

**Narrator:** Augustus Leach (AL)

**Company Affiliations:** Searle Grain Company, Federal Industries Ltd.

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**Summary:** Member of the Searle grain family, Augustus “Gus” Leach, discusses his family’s history in the grain trade and his own career in the family business. He recounts the history of how his great grandfather, Augustus Leach Searle, started the Searle Grain Company in Canada with other family members, which grew into one of the largest privately owned companies in the Canadian grain business. He describes joining the company himself immediately after college, and he details the responsibilities of his job first in the accounting department and then in the managerial side of country operations. Leach discusses Searle Grain’s diversification and eventual sale to Federal Grain, and the new non-grain projects he became involved with in the company, like building a coal terminal for Ontario Hydro in Thunder Bay. Other topics discussed include the importance of elevator agent personalities for the success of country elevators, the hustle and bustle of the Winnipeg Grain Exchange, and some of his trips to Thunder Bay. Leach ends the interview by providing commentary on a photo album compiled by Les Irwin, one of Searle Terminal Elevator’s superintendents.

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Time, Speaker, Narrative
NP: Good morning. I’m sitting in Winnipeg with Gus Leach, and it is September 15 <sup>th</sup> , 2011. We’ll start the interview by asking Mr. Leach to introduce himself, where he was born, and his connection with the Canadian grain trade.
AL: Thank you, Nancy. I am honoured and delighted to be interviewed by you. Basically, I was only involved in the grain industry in the company from 1962 until we sold the business in 1971. I’ll describe later what the company morphed into, but from a

historic basis, my great grandfather, a man named Augustus Leach Searle started the Searle Grain Company in about the early 1900s. I'm not exactly sure which date. We called him "Granther," and Granther lived in Minneapolis, and he had originally emigrated out to Minneapolis, I think, sometime in about 1880 or so from upstate New York. His family was involved in the US grain trade. I'm not quite sure doing what, but some kind of, I think, country elevator operation. Granther ended up going out to Minneapolis. He got a job with the Peavey Grain Company. I think he was a superintendent at their terminal in Duluth, Minnesota. And as I recall the stories being told, he then moved to the head office, and at one point, Peavey decided that they wanted to expand into Canada.

And Granther was part of a team that travelled across the Canadian Prairies by train, and as they got into the farming areas, the train would stop, and the team would spread throughout the little community, interview people—like the postmaster and the grocery store owner and this type of thing—and then when the train was ready to roll on, the engineer would toot the whistle, and the team would climb back on. They would make their decision as to whether they would recommend an elevator be built at that particular location while they were on route to the next one.

So that was how Peavey got into the business, and several years later, Granther started up his own business in Canada. He had—I'm trying to remember—two sons-in-law who joined him in the business, and they basically started-- . They built some country elevators beginning in Melfort, Saskatchewan, and got into the country elevator handling business, and it was called the Searle Grain Company. The company succeeded and progressed well, and it became one of the largest private companies—versus the cooperatives, the Pools—one of the largest private companies in the Canadian country-elevator industry. At some point, and I'm not sure when, the Searle Grain Company built a terminal in Thunder Bay—it was then Fort William—located on Mission Island and had a, also, a part of a private elevator consortium that had a terminal out in the port of Vancouver. So we were able to-- . "We." [Laughs] The company was able to ship grain via the normal CN [Canadian National Railway] and CP [Canadian Pacific Railway] boxcars in either direction to terminal locations. And that was basically the end of the company's role in the industry. We would basically get paid when that boxcar of grain arrived at a terminal location, and we were not involved in any of the downstream marketing from that point on. So my father was involved, my grandfather who married one of Granther's daughters was involved, and after I finished college, I went to work with the company.

**[0:05:54]**

NP: Can I just step back to ask a few questions to fill in some possible blanks there?

AL: Sure.

NP: You had mentioned that your grandfather, when he started his expansion in Canada, linked up with two sons-in-law. Do you recall their names at all?

AL: Yes, certainly. One of them was my grandfather, Norman Leach, and the other was Stewart Searle. Then, actually, there was also a third, I guess, a son-in-law called Jim Gilchrist. The Gilchrists, as I recall, they had their own country elevator operation, and Searle Grain bought it. There was quite a consolidation of smaller companies in the Depression years, and the Gilchrist operation—I think it was called the Home Grain Company—was purchased by Searle, and Jim Gilchrist came along with that. So there were those three individuals. My grandfather, Stewart Searle, and Jim Gilchrist, and then my father, and then me.

NP: And your father, what years was he involved with the company?

AL: He graduated from university, I think, in about 1933, and I think he went with the company right away and stayed with it right through the sale of the company.

NP: And when did your father pass away?

AL: Dad died in 1993.

NP: Oh, okay. You mentioned a consortium on the West Coast. Do you recall at all the companies that were involved there?

AL: Yeah. They were the other major private companies like Pioneer Grain, which is the Richardson company. Oh, dear. Basically, all of the private companies. Oh, like National Grain, which was the name of the Peavey operation, and--. Oh, gosh. I can't recall the name of the terminal right now, but it was on the north shore of Vancouver, of the port of Vancouver.

NP: Okay. Good. So I'm just thinking when you mentioned National being the Peavey name, the Searle Elevator in Thunder Bay was built right beside it, then.

AL: Okay.

NP: Because now that is--. National owned it then Cargill bought it out.

AL: Yeah, yeah.

NP: Okay.

AL: Now, I forgot one of the other major private companies, Federal Grain, and that was the Sellers family. One of the significant evolutions in the Searle Grain Company was in 1965 Federal Grain and Searle Grain merged, and Federal was a public company. Shares were traded publicly, and Federal--. The Searle name was submerged, and we became known as Federal Grain Limited.

NP: Are there any Sellers around that would remember the history of their--?

AL: I think they've all passed away.

NP: Hm.

AL: The one that I knew who was a contemporary of my father's was George Sellers, and I think he was the only Sellers person in the business. None of his children went into the business. Yeah.

**[0:10:19]**

NP: So other than having a younger Sellers that's taken an interest in the history of the family, we'd have difficulty finding someone to interview about that particular company.

AL: Yeah. I don't have any contact with any of them now. I'm not even sure where they live. I don't think anybody lived here in Winnipeg.

NP: Growing up while your grandfather and your father were both involved in the grain industry, do you recall sitting around the table or listening in on conversations about what the business was like then?

AL: There would be conversations, but generally the business was sort of just there, and it ticked along. I was aware that Dad did a fair amount of travelling in his supervisory role, but he was travelling within Canada and visiting the various elevators.

NP: So what role did he play in the company while his dad was still actively involved?

AL: Hm. Well, he would have been in the sort of senior management levels. I forget what exact role. The most senior that I became aware of was Stewart Searle, and he was dad's uncle. Stewart Sr. had a son Stewart Jr. who was also in the company, but he was

younger. The Searle and Leach families were about a half a generation apart. So Stew Jr. was quite involved, and as I say, half a generation older than I and younger than dad.

NP: So the cousin you had mentioned to me on the telephone, then, who lives in the States, where does he fit in?

AL: That is Stewart Jr. who lives in Georgia.

NP: Any idea of how your grandfather felt about making the move from the US grain system into the Canadian grain system?

AL: Well, Granther, my great grandfather, not grandfather.

NP: Oh, great grandfather. Okay.

AL: Granther never moved himself. He always lived in Minneapolis. So when things got up and going here, it was the three sons-in-law—Stewart Searle Sr. and my grandfather Norman Leach and Jim Gilchrist—who really managed the company.

NP: And made the move.

AL: Yes. Yeah. They came into the company once Granther had decided that he wanted to go out on his own. So they, certainly Stewart Sr., would have been part of the early decisions as to-- As I said, they started up in Melfort, and then built other elevators bit by bit.

NP: Do you have any sense of challenges that they faced in those days? Or is that sort of--

AL: Well, the biggest challenge was basically getting market share at each individual elevator location. And the key to that was basically the ability of the local elevator manager to attract customers, either by basically being a really good guy, being part of the community, because essentially everybody paid the same price. It wasn't a question of my enticing you to be my customer by paying you more than the National Elevator next-door was going to. So it was very much people relationships. And that was one of the things I do remember everybody always being very conscious of, and that is, make sure that the local elevator manager is doing a good job.

**[0:15:23]**

NP: Did their network of country elevators stay pretty stable throughout the life of the company?

AL: Well, it grew, obviously, from square one, and then, as I indicated, there was a consolidation within the industry in I think it was the Depression era. But by the time--. I guess by that time--. I'm just trying to remember whether Searle ended up having about 300 elevators. My memory is hazy on that. Federal was a larger company than Searle, and after the merger, the merged Federal Grain was by far the largest private elevator company.

NP: I don't know if you'd mentioned on tape when you were born, so maybe you can do that now, when and where you were born. And you have a middle name that I have yet to have on tape too, so--. [Laughs]

AL: Yeah. Well, I was born in 1939, and my middle name is Searle. I am Augustus Searle Leach Jr. Dad was the Sr. And as I indicated, Granther, who started it, he was Augustus Leach Searle. One of my brothers has sort of mapped this out, but there were two different branches of the Leach family that by coincidence came together. So the Leach of August Leach Searle was a different Leach but somewhat related to my grandfather, Norman Leach, who married Rosabelle Searle. So it's a little confusing.

NP: Yes. [Laughs] I do some researching myself. He must have a lot of fun with those records. [Coughs] Pardon me. And the practice of naming, like, second generation after the first and trying to keep them all straight. So you eventually became involved in the industry. What are you--. Maybe I'll preface this by just saying that when I talk to people about their involvement in the industry, some of them come in reluctantly, some of them come in quite happily. What was your sense as a teenager and doing your schooling about what your place would be in the industry?

AL: Well, I guess I always presumed that I would follow Dad's footsteps and go into the firm. He had made it pretty clear. I had three other brothers all younger than I, so I was the eldest in the family, and Dad made it pretty clear that there was only going to be one of his sons in the business because there was the Searle branch as well as the Leach branch, and we didn't basically want to overload the company with too many family members. So I went to college and then went to Western and got my MBA. And Stew Searle Jr. came to visit at one point in my second year at Western, and he basically offered me a job, and I took it on the spot. I started off in the accounting department, and then after a couple of years, went into the actual elevator operations in a managerial role.

NP: Had you experienced the elevators—both the primary ones and the terminal elevators—before you joined the company? Or were you introduced to the physical plant at the same time?

AL: I don't think I ever actually saw either of the Vancouver or Thunder Bay terminals operations other than by photos. There was an elevator that actually isn't too far away from here on the southern part of Winnipeg that Dad would take me out there occasionally because he really liked the elevator manager, whose name I don't recall. So I was familiar with the physical operations of a country elevator because of seeing that.

**[0:20:44]**

NP: And what were your first impressions of the terminal elevators, particularly the one in Thunder Bay?

AL: Big and complex. You know, obviously, storing lots more bushels than any individual country elevator did.

NP: When was your first trip to Thunder Bay, do you recall?

AL: Oh, boy. Well, it probably was sometime around 1964 or so.

NP: And who was running the operation at that time?

AL: My recollection, it was a man named Les Irwin.

NP: Long-term company man?

AL: I think so, yes.

NP: Let's go back to your start then in the accounting department with the operation. What does that entail?

AL: Well, back in those days there was an awful lot of paperwork because it was before computers. I think that I was essentially--. [Laughs] Well, the daily mail would bring in all the records. For instance, if you were a farmer and delivering grain to our Melfort grain elevator, and you brought in a load of grain, the elevator agent would issue you what was called a cash ticket, which was somewhat akin to a cheque that you would be able to take to your Melfort grocery store and cash. But there would be a copy of that, which would get mailed daily to the office in Winnipeg, and we would then have to process all of that. So my recollection is that that was what I did for a little bit of time was basically I guess you could just say shuffling paper and collecting information.

NP: Where were the offices?

AL: In the Grain Exchange Building.

NP: And what was that place like when you started?

AL: Well, it was humming because basically the entire grain trade was located in the building, and that was where what was then called the Grain Exchange, which became the Commodity Exchange, the trading floor was located in there also. So it was the hub of the industry.

NP: And I may have missed this when you were talking, but you started your job in what year, do you recall?

AL: 1962.

NP: 1962.

AL: Yeah.

NP: Okay. So things were doing well in the grain industry at that time, as your memory--?

AL: Yes, I think so.

NP: So things were humming.

AL: Mmhhh. Yeah. It was really a function of what was the crop condition like across the Prairies, and if it was a good crop year and there were lots of bushels of grain out there, then the whole industry would benefit. If it was a lousy year—somewhat like Manitoba has been this summer of 2011—then everybody would be scrambling.

NP: Do you remember some of the major players in the industry when you started there? Personalities that stick out in your mind?

AL: Well, I remember the individuals because Dad and both Stewart Sr. and Stewart Jr.—pardon me—Searle—. All the industry and grain elevator company leaders, they all knew one another and would socialize together. So not very many of my college friends were in the industry when I got in there. There were some, but I did know of their parents.



[0:25:09]

NP: Was it a happy conglomeration of people mostly?

AL: Mmhmm. I would say so. Yeah.

NP: Friendly rivalries, or--?

AL: Yes, yes. Yeah, I don't recall that it was a sort of battle of guns and knives or anything like that. [Laughing]

NP: You had mentioned earlier on about the responsibility of your company ended when you got payment for the grain, and then it was shipped out. So was there any marketing arm of Searle?

AL: We had a little bit of a marketing arm. We had people who would be traders on the floor of the Exchange, because some of the grain was not controlled by the Wheat Board, and so that was our responsibility to basically--. We would issue you a cash ticket for, say, your load of flax, and then that became our inventory right then. Generally, what we would do is as soon as we got the copy of the cash ticket and knew that this was in inventory, we would go out and hedge that on the trading floor. Then when that flax was shipped to a terminal position, we would basically reverse the hedge, and so our role was basically not to carry the inventory at full face-value, but to have it hedged.

NP: Now, I'm going to ask you to explain hedging. It's not always the easiest thing to do to a lay public as opposed to somebody in the industry. [Laughing] So can you give it a try?

AL: Sure. Let's use an example. You deliver your load of flax to my Melfort elevator today, September 15<sup>th</sup>, and let's just assume that it's worth \$1 a bushel, and that's what I issue you your cash ticket. Then it will be trading on the Grain Exchange trading floor at roughly \$1 a bushel. So I would buy the inventory from you at Melfort, and then I would sell the same number of bushels on the trading floor as soon as I got that information. So basically, I'm long inventory, but I'm short the, let's call it, the trade.

NP: So if I've got this right then, long means that it's still sitting there. It's physically still sitting there, so you're holding it for a long time.

AL: And it's on our financial records.

NP: Right. And the short is that it's--.

AL: The short is that it's basically a paper transaction.

NP: That it's temporarily out of--.

AL: That we have made an agreement with somebody else that he is going to buy our physical long position. He's going to buy it, oh, maybe two months from now.

NP: So why do you think it's called hedging? Like when someone says, "Hedging their bets," what--?

AL: I don't know what the derivation of that term. It was always just called that.

NP: So it's just you have a risk of holding the grain in the elevator.

AL: Until we get it--.

NP: Until you get it delivered.

AL: Well, unless we sell that grain through the trading floor for delivery in the future.

NP: Okay. That's a good explanation.

AL: So when we make that sale, the hedge, then we've got the physical inventory in our possession, but we've sold it out in the future. So essentially where we would make our money was on the margin that we would pay. Like if the trading floor price were, as I said, say, \$1.05 per bushel, I'm only going to pay you \$1 a bushel. So there's 5 cents of margin that--.

**[0:30:15]**

NP: Your company never had personal interaction with buyers? You didn't go to Europe or wherever to set it up--.

AL: That's correct.

NP: You strictly did your selling on the Exchange?

AL: Yeah, yeah.

NP: Whereas some other companies did have those connections, at least in the early days.

AL: Yeah. Mmhmm.

NP: That worked well in your mind?

AL: Yeah, I think it did. We all knew that that was the nature of the business, and what you had to do was basically make your margin.

NP: Did the person who bought it--. Was default ever an issue? Or most of the time it wasn't?

AL: No. Default, I don't recall that there was ever any problem.

NP: So you moved from the accounting.

AL: Yeah, into operations.

NP: What made you make that decision?

AL: Oh, I think management decided that I should get some operations experience. So I became what was called then a district manager, and my role was to supervise--. Sorry, let me back up. We had the elevator agent at each individual country elevator, and then there would be what were called superintendents or district managers who would supervise, oh, I think it was probably around 20 elevators per superintendent. And they would live out in the area. My role was to supervise three of those superintendents. They were all in Saskatchewan, so I would be in touch with them, and I would travel out, and we would go visit individual elevators. So that was my role was to--. And then I reported to a fellow in Winnipeg who--. I think there were three or four of us who reported to him across the--. We were all responsible for different elevators across the Prairie provinces.

NP: So if you recall some names—and I wouldn't expect you to—but do you recall some of the names of those supervisors that you supervised, or regional--? Sorry, what did you call them?

AL: Superintendents.

NP: Superintendents. And who did you report to?

AL: Okay. One of the names that comes to mind at the superintendent level, a guy named Don Morris who was eastern Saskatchewan. He was in the Melfort-Humboldt area. I don't remember the names of the others. Who did I report to? I want to say Adamson. But I remember there was one of our senior operating fellows was Jack Schofield. Huh. My aging memory isn't helping me. [Laughing]

NP: You've done very well. You had your three people that you were responsible for, they reported to you. Were they all the same? Did they all have the same kind of issues in their areas, or was there some differences?

AL: No, they--. Because they were different geographic areas but all, for instance, in Saskatchewan, it was essentially the same thing. What were the crop conditions in that particular superintendent's area, how were we doing for market share, and that kind of thing.

**[0:35:00]**

NP: Did you have programs for increasing market share, or did you rely exclusively on the personality, as you mentioned earlier on?

AL: Well, it was the personality plus keeping the Searle name in front of the community. But it was really largely the individual elevator manager who was going to help you get or help you lose market share.

NP: Was there any disadvantage to your being a son of the owner working in a middle management position?

AL: Not that I was ever aware of.

NP: No?

AL: No. Because people knew that it was a family company, and so the fact that I joined the company wasn't a surprise.

NP: The expectations were there that you would work through.

AL: Yeah.

NP: Who were your coworkers then at the same level as you were at when you were managing the supervisors? Any of those names come to mind? Don't worry if they don't. It's not--.

AL: No, right now they don't come to mind. No.

NP: What would a typical day in that job be, would you say? You were talking about the typical day in accounting, so--.

AL: Yeah. Well, basically, seeing the reports that would get issued by the accounting department as to--. We had—I forget the name of what we called them—but we had basically market share reports, which were obviously very key. And the individual elevator agents, maybe they were weekly reports, were supposed to file and basically say, “Okay. The Federal grain elevator took in X-bushels last week, and the National elevator, et cetera.” Then of course, we knew how much came into the Searle. So that information would get compiled, and we paid very close attention to that, again, because market share was key.

NP: So if you found an elevator that appeared to be underperforming, how was that dealt with?

AL: Well, you basically replaced the agent if you couldn't improve his performance.

NP: You mentioned that the reports that came in had information on the other elevators. How did--. Was that information guesstimated or was it something that was shared?

AL: No, it was guesstimated. But we were able to cross-check that, I think, maybe in the grains that were under the control of the Wheat Board. I think the Wheat Board would issue information as to how many bushels of grain went through all the elevators in Melfort for a particular time frame. So we could check our internal information against the external and get a feel as to whether the elevator agent was feeding us proper information.

NP: Were all of those primary elevators, regardless of who owned them, pretty much the same capacity?

AL: Back then, yes. Some of them might have had additional as we called them annexes, which were basically storage bins. But the physical elevator itself, they were all pretty much the same size.

NP: Was Searle elevator still growing at the time that you were in that position? Holding steady or--.

AL: No, I think we were pretty steady at that stage because the consolidation of the 1930s had basically stopped. We did build an occasional new elevator in a new location, but not too often. More often than not, it was replacing an older elevator there.

NP: Was there competition in every centre, in every town that you were in?

AL: Certainly, the bigger towns. No, occasionally you were the only elevator in the little town, but that tended to deal with itself because if it was a small town, it probably meant that there wasn't much grain being harvested there, and therefore there wasn't much attraction for competition to come in.

**[0:40:16]**

NP: So that's where your great grandfather's decisions about which town to build in was sort of a critical--.

AL: Yeah. That's correct.

NP: So you started talking about a typical day on the job. So you were looking at the records.

AL: Oh, information. But then telephone calls to the individual superintendents, and just staying plugged in that way.

NP: Did you travel a lot?

AL: A fair amount, yes.

NP: Was this the same kind of career path that your dad went through then?

AL: Yeah.

NP: Did he have your position at one point?

AL: Yes, he would have. Yeah.

NP: So when you were a child, you said you remembered him travelling a lot. This might have been--.

AL: Yeah, he was out in the country. Yes.

NP: Did that job take you to the terminal elevators at all, or were you--?

AL: Not very often because I didn't have any real role in that.

NP: What would you say you learned in that position that you hadn't already known, if anything? Or was it just an opportunity to practice what you already knew?

AL: Well, I certainly learned a lot about the industry itself and how important the individual personal relationships were. I had gone through the business school getting my MBA, so I was aware of the concept of management.

NP: Did they work in practice? [Laughs]

AL: Oh, I think so. Yeah.

NP: What happened next then in your career?

AL: Okay. Well, basically, as I indicated, we sold the business. We sold the grain business in 1971. In 1969, we had begun to make some small diversifications. That was when conglomerates were coming into favour, and I think we bought three non-grain companies beginning in 1969. And then in '71, we basically had an opportunity to sell the entire grain business to the individual Wheat Pools. So our elevators, for example, in Manitoba went to the Manitoba Pool, and in Saskatchewan the Saskatchewan Pool, and in Alberta to the Alberta Pool, and including the terminal in Thunder Bay and our interest in the one in Vancouver. So we exited the grain business completely, and we ended up, I think we had something like about \$20 million of cash and no debt. We renamed the company Federal Industries instead of Federal Grain. It was a public company. And we basically continued to diversify.

NP: And what did Federal diversify into?

AL: Much of our operation had a transportation flair to it, but not completely. One of the early purchases was a kitchen cabinet company in Vancouver. Another was a poultry processing operation in Vancouver. A third one was a bulk commodity terminal on the north shore called Neptune, which handled coal and potash and phosphate.

NP: Quite a change then from--.

AL: Yeah. But at that stage, certainly in the Canadian business industry, as I said, conglomerates were somewhat in fashion, so we were in the market.

**[0:45:02]**

NP: Was the sale something that Searle Company or Federal at that time initiated? Or were they approached?

AL: I think we probably initiated the early conversations, and that would have been at the high level. It would have been somebody like George Sellers or Stewart Searle Jr. going and talking to one of the heads of the Pools, probably the Saskatchewan Pool. My recollection is we were getting concerned that the Pools had a real tax advantage because they were cooperatives, and I think we were getting concerned that we were not going to be as competitive and unable to generate the cash that would prevent us to upgrade or rebuild elevators and that kind of thing.

NP: And it was coming into the time where that was going to be necessary.

AL: Yeah. That's correct because the system was aging. Yeah. Basically, there wasn't--. Again, I don't think there was any discord at the senior management level in Federal as to whether or not we should sell or not sell.

NP: Was your dad still involved with the company at that time?

AL: Yes, he was.

NP: So he would be part of the decision-making group?

AL: Yeah, correct.

NP: Just sort of for the record, when the company was sold then, what did you move into?



AL: Well, I became part of the as we called it the M & A team, the Merger & Acquisition team, and I basically pushed a pencil to see whether or not company X was something that we ought to take a look at and then occasionally would get involved in the actual negotiations.

NP: Was your grandfather around at the time?

AL: No. I forget when he died, but--. Not even sure if he was involved in the grain business when I started.

NP: That was a fairly long time in the industry. Was it left with regret, even though it was a very rational decision, or was it just time to move on, do you think?

AL: Well, it was time to move on. But no, there was some regret because as we would get involved with other industries and companies—for instance, the kitchen cabinet industry—we realized how well we knew the grain industry, and there was regret that we would never know another industry as well as we used to.

NP: A very, I don't like to use the term set, but a very stable in a sense industry in the way it operated—not necessarily in how the crops were going to come in—with deep roots.

AL: Mmhmm.

NP: And all of that excitement and camaraderie at the Grain Exchange Building, I guess.

AL: Yeah. Correct. Mmhmm.

NP: Anything else--. Well, let's stay with the sale for a moment. What else can you say about the whole story of selling off a major operation like that, and the fact that you had personal relationships with the people who would be affected? Anything that comes to your mind about the reality of a sell-off?

AL: I don't remember that there were serious, let's call them, internal problems within the company once it became known that we were going to sell. The deal was basically kept under wraps at only the senior management level while it was being negotiated. And I don't recall, for instance, whether a lot of the Winnipeg office folks moved over into the various Pool offices. I know that we had

to keep some because there was still a Federal Industries operation. We still had to have an accounting department. We had this M & A team and that kind of thing. But in terms of, say, the operating managers, they may have just retired.

**[0:50:55]**

NP: Many of them were of that age?

AL: Yeah. Correct.

NP: Do you recall—I don't know how closely you were involved with the agreement—do you recall what kind of agreement there was for, well, for example, for the terminal in Thunder Bay being taken over rather than shut down? Was it, they took over the manager and the workers?

AL: I suspect so. I don't remember that.

NP: Before we move onto other things, anything else about the history of your family within the industry, your time?

AL: I don't think that I've got anything that--. If you go way back in time, I guess everybody in our family worshipped Granther, my great grandfather. He was a terrific guy and had this exotic home in Minneapolis that--. I went to high school south of Minneapolis, and I would periodically spend a night at his place coming or going from school. He was just a really good guy. The rumour is that he was a very astute businessman, that he could get or make a connection between, let's say, what the price of barley trading on the Winnipeg Exchange was and corn on the Chicago Exchange, and decide whether or not there was any trading opportunity between the two values. And you remember, this is before the days of computers, so the information was all just sitting there on paper. But he was a good guy, and within the family, we all loved him.

NP: So your cousin who was involved in the business, Searle, when--.

AL: Yeah. Dad's uncle, Stewart Searle, had a son Stew Jr., and so Dad and Stew Jr. would have been first cousins. But none of Stew Jr.'s, neither of his two sons, joined the business.

NP: So what did your dad and his cousin, end up doing with the newly formed non-grain—well, not newly formed—but the non-grain operation?

AL: Dad basically retired, and Stew took over as president—Stew Jr.—as president of the company. So he and I worked quite closely together.

NP: Let's talk about your knowledge of Thunder Bay, and we'll go from there into your involvement on the Thunder Bay waterfront in a non-grain capacity. But anything to add about your knowledge of the operation in Thunder Bay, the elevator in Thunder Bay?

AL: Yeah, I never had any part of the management of it, and so other than knowing Les Irwin and seeing him occasionally, no, I never did. So--.

NP: Do you remember your first visit to Thunder Bay?

AL: No, I don't. As I think I said earlier, it probably would have been sometime around 1964.

**[0:55:06]**

NP: If there's nothing else to add—although, I'd like to come back to this photo album that I have here because it may raise some memories for you—the end of your involvement with the grain part of your operation was not yet the end of your involvement with Thunder Bay because you also then became part of a major construction project. Tell us how that happened, what it was, how that happened, when it happened.

AL: Okay. Well, basically, in I think it was 1976, we were--. Well, I'll back up. You'll recall I said one of our early acquisitions was Neptune Terminals out on the West Coast, and through the operation of Neptune, we became aware that Ontario Hydro was beginning to think about wanting to move Western Canadian coal eastward into Thunder Bay and then load it onto vessels destined for generating stations down the Great Lakes. I forget how we heard of this, but the long and short of it is we began to negotiate with Ontario Hydro about the concept of building a coal handling facility in Thunder Bay. And I ended up being the head of that team, and we negotiated a long-term handling contract with Ontario Hydro, which was fairly difficult and took quite a while. It was a complex agreement. Then on the strength of that—and this is one of the things I've always been very proud of—on the strength of the handling agreement with Ontario Hydro, we financed the capital costs. And it was, I think, about a \$65 million capital cost, and it only required about \$500,000 of actual equity from Federal. All the rest was borrowed on the strength of the handling agreement. We had a built-in profit margin per tonne of coal and guaranteed minimum tonnage by Hydro, et cetera. So it was basically a risk-free deal to us, and from a return on investment perspective, it was very healthy. We opened for business in I think it was September of 1978, and it just worked like a charm.

NP: So this is the operation, I think, on Mission Island that is very close--.

AL: McKellar Island.

NP: McKellar, oh, right. McKellar, and then across the bridge. So it's the one with the underground system through to the coal plant as well? I know they have the unloading.

AL: Oh, yeah. I'd forgotten about that. Yes, I think so. I'd forgotten about the generating station in Thunder Bay, but--.

NP: They do both, actually. They have the generating station, and then they have the ships loading as well.

AL: Yeah. Well, the Thunder Bay Terminals, TBTL as we refer to it, was basically we would unload unit trains of coal and store the coal in large outdoor piles, and then have these reclaiming machines that would—basically big bucket wheel and conveyor systems—that would then load the coal into vessels. And as I say, I just can't remember whether we were supplying the coal for the Mission Island generating station, or whether unit trains were just unloading directly there. I don't remember that.

NP: Mmhhh. Well, you'll be pleased to know that you provide entertainment to this day to my father-in-law who had an apartment that overlooks that coal operation.

AL: Oh, is that right? [Laughing] So that was my involvement with Thunder Bay.

**[1:00:15]**

NP: And then what did your career go onto?

AL: Well, I ended up being the president of Neptune Terminals and also Thunder Bay Terminals, and I was a vice president in the corporate office of Federal Industries in Winnipeg. About 1983 or '84, our then CEO of Winnipeg—a pal of mine who's here, still around, Jack Fraiser—Jack wanted all of his divisional presidents to be located out in the division. I did not want to move to Thunder Bay, and so I suggested to him that maybe I would just retire from active management in Federal. I was on the board of directors, and so that's what happened in '85. I just went out and began some personal investing and doing a bit of consulting work, stayed involved until about 1997 when I left the board of Federal.

NP: Are they still operating, Federal?

AL: I think the terminal has been sold. The company changed its name from Federal Industries—pardon me—to a company called Russell Metals, which is in the steel service centre business. We had bought Russell, and then this cult of the conglomerates began to wear off, and so it made more sense to concentrate our activities on just Russell and sell off the other entities.

NP: So as you look back on your career, is it possible to pick what you're most proud of?

AL: Well, clearly, as I indicated, I'm most proud of the Thunder Bay Terminal deal because of the way that we pulled it off, and the financial benefits to the parent company.

NP: Do you follow the grain industry at all, the major changes that have occurred over the last--? I mean, you people were just the beginning of the changes.

AL: It's obviously consolidated. I don't know how many country elevators are still around, probably not very many. They've gone to the inland terminals, and I think, of course, now there's the current controversy about whether the Canadian Wheat Board should continue to exist or not and whether there should be a completely free market available. But I haven't really, other than physically as we drive across the country physically seeing the inland terminals and no longer seeing many of the country elevators, no. I haven't had any contact.

NP: Well, you'd be pleased to know that the Searle Elevator sign is still visible on the terminal elevator in Thunder Bay.

AL: Oh, okay.

NP: Yeah. So the history is etched there.

AL: Yes. Yeah, yeah.

NP: And maybe what we can do now, just to prevent the shuffling of papers, I'll just pause this, and we'll take a look at the photo album.

AL: Sure.

NP: And see if you have anything that you can tell us that will expand on the pictures. **[Audio pauses]** Ask the question. We've just taken a brief pause to get ready to discuss an artifact that the current manager of Mission Terminals, which is what the Searle Elevator in Thunder Bay now is after the Pool Elevator who took it over when you were talking about it closed down that elevator. And it's a black--. It looks like an unprofessionally bound photo album with the very distinctive Searle symbol on the front of it. We're going to go through this with Gus Leach to see if he can tell us more about the photographs because most of them just have very brief captions underneath. So the reverse page of the cover says, "Searle Grain Company--." Well, maybe you should say it because it's much nicer to have your voice.

**[1:05:23]**

AL: Sure. It's labelled, "Searle Grain Company conferences of executives and superintendents. July 28, 29, 30, 31, 1941, and August 13, 14, 1943." So the first page shows a group of men, looks like maybe 15 or so, outside the East Selkirk Elevator, July 29<sup>th</sup>, 1941.

NP: Now, perhaps what we should do, just because when we go back to marry this recording to the book, if we could just, when we speak about the photographs, make a comment on each of the photographs on a page, even if it's just to say, "We can't really see what's there." [Laughs]

AL: Okay.

NP: So that the picture that you just commented on, we'll call that photograph one, and photograph two is--?

AL: Photograph two is the entranceway to the East Selkirk Elevator that this conference must have been beside.

NP: Are you familiar with this elevator? Was it--?

AL: Yes. Actually, I forgot to mention that one of the earliest responsibilities that I had when I got into management was to be the superintendent for some of the elevators in the Winnipeg area. East Selkirk was one of them. Lower Fort Garry, Lebow, Arbour, Riverton, and two in the Winnipeg actual area. So I did that first. And my apologies, I forgot to mention that.

NP: Well, that's why it's wonderful to have these photographs because they can refresh your memory. Now where would the East Selkirk--?

AL: Okay. Selkirk is a community that is just north of Winnipeg, and East Selkirk was on the east side of the Red River. That's where the elevator was located.

NP: And the Lower Fort Garry one would have been on the west side of the river near the historic site?

AL: That's correct. Yeah.

NP: Okay.

AL: Okay, page two shows two more photos of the East Selkirk Elevator area. One is five men all looking up at the sky at something. [Laughing] And the other just shows it looks like a rock garden. I'm not sure where that was located. That doesn't ring any bell with me.

NP: Now going back to the first picture on page two then, there's the structure that's recognizable as a country elevator. What's this?

AL: That would be a storage bin that would be attached to the elevator so you'd be able to unload grain at the elevator and then transfer it across in a big pipe.

NP: So this would be excess storage would be why that was built?

AL: Yes, exactly.

NP: And we're looking at, I think, what was it, 1941?

AL: Looks like 1941, yeah.

NP: Yes. And that's when Canada had great crops, and the war, and they had additional storage everywhere.

AL: Yeah.

NP: Moving onto page three.

AL: Okay. Page three has two photos of the Searle Farm, and the Searle Farm was located adjacent to the East Selkirk Elevator. I forget the number of acres involved, but it was both a grain producing and cattle operation. The first photo shows a number of different buildings located in the actual heart of the farmyard. You can see the East Selkirk Elevator off in the distance. And then the second photo has this group of men—about 15 or so—just standing around having their picture taken.

**[1:10:03]**

NP: The Searle logo, any stories about it that you recall?

AL: No, I don't.

NP: Do you remember visiting the Searle Farm?

AL: Yes. I don't remember much about it, but, oh, Dad would take us out there occasionally when we were growing up.

NP: Who owned it?

AL: Searle Grain. Or did the Searle family? It might have been the Searle family.

NP: Was it managed by one of the members of the family, or was it a cooperative--?

AL: No. No, it was always an independent farm manager.

NP: Okay.

AL: Page four is two photos, one being a photo of some livestock around a pond, and the second being it's labelled, "The cattle barn and piggery." So obviously, hogs were also involved at the farm. The next page, which I guess, oh, page five, shows two more photos from the farm. "Bacon hogs and Yorkshires." A bunch of hogs just laying around, and beef cattle labelled, "Some of the short horns."

NP: Do you remember the animals at all?



AL: Not really. [Laughing] Page six. Searle Farms, the poultry house, and Cook's Creek, which is a creek that's in the general area. And page seven is the Searle Farms, two photos, and it says, "Sheep dog trials." So I suspect they were training some sheep dogs, and you can see one large group of sheep. Page eight, Lower Fort Garry. That's another of the elevators in the area. Again, a group of, I guess, the management all standing around. Then on the same page, Alcrest, which is the elevator that is on the south side—what was then the south side—of Winnipeg and shows it in the distance.

NP: Was Alcrest the name of the community?

AL: It must have been. Page nine shows another. It's labelled "Alcrest" and shows a group of the management, and the bottom picture, I guess, is the grain storage facilities at Alcrest.

NP: So again, a lot of those temporary storage bins. Quite a massive one in this instance.

AL: Yes, that's correct. The next page, which is ten, shows Fort William, July 30, 1941, and there's a group of the management outside the Royal Edward Hotel. Then a photo of what I guess would be the Searle, the grain terminal, on Mission Island.

NP: Across from Mission Island.

AL: Sorry. Yeah. Page 11 is two more photos labelled "Fort William," and one shows a vessel at the grain terminal. And the other--

NP: That's temporary storage.

AL: Okay.

NP: In Fort William at the time.

AL: In Fort William, yeah. Page 12 is labelled "Fort William." Only one photo on the page, and it looks like it's a group that has been having a meal outside adjacent to the terminal. And page 13 would be more of the same and shows L. C. Irwin—Les Irwin—who was the manager. Everybody or many are standing up, so maybe somebody was talking or--. Page 14 is labelled "Fort William," and there are three--. There's one photo of three: Stewart Searle Sr. with the pipe, and I think it's Jim Gilchrist in the middle, and probably Les Irwin on the left-hand side. Then underneath, Stewart Searle Sr., Uncle Stew as we called him, is

standing up addressing a group that is sitting around just outside the grain terminal. Page 15 is the man I think is Jim Gilchrist standing by himself with the terminal in the background.

**[1:15:38]**

NP: Now remind me of Mr. Gilchrist. I know you mentioned him in the tape.

AL: He married one of Granther's daughters. Then we come to page 16, which is blank. 17 says, "Winnipeg, August 13 and 14, 1943." No photos on this page. Page 18 shows a photo of, again, a group of 15 or 20 people, and it's labelled "J. M. Gilchrist's lawn, August 13, 1943." Oh, and "Hospitality." So this would probably be the senior managers in Searle Grain.

NP: So where did Mr. Gilchrist live? Would this be in Winnipeg?

AL: Yes. Along Wellington Crescent, which is one of the premiere housing streets in Winnipeg, many of the grain trade had houses there. My grandfather Norman Leach built, Stewart Searle Sr. built his, Jim Gilchrist, I think, was right next-door, and there were quite a number of large houses on the crescent. Page 19, the topic is "The major topic: storing and handling wheat," and then two photos, one saying, "Typical Searle temporary bin." You can see the Searle Elevator in the background and a couple of temporary storage facilities.

NP: Is this the East Selkirk one, or is it hard to tell from there?

AL: It's got a second elevator there, so I don't think it's East Selkirk.

NP: Okay.

AL: And then the next photo on that page it says, "Improved snow fence bin." So it was, I guess, a more up-to-date temporary storage. Page 20 is labelled "Searle Farms August 14, '43," and it's got two photos, one called "Sugar beets," and there's a group of the managers standing in front of sugar beets, and the second photo is "Searle Grain East Selkirk rock garden." So that, it's got a residence in the background. That's where the farm manager would have lived. Page 21, two photos, "Rock garden pool" with an individual standing there, and then the other it labelled "Searle Farms livestock," and it's got the management group and, oh, three or four head of cattle.

NP: So this looks like it might have been the rock garden we saw earlier, but now it's in full bloom.

AL: Yeah. Looks like it, yes. Page 22 is the Belgian horses, and it's got two photos, one being two horses and a cart, and the next one underneath just a bunch of horses grazing, and it looks like a few of the management group standing.

NP: Now, before you go on, why would the Searle family have a farm?

AL: I guess somebody decided that it would make sense. I don't know.

NP: Certainly gave them some practical experience in the growing of the products they handled.

AL: How true. Page 23, the top picture is labelled "The maternity ward," and it shows some cattle, and in the background it's probably the East Selkirk Elevator. Underneath, "Bacon for Britain," and you can see pictures of some hogs it looks like around the--. Maybe it's part of that rock garden. Page 24, "Searle Farms, the visitors," and it's that management group being photo-ed someplace on the property. Then the next one is labelled "Baldy" in quotes, "His progeny and the sheep." I suspect Baldy was probably one of the sheepdogs.

**[1:20:23]**

Page 25, "Farm buildings from elevator." So it's a photo of the Searle Farm buildings taken from, probably, the top of the East Selkirk Elevator. 26, "The drive into farm headquarters." Again, the farm buildings in the background taken from the elevator. Page 27, two photos of livestock labelled "Searle Farms, East Selkirk, July '43." This was obviously taken out of some book, and it's got two separate photos of different livestock, one of which is called "The Searle Princess." Page 28, "Searle Terminal Conference, Fort William 1950," and it shows there's a scale model of the Fort William grain terminal. Then a photo outside the same hotel of the management group standing in front of a bus. Next, page 29, "Searle Terminal Conference. Fort William, 1950." I don't know what building. That's probably part of the grain terminal, and each picture is that. Page 30, "Searle Terminal Conference, Fort William 1950." The top photo shows part of the grain terminal with some water, and then the bottom photo on page 30 shows the management group on a vessel. And Page 31, "Searle Terminal Conference, Fort William 1950," shows that same picture of the management group on a vessel, and then the second is on a lawn, I guess, beside the lake, and you can see the management group. There's the word "Searle," whether that's in flowers, but you can see it written, and there's a building in the background, which is probably part of the terminal building.

NP: That is the office building, and it's still standing. It's a lovely little building.

AL: Okay. Page 32, “Searle Terminal Conference, Fort William 1950.” Another view of that office building with the management group in front, and underneath it, a view of, well, three vessels at the harbour. It looks like one of them is a small, little, almost like a shuttle boat that seems to have a lot of heads in it, so maybe the management group had gone out for a bit of a boat ride. Oh, here it is on page 33. “The Searle Terminal Conference, Fort William 1950,” and you can see that boat from the previous page is called *Sightseer*, and you can see all the heads in it. Underneath it is an extract from, obviously, a newspaper entitled, “Searle Grain Company employees are honoured.” It talks about an informal banquet and gives a lot of names in the--. Yeah.

NP: If you just read perhaps the first two or three paragraphs because those names are important to history.

AL: Sure. It says, “Honours were due last night to the men who have and who will contribute much to the Lakehead’s grain industry as 100-odd employees, officials, and guests of the Searle Elevator Terminals here attended an informal banquet following a visit of 26 company officials from the west yesterday. President S. A. Searle of the Searle Grain Company in Winnipeg made presentations to company employees as their services were recognized at a Royal Edward Hotel banquet. Chairman was L. C. Irwin, superintendent of Searle Terminals.”

**[1:25:10]**

NP: Do you remember the history of Mr. Irwin? Where he was from or--?

AL: No, no.

NP: No. Okay. Good.

AL: And that is the--. Oh, and then there is a separate typed sheet. Two pages—a page and a half—of typing, which is pages 34 and 35 date August 29, 1947. It’s a memo to Ron Hicks, assistant foreman. It’s from L. C. Irwin. It gives him instructions as to--. Oh, there was going to be a meeting of the International Food Council at the terminal dock, and so it’s basically this memo is giving instructions as to what Ron Hicks should do to make sure everything is under control, and it’s clean.

NP: Great.

AL: And that is it.

NP: Yes. And I’m hoping or thinking that this might have been put together by Mr. Irwin, this little booklet.

AL: I think you're probably right.

NP: Yes. Who also kept a little diary, and that's also part of our collection. These photos have been scanned into our collection.

AL: Oh, okay.

NP: So that, actually--. Any reactions to the book?

AL: No, I've not seen it before, and it was obviously well before my time.

NP: Yes, yes. You were almost a teenager by that time. [Laughs]

AL: Well.

NP: In the later ones anyway.

AL: Yeah.

NP: I'm always pleased when someone has kept history safe in this fashion because its value, I don't think, really shines through until quite long after. Many of us have tossed out similar remembrances. In keeping with that thought, as we've talked on the telephone and through emails quite frequently, our group called Friends of Grain Elevators is attempting to preserve the history of Canada's international grain trade, and in particular the terminal elevators and Thunder Bay as an important part of that, at least in the last century. If we're successful in having that entity brought into being, what do you think is important to feature, to preserve for generations to come?

AL: Well, probably exactly what you've been talking with me about. Just what was the nature of the grain trade, and obviously the Thunder Bay component of it, because it was, and I guess still is, quite a strong component particularly of western Canada life.

NP: What often strikes me is it's almost a replacement for the fur trade.

AL: [Laughs]

NP: In the development of western Canada.

AL: That's true.

NP: The grain trade.

AL: Yeah, yeah.

NP: The commodity changed, the systems became much more complicated, but it was still flowing resources from one area through to another.

AL: Mmhmm. Mmhmm.

NP: Anything to add to our conversation here today?

AL: No. It certainly brought back a lot of memories and also brought back a realization that my memory isn't all that great in some areas. [Laughing] No, this has been very interesting.

NP: Do your children know about your family's important piece of the history?

AL: Sort of, but--. Well, the first of them was born in 1964—'64, '66, and '69—but even by the time they began to understand what was what, we had exited from the industry.

NP: Yeah. Well, then it would certainly be for their benefit to have the family's history in Canadian grain trade maintained.

AL: For sure. Yeah, yeah.

NP: Well, thank you very much. I'm going to exit the interview now with my official thanks--.

AL: Okay. Well, you're very welcome.

NP: For finding the time.

**End of interview.**