. I can cover it briefly for you.

NP: Okay, good. Yes, that's great. So are we ready to go?

BC: We're going.

NP: Oh, we're going already? Whoops! [Laughing] It's Nancy Perozzo interviewing Mr. Peter Thomson at his residence on Middlegate in Winnipeg. Thank you, first of all, for agreeing to be interviewed. We usually start with just asking people a little bit about their general background and how they became involved in the grain industry.

PT: Well, welcome here, by the way, and I hope what we get is useful for your purpose. I was raised on a farm, so I did know something about grain, but after university and getting a degree in journalism, I joined the staff of the *Winnipeg Free Press*, and my

first assignment was as the reporter on the grain trade, which meant covering the Grain Exchange every day, getting the prices and sending in the quotes, and doing any grain industry stories that cropped up. So that was the first introduction, and that would have been back 1953-54 period.

NP: Can I ask you a couple of questions about that?

PT: Sure.

NP: Growing up on the farm, then, where was that?

PT: At Miami, Manitoba.

NP: Okay. And for those who are, yes, not in the know, it's not Miami, Florida. [Laughing] From growing up on the farm, was it a grain farm?

PT: It was a mixed farm. We had sheep, chickens, pigs, grain, horses. It was a horse farm when I was a kid.

NP: And did your parents or your grandparents start the farm?

PT: My grandfather homesteaded it in 1879, and my brothers still own it, and were the successor and decided to take it over from him. So. But yeah, that's where I was raised.

NP: So when you went into the journalism side of things. How did your knowledge of farming change as a result of--?

PT: Well, when I went into journalism, it was with the objective of becoming a sports reporter. Grantland Rice and some others were my great heroes of the day. But as I got deeper into my studies, my horizons broadened, I think, considerably. I didn't especially study farming or any aspect of it at university, but subsequently, of course, once you were assigned to the Grain Exchange, I read every grain related book that I could lay my hands on to learn more. So that was the start of it.

NP: And that was 1953, you said?

PT: '53, '54. In that era.

NP: And what was it like in the Grain Exchange at that time?

[0:04:59]

PT: It was not as hectic as it had been in previous times because now the Canadian Wheat Board [CWB] was the sole seller of wheat and barley, and they also had control over the oats market. So there was much less active trading than there had been according to hearsay, and the number of traders and grain companies was rapidly diminishing at that time. But it was still fairly active, and occasionally there would be an order come through or the Board would place an order through the brokers at the Exchange. There would be some pretty sharp activity. Rye and flax were not board grains. There was a lot of trading in those commodities. It was an interesting period, but one where the industry was becoming more concentrated.

NP: Which companies were leaving the business in those days, do you recall?

PT: Well, Mr. Parrish's book lists a lot of companies that existed, say, in 1940 that no longer existed in the '50s. Consolidated Grain used to have an elevator in my hometown, and that was one that was absorbed by another company. Federal Grain absorbed it and others, quite a few others, little ones—Reliance Grain. I can't think of the names off hand, but many of them are listed in Mr. Parrish's excellent book.

NP: So where did your career go from there?

PT: Well, I kind of shifted into the political front as a reporter at the *Free Press*. I covered legislature and agriculture in general in western Canada. Then I left journalism for a few years. I joined a public relations firm here in Winnipeg, and after a couple of years with the firm here, I was transferred to Montreal. I spent a couple of years in Montreal, and then I was transferred to Toronto. After a year or so there, I was kind of tired of the industry and tried to get back into journalism. So I joined the *Toronto Telegram* through various steps into the financial department where the financial editor had been an acquaintance of mine in Winnipeg, one Harry Hellowell by name. He was financial editor of the *Tribune* when I was at the *Free Press*, and I knew him quite well. He's the one who got me put into the finance department, which led to some interesting assignments.

Covered the collapses of Atlantic Acceptance, Imperial Oils and mines scandal, the commission report on it. Met some interesting people in that capacity. Then I was transferred to Ottawa and became a political reporter in Ottawa and was eventually or soon named their bureau chief in Ottawa. We had a staff of four or five reporters and a couple of columnists. I was in that capacity for five years, and then the *Toronto Telegram* left me. It went out of business. So after a hiatus of about six months, I joined the *Montreal Star* as their Ottawa bureau chief.

Then after about five years there, a friend of mine invited me to become his executive assistant. He was a minister of the Crown, a controversial one, one Jack Horner, who had been a Conservative. I had been pretty non-partisan in my politics, and I think I always have been, but Jack asked me to come and be his EA. At first, I declined, but his good friend and mine, Don Mazankowski, called me and said that I should reconsider Jack's offer. He said, "Jack's going to be awful lonely without you." He had just crossed the floor, of course. So I joined Jack as his executive assistant knowing that that job wouldn't last very long because neither Jack nor the government was going to survive the next election, [Laughs] which turned out to be true.

[0:10:41]

But Maz assured me that I could work with him if that happened. So that did happen, and I did work with Maz during the period of the Clark Government. It was only a nine-month period. He, of course, was Minister of Transport, and when the government was defeated, he asked me to see Mr. Pepin, the new Transport Minister, about two or three issues that were ongoing. Maz wanted them followed up on. So I did see Mr. Pepin, who invited me to join his staff. [Laughs] I said, "No. It's nothing personal. It's not really political, but I've had enough of these--." 18-hour days were getting a little wearing, and I had a fairly young family at the time. I kind of wanted to get out of it and out of Ottawa.

So after a time, I moved to Winnipeg and became executive assistant to the Canadian Wheat Board. I was in that role for a couple of years, and then my old friend Jack Horner had been named administrator of the Grain Transportation Agency [GTA]. There was now a Liberal Government in power in Ottawa, but it was defeated when--. I'm a little bit out on dates there. When Jack was appointed, it was a Liberal Government, but then the government changed, and Jack, because of his having crossed the floor, was not the most popular guy among Conservatives, so he thought it might be useful if I was with him at the GTA because I could deal with both sides, as it were. [Laughs] So I joined the GTA as deputy administrator was my appointment.

Then when Jack's term expired a couple of years later, he decided not to seek an extension, and I was named administrator. That's where I ran out my career. I retired at age 65, which as your mathematics will tell you is 15 years ago. Yeah. It was a very interesting time to be involved in the grain industry because the consolidation was still going on. The possibility of the subsidy, grain transportation subsidy, was growing. In fact, I was working in some aspects of that. So it was a very exciting time to be in the business. You may have questions about some of the people and places and programs and problems that we had?

NP: Yes, exactly. [Laughing] It's sort of hard to keep track of you as you moved about. Now, Mr. Horner, was he in agriculture? Like I can't--.

PT: He was a rancher.

NP: He was a rancher. And so, was he the Minister of Agriculture?

PT: No.

NP: No, he wasn't.

PT: He was Minister of Industry, Trade, and Commerce when I worked for him.

NP: Oh, okay. Which has a large connection, obviously, with Agriculture.

PT: Oh, definitely, yes.

NP: So if you'd like to expand upon your work in that political arena and how it might apply to the kinds of things that are done at that level to further the grain industry.

[0:14:52]

PT: Well, there are pressures being brought on politicians at all times for whatever subsidies or help in some respect. But our activities were not primarily agriculture, but they were trade related. There were trade issues. For example, exports of beef to the United States or imports of beef from Australia, New Zealand. I can't talk about Cabinet conflicts because that's taboo. [Laughing] But obviously, there were two sides to the story. Some people wanted more meat imported to benefit the consumers in Canada, some wanted less meat imported to benefit the producers and the industry. There was conflict there, so one of the jobs we had was to come up with a number that both sides could live with. I won't go into the details of where it happened, but we managed to have a meeting with interested parties on both sides—i.e., the exporters from New Zealand, Australia, and import concerns in Canada—and we arrived at a number.

Jack did have to take a paper to Cabinet the next day, and he suggested that I go home that night—and it was rather late at night when we were getting home, 2:00 AM—and come up with a formula, some formula based on the numbers that would produce this result. [Laughs] I came fairly close, and Jack refined it on his way to the office the next day. Anyway, it got settled that way.

There were many, many other issues which don't come to mind immediately. It was a difficult time in agriculture because there had been, well, back in previous years in the late '60s, a big buildup of grain surplus. That was when they introduced the LIFT program, Lower Inventories for Tomorrow, subsidizing farmers to keep land out of production, which may have worked. Maybe it didn't. [Laughs] But then all of a sudden, the tide turned, and we had the Great Grain Robbery as it was called in a book when the Soviets come in and bought all kinds of grain until people realized there was a worldwide shortage developing. So there were restrictions put on exports.

NP: Why was it called, even by some people, a grain robbery?

PT: It was the title of a book written by a knowledgeable grain man in the United States. What had happened was the buyers had come over, and everyone was under the belief that there was a good deal of grain around and didn't realize the shortfall of the Soviet Union was happening. Consequently, they were able to buy large quantities of grain at a relatively low price, a lot lower than it was later on. And in that period, '72-'73, thereabouts, the grain prices were just bottomed out when the so-called Great Grain Robbery took place. The prices went from very low to very high, very quickly.

BC: So was there some kind of analyst or someone who should have been overseeing this kind of thing? Like it sounds like somebody kind of missed the ball there around looking after our stocks of grain and what could be sold.

[0:19:59]

PT: It's hard to tell. I don't think there was any big mistake in Canada, but what we didn't know was the size of the crop being produced in the Soviet Union, the size of the crop and requirements developing in China, and consequently, it's--. We didn't know. There is pretty good surveillance now, and those governments are much more open now than they were at that time. But I remember a cartoon—I still have a copy of it somewhere—it was somewhere. I just thought of that. Maz with his feet up on a desk talking on the phone and said, "If we did have the grain, and we did have the capacity to move it to port and did have the shipment to get it to your country, and if you didn't have the blockage at your ports so that you could get it in, we wouldn't sell it to you anyway." [Laughs] It's very ironic and very good. I'm sorry. I haven't got the terminology correct. The cartoon was a beauty. But that was kind of the situation. We couldn't--.

I was dealing--. I was with Maz at the time. It wasn't the same period. He was also Minister Responsible for the Canadian Wheat Board, and I remember contacting the Board to see, "What sales have you got on the books now to the Soviet Union?" because the Americans were putting pressure on Canada not to supply any extra grain. So the Board told me the number they had—I won't mention it, one comes to mind—that was already on the books. "How much more do you have available for sale?" "Practically

none.” “How much more do you think they could take in?” “Practically none.” [Laughs] So we were able to respond to the States saying, “We’re fulfilling all the contractual obligations that we have, but there will not be any further sales in this crop year.” Which was true, but that’s kind of what led to Maz’s comments in the cartoon.

NP: So just how does one country put pressure on another country? What’s sort of the mechanism for putting pressure on?

PT: Oh, I guess it happens at the diplomatic level. I was never involved in that part, just the messages get put down through Ministers through to their staff. Sometimes fight back, sometimes don’t. It’s pretty obvious in many instances, but I’m sure that in the financial world right now, Mr. Flaherty’s under all kinds of pressures from the States on one side, from Europeans on the other, and he’s trying to forge his own way in between. The diplomatic back to-and-fros are wonderful. [Laughing] So the trade, as you will well be aware—and I mentioned on the phone—that I think I was burned in effigy in Thunder Bay because they didn’t think the GTA was being properly responsive to their requirements.

NP: So with the GTA, if we just go back a bit to your work with the political people, and then from there you moved to the Wheat Board. What was your position there?

PT: I was executive assistant to the board.

NP: And what does that entail?

PT: Not a great deal. [Laughing] It depends how much the board wanted to use me. I did all kinds of odd things, none of them very important.

NP: What are the memories that come to mind about that time? It was two years, did you say, that you were there?

PT: Maybe a little more than two years.

NP: Okay. So what memories do you have of your time there?

[0:25:01]

PT: At that time, the Board had control of export shipments of oats and barley and wheat. The oats was a nickel-and-dime thing. It was insignificant the quantities, but a lot of producers of oats down in the border country could make deals with racehorse people

on the other side of the border and sell 5,000 bushels at such-and-such a price, and it was--. But then they would find out that they couldn't do that. They had to sell it to the Canadian Wheat Board, and the Wheat Board would subsequently sell it. Well, I seemed to end up getting the phone calls from the irate farmers. So after a while, I became quite practiced. You chatted with them as amicably as you could explaining the facts of the complicated world, and just at the right moment, I knew to move the phone out to about here because the blast was coming. [Laughs] I always did feel it was a little unnecessary for the Board to be involved in oats, but that's beside the point.

Another historical note. It was unclear whether legally when the Wheat Board was set up whether they had the right to oats and barley marketing, so they passed—whether it was necessary or not—the Coarse Grain Act in Manitoba back in the late '40s. This act in effect gave the Board authority, but our local MLA, one Earl Collins, Earl Thompson Collins—spelled differently, no relation—crossed the floor. He stopped supporting the government on that issue. And I knew him rather well because he used to go duck hunting with my dad and me. I listened into their conversations. “Why, he said, “because at that time the Board restricted movement across provincial boundaries.” He said, “It's foolhardy. It's just dumb.” [Laughs] That's why he couldn't support it, so. That's an aside, and that dates back to the '40s before I was any way involved in it.

NP: Well, we rely a lot upon people remembering so-and-so talking about such-and-such because those people that were in on it are no longer here.

PT: Yeah. Well, he certainly isn't. He had a point, and I think in the long run proved his point was valid. So the Board relinquished some of its authority, or permitted the exchanges and also the sale of non-board grains across provincial boundaries or anywhere.

NP: At the time you were at the Wheat Board, who was chairman of the board?

PT: It was Esmond Jarvis was chairman. The commissioners were Jim Leibfried, Forrest Hetlund, Kristjanson, and Charlie Gibbings were the five commissioners when I joined. There were changes later.

NP: Mhmm. And was there a CEO at the time?

PT: There was a chief commissioner, in effect, the CEO, and that was Esmond Jarvis.

NP: Yeah. The GTA, tell us a bit about how it came into being, why it came into being.

PT: There was a lot of criticism of the Board from--. There were always parties in the west who were not fully favourable to the Board, and they were complaining that the Board had too much control over movement of product and whatever, especially transportation of product to ports or for export or whatever. I'm referring primarily to the non-board grains. They thought they were getting the short end, as it were. Whether this was real or not is beside the point. Certainly, the perception was there, and some felt very strongly about it. So it was in part to take the heat off the Board that the Grain Transportation Agency was developed.

[0:30:17]

It was felt at the time that it could, in effect, help the Board, but also focus on the transportation more than some of the other issues. And so, it was set up initially and never did have very much power, but it was set up, I think, on the recommendation--. Now, here's where I could be wrong. There was a couple of committee studies done, one chaired by one Jack Merta, Conservative Member of Parliament. I think it recommended the establishment of an agency or transportation authority. So it was set up first as a Grain Transportation Authority, and I do recall we wanted a prominent person to be the administrator as it were.

NP: And it was set up under--?

PT: Well, at first, it was in an arm of the Department of Transport in Ottawa and set up as an authority under the--. But eventually legislation was passed, I think, by the Liberal Government to make it an agency, but that was a couple of years later.

NP: What is the difference between an authority and an agency?

PT: Well, the agency presumably has a lot more power than--. And reports directly to a Minister rather than through others. So Dr. Hugh Horner was persuaded to become the first administrator of the Grain Transportation Authority, but I think he left partly because he felt there wasn't enough authority. And subsequently, his brother Jack Horner was--. Hugh had been Deputy Premier of Alberta for many years, Minister of Transportation for Alberta, so he was well-known in the industry. And Jack was pretty well-known, of course, with his background. So there were only three administrators—Hugh and Jack and yours truly. [Laughs]

NP: So maybe just to back up a little bit, what was the Wheat Board's role in transportation that created the concern in some about unfairness? So what exactly did the Wheat Board do at that time?

PT: The Wheat Board, in effect, allocated the cars to different companies for different grains to be shipped to port. The non-board people felt they weren't getting a fair share, I guess. Whether they were or not, I couldn't say. But that was the crux of the thing. The Agency, that was one of the main functions of the Grain Transportation Agency. It had other functions as well—determining

what the long-term requirement would be for hopper cars and power and this kind of thing and handled negotiation with the railways on various matters—but it was primarily the allocation of railcars. There were never, it seemed, enough railcars. The government owned quite a few railcars, the province of Alberta bought railcars, Saskatchewan produced railcars, province of Manitoba at one time leased cars for the grain trade.

To allocate these fairly, the Grain Transportation Agency had a ship-to-sales policy, and this is what got me in trouble in Thunder Bay, I guess. Whether I ever was burned in effigy, I can't say. I was told that I was, but that might have been propaganda.

[Laughing]

[0:35:06]

NP: Explain a little bit about the ship-to-sales.

PT: Ship-to-sales? If a company made an export sale or a sale through one port or another, they had to give us documentation that they had in fact made this sale, and the time period it was required, and we would allocate the necessary railcars to get that product to whichever port that sale was made from. Now, unfortunately for Thunder Bay, at that time, there was a major shift going on in the movement of grain. Whereas a large, vast majority had been shipped eastward to Europe and Middle East, wherever, suddenly for a number of reasons—probably because the Germans, the French, the British, and everyone else in Europe started subsidizing the growing of grain—their requirements dropped off very substantially. Fortunately for Canada, at that same time, the requirements in Asia were growing very rapidly. China became a much larger importer. Japan became a larger importer. Indochina became a major importer.

And so, instead of-- We used to ship more than 20 million tonnes a year through Thunder Bay and only 2 or 3 million tonnes through the West Coast, those numbers just gradually shifted so that-- And Thunder Bay, of course, suffered economically with the loss of grain handler jobs, the closing of terminals, and it was picked up in the West Coast, but that didn't help Thunder Bay at all. For a time, people felt that we, the GTA, was the organization kind of dictating where the grain would go, and that of course was what was leading to the gaining of jobs or the loss of jobs. But in fact, it was the ship-to-sales program, and we didn't see any other way of handling it efficiently but to stay with ship-to-sales. And the companies all agreed with us, really. So anyway, that was the crux of the problem at the time.

NP: So the Grain Transportation Agency was in Winnipeg?

PT: Head office here. We had an office in Thunder Bay and an office in Vancouver.

NP: Okay. And why the need for offices in more than one place?

PT: Because just to handle the detail, contact, checking on shipping. I think they were imperative. The ones--. Gee. I had to look up the names of our guys in Thunder Bay. Where in Vancouver, Bill Hopkins and Ernie Worsfold. Tony Kaplanis and Dino Burella in Thunder Bay. They were our people there. Oh, they had a lot of dealing with the terminals, incoming shipments, unloads, grain unloads, keeping all those details for us.

NP: Was there any--. Did the Grain Transportation Agency have any connection with the shipping, the lake shipping, or was it strictly related to rail transportation?

PT: No, not really. It was largely just rail transportation. The sellers of the grain always arranged the shipping, whether it was through Vancouver or through Thunder Bay. No, we didn't become much involved in that. We always wanted to know how much shipping was going to be available at one point or another. So I guess we'd go to the Seaway meetings periodically just to keep in touch with the Seaway people.

NP: I imagine there wasn't much use getting a bunch of railcars someplace where there was no ships to take it away.

[0:40:02]

PT: That was it exactly. The other big problem that the GTA used to—or it wasn't a problem, really, it was a fact of life—at the fall of the year at harvest time, all of the companies wanted to sell all their grain as soon as they can at the best price they can. Well, there just wasn't enough rail transportation to take it all, so it had to be rationed. So you kind of rationed it on the basis of historical patterns, which led to another interesting little meeting I had in--.

I had to go to Ottawa every couple of weeks just to brief the minister. One time, I went down there. The minister said, "Are these guys canola producers? I'm supposed to meet with them this afternoon, but I can't. Would you take the meeting?" Well, I had to laugh because I knew they'd be raising the devil about the GTA and its non-performance on their behalf. So I said, "Yeah, I'd be glad to." So one of his assistants, the minister's assistants, came with me to the meeting. Well, they were rather shocked when they saw that I was there instead of the minister, but they did their spiel anyways, which was that--. The theme was, "We are losing business, and our former customers are furious with us because we can't deliver enough canola to them." So after listening to that, I pointed out that by the end of April, we had shipped more canola than ever before in a whole crop year. So in effect, if their old

customers were mad at them, it was because they were selling the product to new customers, and that was their business, not mine. [Laughs] So they, you know, took it in good stead, cooled off, and invited me to stay and have coffee with them.

But it was the kind of thing that went on all the time. They would raise as much hob as they could hoping that we'd bow to pressure and do something, but we always stuck to the kind of the formula, what the historical pattern of shipments had been. That was your share of the grain. The Board, of course, always got 70 percent or something like that, and then there were the individual companies parcelled out the other. But it was a referee's game largely, an umpire's game. And no one loves the referee, no one loves the umpire, so. If people were equally angry at us from both sides, we figured we were doing a good job. [Laughing]

NP: So in your mind, did the Agency improve the situation, or the situation was pretty much as it was but the sense of fairness now seemed to be more obvious because of the independent agency rather than--?

PT: Well, I think it improved the situation for a time when we had the huge volumes going through. We became a whipping boy, but we took--.

NP: In the '80s, or whenever that happened?

PT: Whenever that happened, but it was--. We shipped a great deal more grain then than we do now because when they did away with the rail transportation subsidy, the Crow Rate as it were, production diminished. Well, production didn't diminish, but they started feeding a lot more on the Prairies, and there was less to ship. The last full year when I was administrator—and I retired in March, so from the previous year—we shipped 38 million tonnes of grain, and I told people at the time, “We will never, never hit that peak again.” And we're nowhere near it and won't be because yeah, there's more being used locally, and people are producing higher priced product. You know, canola rather than wheat, you can get a higher price for it. It's more worthwhile to the farmer and less volume to be moved. So, that's just a generalized state of that affair.

[0:45:19]

NP: The Grain Transportation Agency started in what year? You've probably said, and I forgot.

PT: 1979, 1980.

NP: And lasted until--?

PT: Until the Crow Rate thing was done away with, which would have been in July of 1995. I think that was when it was suspended. At that time, the people doing the allocations for the GTA-- The GTA has ceased to exist. Some of our people doing the research work moved back into the Department of Transport. The railways hired several of them to continue doing the allocation thing that they had been doing, but the organization ceased to exist. When it was started, it was thought—there's a document from not too long ago—they thought it would for a four-year period. Well, it turned out to be about 12 years, but the way government moves, even that was pretty good. It was no longer necessary and isn't now, but largely because the Crow Rate really changed the production and distribution pattern.

NP: Did you stay with them until the end?

PT: No, I retired before the end, actually, but I knew the end was coming because I was helping to work on how things would transpire at the end. So. No, my term expired in March, so I was going to seek an extension, but then I thought, "There's not much point. It's dwindling down now." So I left in March. It continued until the end of July, I guess. But then that's when all the-- The blueprints were all prepared by that time. It was just a matter of waiting it out.

NP: And since that time, has the system, because of the reduced volume, pretty much rolled along?

PT: Well, they had one period of extreme difficulty, more extreme than ever when I was there. They charioted it along pretty well. There was always this conflict between the grain industry and the railways because the railways didn't see the point in investing in rolling stock if it was going to sit idle for six months of the year. It's a very poor capital investment, and that's why government got involved in the first place buying cars, railcars. I could see both sides. I could see the railway's point because it was-- But we were under the pressure because everybody wanted to sell their grain in the fall of the year, but there wasn't enough cars to go around then. That was when you really had to concentrate on rationing them fairly. No, I think the industry is probably working along pretty well now, but it's a different time, largely because of the volumes involved. Yeah.

NP: Before I forget, because you had mentioned it earlier on, you had mentioned a group called the Mouse Trap.

PT: Oh, the Mouse Trap Club. [Laughs] Well, way before my time—yes, by all means—apparently, the grain traders used to go to the lunch counter up on the tenth floor of the Grain Exchange Building. The trading floor was on the sixth floor. They'd go up there for coffee after the initial opening burst of business. The way I heard it, the proprietor there complained about them sitting dawdling over their coffee and taking up-- It was just a lunch counter. There weren't too many seats there, and they were occupying some of them. He said if they wanted to chat, go into the storeroom here. So they started going into the storeroom.

[0:50:13]

Now, also on the tenth floor was the Grain Commission's grain testing facility, which attracts mice. One day, apparently, someone-. They were gathered around sitting on boxes and benches or one thing and another, and somebody moved one, and there was a mouse trap underneath. So they started calling it the "Mouse Trap." "You're going to the Mouse Trap today?" So it transferred. I became a member when I came to Winnipeg in '81, I guess, or '82. It used to be eight, ten, twelve people used to gather for coffee everyday at one place or another, but the numbers dwindled because now with the electronic trading, there aren't many traders down there. The people who belong to it-. Society changed. The idea of a club-. We used to have all kinds of service clubs and things that have evaporated as time went by. [Laughs] It was a matter of time. So I think the average age of the Mouse Trappers who are left would be over 80 probably. [Laughs]

NP: Who were the people in it when you started going?

PT: Oh. Well, Bill Parrish has been there from day one. Don Dever.

NP: His association, Don Dever, is--?

PT: He was Grains Council. People from the railways, people from various companies. Dick Dawson of Cargill. Bob Purvis. George--. Oh. Grain Commission. It'll come to me in a moment. [Laughing]

NP: So it crossed over a lot of lines then?

PT: Oh, yes.

NP: It was just not the--.

PT: It was pretty general. There was the railways--.

NP: Government.

PT: Government.

NP: Wheat Board?

PT: No, I don't think there was ever a Board member other than--. No, I guess maybe I was there when I was at the Board, but it was--. But CN [Canadian National Railway] and CP [Canadian Pacific Railway] were both there. Oh, it's--. No, you just have to twist it.

NP: We're just having a little coffee break here for those who are listening in 100 years from now to this tape.

BC: For the record. [Laughs] Want more?

PT: No, I'm fine, thank you.

BC: Oh, you're drinking tea, aren't you?

NP: When you think back on all of those areas in the grain area that you were involved in in your career, what were you most proud of when you think back?

PT: That we were able to shift from a very controlled society industry into a much less controlled industry and to do it pretty smoothly without causing massive disruptions. I think it's a role almost that had to be done. It was achieved. I made a remark like that in my farewell remarks at my retirement party. [Laughs] I forget how I worded it, but it was pretty accurate, I think. I've got this set of other things too. [inaudible]

BC: Oh, we'll have to hear that too.

NP: Yes. If we could have a copy of that, that would be great. We could put it in your file.

PT: This is just a hacked out few notes, but--. "It has been particularly interesting since joining the GTA ten years ago. During this period, we have tried to steer the industry before the more competitive, more commercially responsive world that we all knew was coming, and to do so in a way that was not to disrupt." That was--. I don't know about all of the notes. I could mention spots of them.

[0:55:25]

BC: Please highlight them. That would be great.

NP: Yes.

PT: Well, the interview with C. D. Howe. I was an innocent cub reporter at the Grain Exchange, and C. D., who was Minister of Everything at that time, came from Thunder Bay, of course, didn't he? He came to Winnipeg to meet with the Wheat Board, and as I put it, I said, "As a journalist, I will never forget an interview with C. D. Howe in the mid '50s. Canada, at the time, had a rather large wheat carryover. C. D. was coming to Winnipeg to meet with the Wheat Board. He was met at the airport by reporters who wanted to know what he was going to do about the wheat surplus. C. D. said he didn't want to talk about wheat. The *Free Press* reporter was particularly insistent—obnoxious some might say. C. D. was adamant, and there was some oral conflict. To make matters worse, the *Free Press* had a cartoon of C. D. walking around in circles carrying a big bag of wheat. The Minister was miffed to say the least.

"At the time, I was a fairly junior and highly nervous reporter covering the Grain Exchange. I was oblivious of the airport incident until the managing editor called me and said I had to get an interview with C. D. Howe because the *Tribune* had one. Well, what are friends for? I called George McIver, he was chief commissioner of the Board at the time, and/or Clyde Davidson at the Board, and somehow, they persuaded C. D. to see me, but they warned me, 'Don't even mention wheat. Don't even think about it.' [Laughs] Thus compromises are made. It was quite an interview. C. D. sat there, stoney-eyed and uttering only two words, yes or no, as I asked nonsensical questions about iron ore in Labrador or anything else I could think of that didn't relate to wheat." I'll never forget that one.

NP: So what kind of reputation did he have? Obviously, we get a sense of it here, but looking back at C. D. Howe—and people have mentioned him briefly—what's your sort of recollection of his aura other than that?

PT: Oh, well, he was obviously a powerful minister in the St. Laurent Government, and I think did a pretty good job on everything he managed. [Laughs] There's always opposition. I couldn't really judge. I wasn't close enough to the political scene at that time to know how he did in his various roles. I made another comment. One time Trudeau took criticism for coming out here, and once when he came out, he said, "Why should I sell your wheat?" Well, it was a good question because it wasn't his responsibility to sell the wheat. It was his responsibility as head of the government to set up the circumstances to make it possible for others to sell the wheat. So I was quite sympathetic to his comment, and it was undeserving of the response that it got. Anyway. I also say I've always been politically neutral, so.

NP: Diplomacy might have been helpful there.

PT: I suppose. On whose part?

NP: On Mr. Trudeau's part. Not that he wasn't correct.

PT: Yes. He had a knack of getting into trouble over things that he shouldn't have. I remember another one totally unrelated to wheat, so you wouldn't be interested. [Laughs]

NP: Oh, try us. [Laughs]

BC: Oh, we're always interested.

NP: We're always interested.

[1:00:00]

PT: Well, I don't know. You're not old enough to remember when Nigeria had the near civil war, the Biafran problem?

BC: Sure.

NP: Mmhmm.

PT: Well, everyone kept asking questions in the House today, "What was the government doing about Biafra?" Well, it's always been government policy not to become involved in internal affairs of another nation. So everyday, the answer was, "We don't become involved in the affairs of another nation." But one day coming out of a Cabinet meeting, someone asked him, "Did you discuss Biafra?" And Mr. Trudeau said, "Where's Biafra?" or "What's Biafra?" [Laughing] Oh, he got slaughtered in the media. And I remember writing the story about it. I remember this for a reason. I quoted him as saying that and then put in brackets, "Canada does not recognize the internal affairs of another nation, and this question has been asked every day in the House, always the same answer." Closed bracket and went on with the story.

BC: Well, you touched a lot of history through your career. I mean, people in certain positions at that point, as you say, went on to be other things.

PT: I had interesting times in Ottawa, both as a journalist and later as a ministerial assistant. I kind of saw the world from both sides. Some of my travels were, you know, I'll never forget. Chatting with Indira Gandhi and things which--. That's another that I better not go into because that would cast Mr. Trudeau in a different light. Anyway. Later when the machine is off.

BC: Oh, good. [Laughing]

NP: So you've seen, probably because of your connections within the industry going beyond just whatever position you had at that point, you've seen a lot of changes in the industry. Would you like to comment on both what you see as the negative and positive ones that have occurred in the industry over--?

PT: Well, I guess like all industries, there had to be concentration of companies. So where there used to be dozens and then a dozen and then fewer, even in recent years we've seen three Wheat Pools disappear or all become part of Viterra, and United Grain Growers too. So four companies are now in one. Cargill has not expanded in Canada as I think they once intended, but Paterson and Pioneer, of course, is the largest of the other ones other than Viterra. Paterson and Parrish & Heimbecker are still very operational, and there are some individual companies, the Weyburn Terminal and so on. So the concentration of the industry has been beneficial, but a lot of people have objected to these huge concrete elevators, which now require farmers to haul their grain 20 or 30 miles rather than 6 miles. But you sure didn't need them six miles apart. You did in the horse-drawn days, but later you didn't. I expect the industry is considerably more efficient now. Trains are bigger and longer. That's probably more efficient.

[1:04:59]

Negatives? I sometimes wonder if we haven't abandoned too much rail track because it's a lot less of a pollutant to haul grain by rail than it is by truck. One wonders if fuel prices continue to rise, I know the trucking companies are sure getting squeezed when gasoline went up to X-dollars. Is the capacity going to be there? Did we kind of throw out part of the baby with the bathwater when we closed up so many branch lines? [Laughs] Undoubtedly, a lot of them had to go or they weren't efficient anymore, but maybe we overdid it. I can't really judge, but it's a question in my mind.

What other efficiencies? I think the timing of shipments of grain—I think the GTA helped with this—shipping just the grain that's going to be moved to terminals rather than plugging those terminals up with grain that's just going to sit there for months occupying space. It's much more efficient now. Companies have learned a lot about that. I don't know. Nothing else leaps to mind. I think that's about as far as I can go. I'll probably think of something later.

NP: In recording history of the grain transportation industry, if you had to, let's say, say in three or four sentences if you can, what portion of its history should we be looking at recording for--?

PT: Well, I would think the impact of the discontinuation of the subsidy on grain transportation, because it has led to all kinds of other industrial developments—some good and some would say some bad—such as the hog industry in Manitoba. Never would have expanded the way it has without the grain subsidy disappearing. I have a—maybe I'll get it and show it to you afterwards—a thing showing the cost of shipping grain from my hometown of Miami, Manitoba, what the farmer's portion was and what the government's portion was. It's kind of alarming. You can see why it brought about a major shift in industrial development or agriculture development. Yeah. That's the biggest thing.

NP: I think that's one of the things I found quite fascinating with the history of the industry. It's that I don't even know how much people can anticipate what changes are going to result from changes that are done to fix a problem. So the major one that impacted Thunder Bay was long before the Grain Transportation Agency. That was the Panama Canal.

PT: That's right, yeah.

NP: That was never intended to or never perceived to be such a big impact, but it was almost an immediate one too, I think.

PT: The Panama never moved--. There wasn't that much grain moved through the Panama Canal.

NP: Oh, there wasn't?

PT: No. Grain going to the Far East moved through West Coast ports partially. They were always there, but there wasn't as much. Now that's the other big development is the shift in international demand for grain. The way it diminished in Europe and the Middle East and grew in Asia and South America to some extent. That's the other big move. But that went on, as they all do, over a period of years. It didn't happen overnight.

[1:10:07]

NP: No. And then things that are completely unanticipated happen and--.

PT: Mmhmm.

NP: All the best-laid plans of anybody are impacted.

PT: Gang aft agley. *[Note: Often go wrong. Editor]*

NP: Have I--.

BC: I think you covered everything.

NP: Are there any questions that we haven't asked that you--.

BC: Or any other highlights from your final speech there?

PT: I don't know.

NP: Highlights from your speech?

PT: From the speech? I made reference--. A lot of them were inside comments. For example, I made reference to my friend Charlie Schwartz.

NP: Ah, yes. A person I wish was still alive because his name comes up regularly.

PT: Yeah, Charlie, when I was working with Don Mazankowski, Charlie put pressure on everybody in sight.

NP: And his business was--?

PT: Northern Sales. He was a major owner of Northern Sales. I knew his son fairly well. But Charlie came to town, it was in August, and he said he had this big sale pending for the Middle East, but they needed guarantees from the government, or loans or something. They needed Cabinet approval. He called me, and he called the Minister, and he called everybody else in town who had any influence. Lo and behold, we got Cabinet to meet, and had got this on the--. And it got approved.

Or as I said, "I was working with Don Mazankowski when we and at least two-thirds of the politicians in Ottawa got some pretty animated representations from Charlie, who wanted government guarantees for some wheat sales to the Middle East. Well, getting an item like that on the Cabinet agenda in August when there are few ministers around is no mean feat, but we did it and got the

credit. And so far as I know, the sale still hasn't been made or more likely, the Wheat Board elbowed Northern Sales aside." Which is more than likely. [Laughing]

BC: This is slightly off-topic but not. Northern Sales, I went to university with a girl, and her father worked at the Wheat Board. No, see, this all comes together. And a young trader came up from Brazil to be trained, to shadow somebody working at the Canadian Wheat Board. Northern Sales snapped the young fellow up to become a trader for them, so my friend's father brought home this nice, lonely young man who was from South America. He didn't know anybody in Winnipeg. He married his daughter, and they live in Sao Paulo, Brazil. [Laughing]

PT: Is that so?

BC: And there was a connection through Northern Sales. I had never heard of Northern Sales until that point.

PT: No, I can't think of anything else relating to the grain trade. I covered other areas here.

NP: Are there other people that you feel we should interview?

PT: You've talked to Mr. Paterson, I presume?

NP: Andrew?

PT: Yeah.

NP: Trying to set up an interview. In fact, Paterson Foundation is responsible for our technology. They gave us a grant for the project.

PT: Oh, yes.

NP: But Mr. Paterson is not an easy person to contact. Busy, busy.

PT: No, no. Who else? A lot of people I might point you to are no longer with us either. How about Dick Dawson, you talked to him?

NP: Mmhmm. Yes. What about on the rail side? They're scarce as hen's teeth.

PT: Well, there has been great change over on the rail side. Sandy Mielitz was vice president of CN. *[inaudible]* was given early retirement. I don't know. I think she still lives in Winnipeg, I think.

NP: Does she?

PT: Yeah.

NP: I wonder if you could track her down for us. I don't think she's in the phonebook, or I'm not sure. Because that name--.

PT: I don't know.

BC: What name was it?

NP: Sandy Mielitz. The name has come up previously.

[1:15:01]

PT: Pat? Sorry.

NP: You want to pause or just--?

PT: Do you know Sandy Mielitz address and phone number?

Pat: Yeah. She lives on Yale.

NP: Oh, does she? Okay. So she's in the phonebook? She would be in the phonebook?

Pat: I think I have her phone number.

NP: The nice thing about that too is to have a woman on the--. Yeah. The voice of a woman on a tape would be good.

PT: Doug Campbell who was at one time chairman of the Grains Council, but he lives out in Alberta now.

NP: I'm going to take his name down because I've been saying to everybody I intend to get out beyond when I can persuade my co-interviewers to come along with me. [Laughs] So that was Doug Campbell?

PT: Yes.

NP: And he was with--?

BC: Grains Council.

NP: Grains Council, right.

PT: Bill Somerville, I used to deal with at CP. He's been retired for years, and I haven't been in touch with him in years. He lived in Oakville last I--.

NP: Oakville?

PT: Ontario.

NP: Ontario. And sorry, he was with--?

PT: CP.

NP: CP. Okay. Good. Anyone from--? No, I guess that would be it. CN and CP. Sandy. Well, we'll say our official thank you so much for sharing your experience with us. We're getting a fascinating picture of the Voices of the Grain Trade and putting the picture together, all the things that have come together to create quite a--.

PT: There are a couple of things I might mention relating particularly to Thunder Bay, and maybe one of the reasons they were sometimes annoyed at the GTA. With the threat of a strike down there at one time, we put a cargo through a bulk-loading facility rather than a terminal, and Frank Mazur or--.

NP: Mazur.

BC: Mazur. Oh, yeah.

PT: He was head of the union at the time. I had a conversation with him about it, and in effect, the message was, "Put one cargo through to show it can be done, but it wouldn't be wise to put a second one through." [Laughs]

Pat: Yeah, it's *[inaudible]*

NP: Thank you.

PT: So it was done. Another thing, Jim Leibfried, who I mentioned, left the Wheat Board and did consulting work, and we hired him one time to do a study of what the cost would be of shipping grain out through New Orleans or south. So he did a study and got costs at that time, which would no longer be relevant, I'm sure. But it was very interesting because in the off-season, we could have competed with the movement eastward, and Baltimore would have been the better source. But the idea that we got this study done did not please some people at Thunder Bay.

NP: Is it true that CN has been bought out by an American firm?

PT: Not that I'm aware of.

NP: Not that you're aware of? No, I didn't--. Someone had said that the other day, and I thgout, "Well, why haven't I heard this."

PT: CN has bought an American railway, but--.

BC: That's up to Churchill, right, that line?

PT: No, they sold that one.

NP: Going south now.

BC: Oh.

PT: Oh, yeah. They can certainly go as far as Kansas City.

NP: So is it more likely, then, that product will be moving south, would you say?

PT: Oh, I wouldn't think so. The cost of getting it down there--. Water transportation is still the least costly way to move product.

BC: That's what Dick Dawson told us. Get it on a ship.

PT: Yeah. So I think it's highly unlikely. But in times of emergency, like if we got into a prolonged strike of grain handlers in Thunder Bay, what will we do? Sit on all this grain all year? No. That's why we kind of had to show that there were other outlets. But all the grain that went east, you know, used to go down the Erie Canal back before the Seaway was developed. So.

[1:20:31]

NP: Yeah. Things change.

PT: Things transpire, yeah. Anyway.

NP: Thank you very much.

BC: Thank you. It was very good. Do I just flick the cord off?

NP: No, you press the top.

BC: But it says cancel.

NP: Stop. It says cancel and stop, I think.

BC: Oh, right.

End of interview.