

Mr. Murray Elder, HLM

AIDC Chair, 1965-1966

Interview Conducted with Tye Libby on March 29, 2011

How have you seen the economic development profession evolve over the course of your career?

I am now retired; however, when I first began working community industrial development, most organizations with which I was familiar were small. Many [were] inadequately financed. They had been conceived within community Chambers of Commerce quite naturally over a number of years. The activity grew in importance and required a larger budget than many fee organizations could provide. The contact with manufacturers seeking sites and municipal governments who controlled planning, zoning, roads, water, and sewers stressed the financial resources of the Chamber committees. Broader representation and financial support became necessary, and was sought, in many instances. This led to the establishment of more adequately financed independent single-purpose industrial development organizations.

When did you see industrial development shift to more general economic development?

I believe it began to be very obvious in the late 1950s. Communities were growing, economic activity became more intense, and new housing was consuming lands that were probably better suited to industrial development in many instances.

How has technology changed the economic development field?

A talented Chamber of Commerce manager employed all the skills and available knowledge of his community. He would have intimate knowledge of manufacturing resources, possible supplies, facilities available for use, the planning boards, city hall, state requirements, etc. The prospective employers' demand for a broader array of data and contacts resulted in a more specialized, expanded, and often confidential service. The employment of industrial development specialists was followed by the later adoption of the term "economic development."

The exchange of experiences by industrial development practitioners helped broaden the knowledge, skills, and experience of the most active practitioners. Learning what worked, and what did not work, in one community helped all communities. This was common to the mid-1950s, and the knowledge and skills of those in the economic development field broadened.

I recall one exchange with "phonies" who would show up and accept "wining and dining" for a couple of days. Many of us were gullible. We were anxious for results, and in one instance the prospect was found to be a bus driver on layover who was able to pass himself off as a prospect.

Were these formal groups or informal gatherings?

They were probably informal gatherings initially. A group of attendees at a state or provincial Chamber of Commerce annual meeting would quite naturally break into groups with identical

interests. Those with industrial development responsibilities would start to compare notes. Eventually, friendships, experiences, and common objectives brought them together to exchange problems and solutions. This evolved into meetings where people with knowledge or experience would be invited to expound on, for example, soil tests, land use, statistics, governmental road blocks and assistance, zoning, funding, and transportation. These knowledge-enhancing opportunities were a valuable part of my education and that of others I am sure.

Were you still in the business when, for instance, fax machines came along?

It is hard to be precise. As I remember, telegraph companies had just [stopped] producing teletype message on half-inch printer tape. [Those would] be pasted on a sheet of paper for delivery to the addressee. Gestetner copiers were common in the mid-1950s for office multi-copy reproduction, and typed stencils had a limited life. Teletypes became common in larger offices probably in the late 1950s. Then, IBM Selectrics, Remingtons, and Underwood typewriters were slowly replaced as computers with memory [began to] enter offices. Plot plans—in blueprint, and of various scales—were ordered out.

Was that before financing tools, like industrial revenue bonds, were available?

Yes, I believe so. The conventional bankers, developers, and construction companies with land holdings were the most important sources of funding in the early 1950s. State and provincial governments were slow to review the incentive methods of industrial development funding that were last used in the 1930s. I believe they eventually fell into disrepute. Industrial incentives were again introduced and expanded. Some were unique but costly.

So your job was more of developing relationships and trying to get business to come to your community?

Yes, [I did that] with the assistance of bankers, railways, and trucking companies. They were all willing partners. Land developers also came into the picture as multi-storied World War II plants began to outlive their usefulness. On occasion, local capital was also helpful...if a prospect was interested in [being] a local partner. Recognizing community opportunities while respecting the confidentiality of the prospective development was often difficult.

I worked in one community where the mayor also ran a weekly newspaper. He would print any news, confidential or not, and he relied on local advertising for revenue. He almost blackmailed retailers into advertising commitments. His pitch was, “I have advertising pages available at a special price to an out of town dealer who wants [to advertise] for a one-week sale. But, I saved the space for you.” The people on the local industrial development committee therefore engaged in small talk until he left the meetings. It was a wise practice because he was always in a hurry, so it rarely took long.

Can you describe your personal career path? How did you become involved in economic development?

Upon discharge from the military in 1946, I utilized my service benefits for further education. Following graduation, I accepted a position with the Canadian Chamber of Commerce. I began to travel in the three eastern Atlantic Provinces. A part of the Canadian Chamber's mandate was supporting local Boards of Trade and training chamber of commerce secretaries and managers. Industrial development was a part of this work.

A few years later I accepted a position in a small community chamber in Ontario. I quickly recognized the necessity of business connections, encouraged the improvement of industrial development activities, and supported the building of relationships with other [who had] similar objectives. This later led to a progression of positions and eventual business ownership.

Where were you based?

In the early years, I worked out of Montreal and travelled by car to the Atlantic Provinces twice a year, in the spring and fall, for periods of six and eight weeks. It was interesting and a great learning experience. I dealt with Boards of Trade, small business members, fisherman, fish-plant owners, and all of the other [occupations] that combine to make small communities prosper. I have to say that they sometimes questioned my Upper Canadian accent with suspicion.

What did you study in school? What were your classes like?

I attended the University of Toronto after World War II and studied institutional management. I graduated in 1949. The classes were [composed] mostly of veterans...pilots, air gunners, PBIs (poor bloody infantry), artillery men, and prisoners of war from Hong Kong and Japan. They were quick, bright, tough, and challenging students for the young teachers/lecturers. They were good examples of men wishing to get on with life. Shortly after graduation, I began working of the Canadian Chamber of Commerce.

What were some of the jobs you had after working for the Canadian Chamber of Commerce?

Chambers of Commerce are great places to work as long as you recognized that you may face the possibility of starving to death <laughs>. One of my contacts, a Chamber of Commerce manager, was offered a position with a company owned by a Boston firm that was moving to his community. His talents had been recognized. He suggested I apply for his old position. I did and was hired. I married shortly after and worked my heart out for about two years. A couple of years later, a more compensatory position was offered to me in another, larger community. An industrial study completed from 1963-1965 attracted a lot of attention from manufacturers and governments. It resulted in major changes in treaties and regulations. That was followed by major changes in the automotive industry.

Was all of your work in industrial development, or did it start progressing to more general economic development?

If you work for a chamber of commerce, you are automatically involved with every aspect of the community: retail, agriculture, and tourism. It is all "economic development." Industrial

development is just one of those many activities. The larger chamber of commerce staffs gathered and reproduced valuable data while providing a variety of services to paying members. In these larger organizations, you often have a talented, salaried general manager or president, staff, and possibly a magazine, to inform and promote business activities. Industrial development was just one of these well-rounded competing chamber activities. Resident manufacturers required different data, wage and fringe-benefit surveys, vacations practices, and local utility costs in various volumes. Meanwhile, staff saw to the recording of industrial vacancies, site data, transportation rates, and location advantages. All of this data is available and may be aimed at markets outside [of] the community. Some of these activities may, at times, receive reduced support based on the organization's overall priorities and [previous] success. Travel, advertising, and promotional work all require adequate funding, so industrial development professionals must make their priorities clear. I was a great user of aerial photography...both scenic and vertical. The scenic photographs were useful in selling sites to individuals who couldn't fully grasp vertical photography or mapping photography. I would always argue for having both [forms] available for use and resale. Prospects could more convincingly be sold on the community and [its] available buildings, sites, rails, roads, and water facilities. I found [that] this form of information was always superior to maps of the usual variety. [It was] very useful if [areas were] flown on a yearly or biyearly schedule.

You mentioned you were with Morton Industries from 1967 to 1982. Is that when you retired?

I retired as a community economic developer in 1967 and began work as an officer of Morton industries in 1967. Large companies often change direction, product lines, and interests. In late 1981 [or] early 1982, this diversified salt company decided to sell their surface lands (while retaining mineral rights), a short-line railway, and a marine terminal. All were in Windsor, Ontario. I had been the Senior Resident Managing Officer for about fourteen years. We sought logical potential purchasers and visited several. These approaches did not elicit the kind of monetary response the company had hope for; and, after one meeting, my immediate superior said, "Why don't you buy it?" After the shock wore off there was a short period of consideration. I first sought advice from my wife and then from a few individuals I had worked closely with for years. I recognized that many were potential investors. They were later invited to a confidential "chalk talk" analysis presented by our accounting firm. Questions were raised and our "chalk handler" would rub out his diagrams and say, "Then do it this way!" When everyone fully understood the details and size of the purchase proposal, the required majority agreed to invest. Management secured additional banking support and the purchase was completed in 1982. Happily, the bank and investors were made whole within a few short years, [and] the majority of them have retained their interest. I continued as the Chairman until 1995 and [still] remain a shareholder and director.

Are there any particular skills that you developed over the course of your career? Did certain skills become more important as your career progressed?

Yes...listening. I believe there is an old saying: "You never learn anything while you are doing the talking." The experience I gained from remembering this strengthened my association with

factory owners, bankers, real estate brokers, and planners...all of whom contribute an understanding and approach to your next call.

There were many experienced and knowledgeable people whom I admired with then industrial development field. Their willingness to share successful methods and mistakes cannot be overstated. As a result of AIDC experiences, I also encouraged six colleagues in Ontario to meet. Shortly after, we formed the Ontario Industrial Development Council (OIDC). Later, during my railways years, I became a member of the ARDA, and for a couple of years a member of the NYIDA. Rubbing shoulders with those older, knowledgeable, experienced people—they were so willing to listen to problems and suggest possible solutions—is the major benefit of membership in associations such as AIDC and the ARDA. Any success I may have had with prospects, governments, hidebound city hall planners, or politicians I owe to these early friendships.

I certainly became aware of the importance of soil tests, freight rates, market proximity, labor costs, labor supply, unions, government regulations, trade restrictions, land use, and planning. All of these subjects and more might be considered impediments (or inducements) and have their supporters. I learned to listen to the views of others and find solutions for the community and the industrial development prospects whose concerns had to be satisfied before they would commit. Understanding, respecting, and having confidence in the people you work with certainly eases much of the frustration. If their views can be recognized or strengthened, your interests might also be improved.

So, people skills were important?

Absolutely! Changing the position of someone holding a different view than you may be vitally important to the success of your project. You must recognize and respect people a little lower on the “totem pole” when you can’t reach the individual you are trying to reach. They may be easier to talk to or gain an appointment with. They are often willing to listen to your problem, and they may be able to offer advice or suggest precedents. Or, they may even be the ultimate drafter of the solution you are seeking.

I recall one very senior public servant for whom I had great respect. He had the authority to cause results I favored. He always disassociated himself from the specifics early in a telephone call and then would describe, on a confidential basis, a hypothetical situation. He would say, “If such a request were to be made...” Then, a purely hypothetical case analysis would follow, and he would outline a hypothetical response. He used the word “hypothetical” regularly in our conversations. When this advice was followed, it usually resulted in the favorable resolution. I should mention that this kind of exchange was often a two-way street. I also received calls from my contact seeking to confirm data or the position of individuals. Then, [that information] would be used in other unidentified situations that were never explained.

It helps to know some of the procedures [that are] used when contacting very senior decision-making officials. I was deeply frustrated in one situation until I learned that this individual, who was no doubt very busy, had instituted a system for handling all of the incoming mail. His staff vetted all mail and stamped each piece with a red, blue, or green mark that then directed the [piece of] mail to a particular civil servant who explained the mail-handling process [to me.] At

lunch, he suggested I complain to a little-known government committee called the Committee to Ensure Regulatory Fairness. I did, and within three weeks an order was issued that resulted in a favorable response to my problem.

Besides working around government regulation, what other challenges did you have to overcome in your career?

Youth...[and,] gaining the confidence of persons you admire and respect within your community [was challenging]. Seeking and listening to their words of advice, which were sometimes couched in very blunt language [was challenging]. Convincing them to accept a leadership role their community [was challenging]. Within industrial development agencies, travel funds are frequently stretched or inadequate. [There were] a few times that I asked key business people to make calls on our behalf while in Europe travelling on their own business. Their entrée was perhaps superior to ours, in that they could speak with authority as someone already manufacturing and employing people in our community. They were also well received at embassies and consulates, and resident officers usually gave thoughtful advice and personal assistance. In their capacity abroad they have a mutual interest in our industrial development objectives.

How did you become involved with AIDC?

In my small-city chamber capacity I had some contact with other communities and often would meet [with other officials because of] mutual interest projects like tourism promotion and retail activities. Later, while working in an industrial development capacity in a larger border city, I was frequently in Detroit. Three US railways also had tracks and car loadings in Windsor, Ontario. I developed a close working relationship with their industrial development people, and AIDC membership was suggested on one occasion. This led me to make an application to join.

I vividly recall the membership limitations of AIDC. I believe the limit was 300-325 members. They were largely community representatives, and one gentleman from New Jersey was most vocal about the purity of membership. All [of the] annual meetings were in Washington, DC, and the early meetings [were] under the auspices of the US Chamber of Commerce.

How did you see AIDC evolve throughout your participation with the organization? Were there many Canadian members?

No. When I joined, they were a minority...probably fifteen or twenty [Canadians]. Several years later, I became Membership Chairman, and I recall [that] Canadian membership increased to forty. It doubled by the mid-1960s. Total membership at that time was 900 to 1,000. Membership included state and provincial representatives, industrial development bankers, planners, railway [representatives], gas and power companies, [and] land developers. About that time, we were able to establish and fund a properly staffed office. [We] eventually hired Richard "Dick" Preston, for whom AIDC was a labor of love.

The National Industrial Zoning Committee was another group from which I was able to broaden my knowledge.

What made you want to join AIDC? Did someone approach you, or did you read about it?

In my early days, around 1952, I was multitasking within a small chamber of commerce. My frustrations, thirst for knowledge, and experience must have lured me to AIDC.

Did you have annual meetings then?

Yes, AIDC did. As you may know, the first meeting was in 1926 with attendance of twenty-three [people]. By 1929, it had grown to 150. The first Canadians attended in 1927. Further details are revealed in the booklet *Fifty Years of American Industrial Development*.

My wife and I had the pleasure of travelling to San Francisco by train with Gale Arnold. He was from Chicago and our President from 1950-1951.

During your time with AIDC, what were some of the most pressing economic development issues?

Funding issues, [like] the costs of sewers and water mains for land with industrial potential, [were a pressing issue]. Preserving such lands through planning and zoning [was a challenge]. Housing developers were often greedy competitors...they were municipalities with a reluctance to progress. The second continuing issue was industrial incentives and the need for senior government support by way of legislation and/or funding. This interest saw the formation or expansion of senior government agencies and supportive legislation of various kinds, like: revenue bonds, matching funds, [and] low-interest loans. Some jurisdictions were very quick off the mark, and others slowly followed.

All community and state efforts were not equal. I recall one member from a Western state attending AIDC annual meetings and staying in a rundown hotel to save money. He could only charge seven dollars per day for food. By comparison, Eastern industrial development representatives [tended to be] well funded and could entertain and spend lavishly.

Were you involved with the merger at all?

No, the merger was a decision of the officers, directors, and membership.

Did you have an opinion of the merger? Did you see any positive or negative aspects come out of the merger?

I am not the best person to judge. My responsibilities had changed by this time. Some of the new members with whom I retained contact felt it was necessary and the best option available. But, it is now recognized as a changed organization. AIDC appears to some as a small section of a very much larger organization. Some aspects of the programs I am aware of seem far removed from the concepts, interests, and methods which brought about the formation of AIDC. I am retired, but I chaired a local industrial development agency a few years ago after leaving the field. Even

that organization is different and now dominated by politicians with a lust for travel and publicity.

During your career, was there anyone who inspired you? Did you have a mentor?

[I had] several. One was Mel Peach who coordinated industrial development for the New England states. He was also AIDC President from 1961-1963. He was a quiet, competent executive and a gentleman through and through.

Dick Preston, a former AIDC Executive Director, was certainly a most dedicated and thoroughly professional executive. He was an innovator, author, speaker, organizer, promoter, “mover and shaker,” and his death was a terrible loss to the human race and to the industrial development profession.

Col. Everett Tucker was AIDC President from 1967-1968. He was also President of the Little Rock (Ark.) School Board during the years of Governor Fabus.

Tom Finney was President from 1963-1964. He became a stiff, competent Dallas banker.

Col. Harry Clark was AIDC president from 1957-1958. He was a wild man in some respects, but he was a former officer on Eisenhower’s staff. He earned the Order of the British Empire (OBE). He guided a lot of industrial development beginners through their early days.

Did you mentor anyone in the field?

I encouraged and supported Don Bath for many years. He was acknowledged as a fellow industrial developer, although any salary he earned was likely to have been miniscule. His day job was as a trust company executive, and that involved some travel out of Toronto. He was the essence of a gentleman. He was ethical, soft-spoken, efficient, and effective. Don Bath was AIDC President from 1975-1976. An industrial development enthusiast, he ensured the activity was actively pursued in Oakville, Ontario where he resided.

Within AIDC, our members elected officers and directors and worked with distant committee members. Many of these members were equally dedicated individuals and dependable chairs. But, it was inevitable that the odd one would let you down. A few quick phone calls and someone else would always step forward and provide a solution. On occasion, our contacts even reached the White House.

Would you like to comment on where you see the development field going into the future?

After leaving the industrial development profession for the business world, I was a member of the local development commission. I was later chair for some time. The board at that time was largely comprised of businessmen from the private retail and manufacturing sector. [That was] a situation that I found practical and effective. It provided a broader entrée into funding and support. That seems to have changed today. The people who are elected to public office—and who are providing public industrial development funding in many cases—want control and

premature publicity and glory. They have lost the valuable advice of manufacturing executives and, in some cases, have made very expensive political choices that did not enhance their community's efforts.

The present community-level thirst for jobs is impacted adversely by senior governmental activities that support the continued removal of tariffs. This enables unimpeded imports. These actions, which at times apparently waive health and quality standards, impact on local manufactures and [their] promotion. The efforts of large corporations make for a troubled future. For instance, Wal-Mart reported that 99% of their retail products come from overseas in giant vessels that arrive with thousands of containers every four days. [It is] entirely one-sided! Some offshore companies have made modest overtures. Some have even made modest investments in floor space. But, examples of significant job-producing investment are few. Some North American governments are supporting job training and encouraging the research and development of new technologies, labor-saving methods, products, machinery, and equipment. But, are we winning or losing the competitive race?

Our skill levels must be flexible and constantly improve. This will require new thinking, methods, materials, [and] machinery as we endeavor to create jobs and markets. The cooperation and further education of the labor force has to be included in the planning. Some of our universities and college are on [our] side, but greater effort is required. The better, quicker, faster, and cheaper theories may mean further challenges on the plant floor and within our governments.

Old-fashioned meetings where industrial development professionals may meet to discuss, compare, innovate, upgrade, and learn also have a role. The latest theories, success stories, experiences, and methods will continue to renew and upgrade skills to the ultimate advantage of our communities.

Do you have any other stories or anecdotes from your career that you'd like to share?

I considered it a privilege to have associated with so many outstanding individuals over the years. Each had their own problems and, in some cases, solutions.

I have one vivid recollection of our first meeting away from Washington, after many years, in San Francisco in 1957. It had been controversial with the membership because of the cost, time, and lack of contact with Washington legislators. Our choice for the keynote speaker was an individual who undoubtedly received a dozen invitations per day. I certainly was not optimistic about his response to our invitation. He did, however, accept. Fred Gardner, the new Chairman of Metropolitan Toronto, was a responsible, expensive, prestigious, and tough lawyer from Toronto. He was a politician...a big man with a big belly. He was someone you would think long and hard about opposing. He had fought and won the merger of approximately forty contiguous, but reluctant, communities into metropolitan Toronto.

He accepted our invitation to my surprise. Frank Marsh, our president from 1956-1957, was a handsome, witty, charming, popular, and congenial host. Fred Gardner arrived the night before he was scheduled to speak. Frank Marsh met him and invited him for a drink at the St. Francis

Hotel bar. Later that evening, others also converged on the bar. Those of us who knew of the program noticed that President Marsh and our speaker, Mr. Gardner, were still there. Marsh was overhead to say, "Fred, I think you are full of [crap]." Gardner raised his glass and said, "Frank, I think you're right." They both laughed and continued their conversations and time together. Both showed up the next day, and Gardner gave an outstanding address.

When you recall things like this, [you know] certainly that Frank Marsh was a charmer and a super salesman. He worked in concert with Bud Bostwick of San Mateo and Lew Holland of the State of California's industrial development association. Individuals who cooperated with other industrial development agencies in metro San Francisco later became AIDC Presidents.

Earlier you mentioned that you attended an IEDC Annual Conference and that you were not impressed. Would you like to elaborate on the reasons why you weren't impressed?

Ouch! I am getting old, and I was an avid AIDC member, so I have a built-in bias. IEDC was like a banker's convention. It had very formal presentations, which were not aimed at municipal or regional redevelopment. Now, this was three or more years ago in Fort Myers, so my memory may be playing tricks. But, I did not notice the warm friendships that were enjoyed at the end of AIDC sessions in the old days.

Do you have any other anecdotes or stories from your career that you would like to share?

No, but I should apologize to Joe Moerke for having the audacity to put him through the nine-page transcription of the telephone interview. He did a wonderful job, which I have since tried to improve. I hope it avoids any danger of lawsuits.

Transcribed by Joe Moerke on April 6, 2011

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