

**Narrator:** John Shaw (JS)

**Company Affiliations:** Shaw Bakery (Shaw Baking Company), Holsum Bread

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**Interviewer:** Ernie Epp (EE)

**Recorder:** Owen Marks (OM)

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**Summary:** Bakery owner John Shaw describes the operations of his family-run bakery from its inception in the early 1920s after the First World War. He recounts how his father and brothers got into the business, his earliest memories as a young boy doing the menial and dirty chores around the plant, and operations during the Second World War. He discusses other local bakery competition, the introduction of supermarket in-store bakeries, an attempted takeover by a rival local operator, and their joining into the Holsum Bread cooperative to stay competitive. Shaw describes many of the changes to the bakery operation over the years, including computerization, change in distribution from horse and wagon to vans and trucks, and equipment upgrading. Other topics discussed include their purchase of flour from Robin Hood Flour Mills, the story of the Weston family empire, contracts for McDonald's first northern Ontario stores, his rise to president of the family company, and difficulties staying afloat amongst mega supermarkets.

**Keywords:** Shaw's Bakery; Shaw's Baking Company; Bread baking; Food production; Food marketing; Food manufacturing; Food suppliers; Holsum Bread; Robin Hood Flour; Flour milling; Computerization; Labour unions; The Bakery, Confectionery, Tobacco Workers and Grain Millers International Union; George Weston Limited; Fort William; Port Arthur; World War II

Time, Speaker, Narrative
EE: Well, it's a real pleasure to be here with you this afternoon, Sandy, and perhaps we can start by your putting your name on the record, and then we'll continue.
JS: John Sanderson Wallace Shaw. How's that?
EE: Ah, I missed the Wallace before. So you have three?
JS: My mother's maiden name.

EE: I shall have to add that.

JS: Yes.

EE: Right. Well, let's go on for me to ask you how you came to work in some association with the grain industry, since that's where all of this ultimately ties in? But of course, you--. How did you get into baking?

JS: How did I get into baking? Well, my father, after--. Where do I begin here? Back in--. He was at Guelph Agricultural College. In 1916, the call came out to join the Canadian Field Artillery and expeditionary force, and off he went to war. So after the war, there was not room enough on the family farm for him. So through the magic of funerals and weddings, I discovered that he went to BC and logged, ended up in Saskatchewan, out of Edmonton looking for a homestead—which apparently you could get for \$1, I was told.

EE: This would be soldier settlement land, I suppose.

JS: Yes. And that was about 1920.

EE: Yes, I think so.

JS: It snowed, apparently, when they were well north of Edmonton, so they left there, and he ended up in Thunder Bay cutting pulp on the Black Bay Peninsula for Charlie Cox. And his brother Bob—my uncle Bob—had a bakery in Ottawa, and my father persuaded him to come to Thunder Bay where he would be away from the major competitors. That would be 1922. He claimed my dad sat in Charlie Cox's office for two days trying to get paid. And he didn't have a great affection for Charlie Cox in that he didn't look after his horses very well.

EE: And that would count against Charlie as well. [Laughing] I'm sure.

JS: Yes. So horses were more important to my dad than men were. [Laughing] He loved his horses, coming off a farm, and of course, having pulled his guns around France during the Second World War. He was at Vimy Ridge. So he persuaded his brother in 1922 to come to Thunder Bay, and he did that. There's a photograph of the Shaw's Bakery on Bronson Avenue in Ottawa, and my uncle brought the blueprint from that business to--. Or gave it to my dad and my uncle, and they dug the hole in 1922, and set up a little bakery. So what happened, how did I get into this game?

EE: Well, let's just pursue that for a moment then. A couple of questions. When your uncle--. Did he sell the bakery in Ottawa, or continue?

JS: He sold his interest. There's a photograph here I have of his partner.

EE: Of the bakery?

JS: Chap by the name of Mackey. So he sold his interests in Ottawa.

EE: And came here and--.

JS: It was known as Shaw's Bread because on the picture it says, "Shaw's Bread," and he brought the blueprint. I had the blueprint at one time. Gone now. But they used the same blueprint as they had used in Ottawa to build that building. It still exists.

EE: And which building was this?

JS: In Ottawa?

EE: No, the one that was built here. Is it--?

JS: Well, it's the original part of the bakery that's been expanded over time.

EE: On Algoma Street?

JS: Down on Algoma Street.

EE: On Algoma Street.

JS: So that was 1922, and I was born in 1936, so my early memories are of when I was 5 and 6 years old hanging around the bakery. 13 horses, bread wagons, house to house delivery.

EE: One horse per wagon, of course.

JS: Yes.

EE: Yeah.

JS: So it was just a natural outcropping. My first job was exercise boy. [Laughs] Take that horse up and down the back lane after the farrier would come in and put the shoes on the horses.

**[0:05:04]**

EE: And you were doing--.

JS: Sometimes there would be a lame horse, and the old farrier would sit there and eye the horse and then change the shoe. And then say, "Ok. You take that horse for a walk up and down the lane." [Laughs]

EE: To see whether the lameness would come out of it with a new shoe,

JS: Well, yes. And oddly enough, it would. He would take the lameness out.

EE: Really?

JS: So those are early memories.

EE: Yes. This would be, I suppose, in the late '40s, 12, 14 years of age? I mean 1948, 1950?

JS: Prior to that. I well remember my father. We had to be quiet when the news was on.

EE: What was he listening for?

JS: He would be listening to the news of the Second World War.

EE: Oh, yes. Well, you were 9 when the war ended, so that would be--.

JS: He would come flying off the couch yelling at the radio. [Laughing] About some of the stuff that Hitler was doing.

EE: Yeah. Denouncing the Fuhrer. Yes, I can well imagine.

JS: So I remember that well. So that would be '39, '36-'39. I'm 3 years old.

EE: Yes.

JS: The middle era.

EE: Well, the war ended in the spring of '45, so you would be--.

JS: So I would be--.

EE: Just short of 9 when it ended.

JS: Yes. So those years, fortunately my father would bring around some goodies—peanut butter and things he could get his hands on—and the neighbourhood kids certainly enjoyed that. [Laughing] That part of life.

EE: Not to mention the good stuff out of Shaw's Bakery as well, I would imagine as well.

JS: Yes, yes.

EE: Did your father know C. D. Howe well?

JS: Yes. He knew C. D. Howe.

EE: Because of course, he was a power in the land in those years. Minister of Defense Production and so on and so forth.

JS: Certainly.

EE: Shaw's Bakery wouldn't have played any part in the war effort, or would it have that you remember? What could it do?

JS: Well--.

EE: It could be faced with rationing concerns by any chance?

JS: Well, I do recall the bread was not sliced. No more blades for the slicing machine. It sat empty.

EE: Oh, really?

JS: And they were difficult times. I'd hardly see my father. He'd be gone at 4:00 in the morning, and he wouldn't come home until I was in bed as a kid. I'd see him on Sundays, but. A lot of the men were off at war, and others over building aircraft at the plant in Fort William, so difficult times. And the equipment was not good.

EE: Well, you're just suggesting that bread slicing was well established in the 20s and 30s, I suppose, but you couldn't get the blades for the machine then during these war years.

JS: Couldn't get any new equipment.

EE: Yeah. The steel was going into tanks and things, I suppose.

JS: I recall the old oven, an old Fletcher oven. A single lap oven with big trays probably, 15 feet in length and 5 feet wide. The bread pans would be put on those trays. Occasionally, the trays would pop off the sprockets, and my father would climb in—put on about four coats and wrap flour sacs around his head—then climb in with a crowbar and put the chain back on the sprocket.

EE: So this would still be fairly hot?

JS: Wouldn't let anyone else in. Hot, yes. They'd put fans in front of the oven to clear it, to bring the temperature down, but you had to get the thing back operating again because yeast doesn't know it's supposed to stop. [Laughs] It does the--. Because the oven is shut down, so he would climb in. He wouldn't ask anyone else to do it. He'd do it himself. Dangerous. I distinctly recall that. And then after the war, of course, they bought a new oven, and that old thing was torn out much to the glee of all.

EE: Went to scrap?

JS: And it began to make a little bit of money, which pleased everyone.

EE: Through the war period, it was lean?

**[0:10:01]**

JS: I recall that distinctly. Swede Johnson, the electrician, that was one of his first jobs when he came out of high school, pulling the wire to install the second oven that was put in, in the 1950s. He often talks about that. He'd tell me how hot it was, and how he didn't enjoy that job at all.

EE: No. So you began working full time?

JS: Some.

EE: There's high school to finish, I suppose, and so on and so forth.

JS: Yes. I was age 14 I began.

EE: 1950.

JS: I was working around the plant in the production office, washing wagons and trucks, greasing the bread racks. All kinds of little chores.

EE: There were lots of them.

JS: Were assigned to me. [Laughing] I was the bottom of the totem pole, so I'd get all the nice dirty jobs. Who would have thought of that? [Laughs]

EE: You were naive?

JS: But I didn't mind because, hey, I was getting paid.

EE: You said something earlier about your father's early passing. This was as early as 1952 you said. You were 16?

JS: That's correct. September.

EE: Now was his brother still there as well?

JS: Yes. Yes.

EE: So it didn't fall on you as--?

JS: No. Bob Shaw, he was the baker. He'd gone to the [inaudible] Institute of Baking in Chicago.

EE: What was it called?

JS: Robert Shaw the--. [... *audio skips*] My dad and my uncle Herb were the sales guys. So my uncle Bob passed away 1945. I remember that day very well.

EE: I daresay.

JS: So.

EE: And who took charge of the baking then?

JS: Well, then my aunt Alice. She was the bookkeeper—teacher from Ottawa—was the bookkeeper and she had a good business head, and then my father, of course, naturally gravitated into that.

EE: How large would the operation be in terms of people at that time?

JS: Oh, at that time? Probably--.

EE: Because you've got kind of a handful of people in the office almost, including yourself perhaps at the bottom doing everything that--.

JS: Probably 30-35, and then it slowly expanded with the growth.



EE: So then what would the ratio be, sort of something over--. [... *audio skips*] That not be the ratio.

JS: Well, there were 13 horses, and then there were some bread trucks in my era—trucks that hauled bread into the country.

EE: As early as 60 years ago already? So that suggests kind of half and half, maybe.

JS: Well--.

EE: 15, 16, 17 in the selling, and the same number then involved with the bakery itself, would it be?

JS: Yeah. The bread was—into the outlying communities—was shipped on the train. Take it down to CP [Canadian Pacific Railway] Station, that was another job. The CN [Canadian National Railway] or CP Station and offload product there. Some of it went directly to the Bradbury Grocery in Hornepayne, for example. Yeah. Spadoni's in White River. And then as time went on, salesmen were stationed in the various communities, and bread shipped out to them.

EE: Yes.

JS: And that grew in my era, to haul the bread ourselves. Like it was Freightways originally hauled the bread, Harvey Smith. He'd come. Send the truck to the plant, pick it up, and haul the product down as far as Marathon, dropping bread in the communities as he went.

EE: Yes. What was the market or the competitive situation like? Who else were selling bread in these years?

JS: Parnell's Baking Company. Right here. I have the--.

EE: Was this another local company?

JS: Wax wrapper. Yes.

EE: Parnell's.

JS: He was the major competitor, but there were quite a few bakers in that time.

EE: We still have small bakeries, but Parnell's would be the biggest?

JS: Star Bakery. They were all relatively small. Shaw's included.

EE: Shaw's, you would call Shaw's relatively--.

JS: Shaw's included. When they first came, the bakery was tiny. Small oven, [... *audio skips*] Yes. And some went out of business, and others probably didn't.

**[0:15:03]**

EE: What was involved in Shaw's growing gradually? Because you outlasted Parnell's, for example, I think. I don't recognize the name. I've been in town 32 years, so.

JS: I have this. There's some of the wax wrappers here that I have in these files.

EE: Oh, yeah.

JS: They're very interesting.

EE: Right.

JS: Somewhere. There you go. Parnell's Butternut Bread. The days of wax wrappers.

EE: Right. My wife's ears didn't perk up when I said something about saving these wax wrappers in the kitchen, but I remember those. And whether it was my mother or my grandmother Crohn—I lived with them, as I said, for three and a half years in Winnipeg—and whether she hung onto them. Because I certainly have seen wax wrappers reused, hung onto them--.

[... *audio skips*]

JS: Stylized writing on that package.

EE: Yes.

JS: There was a chap, a sign painter, by the name of Louis Adams. He lived across from the Country Club and had a sign shop down where the Balmoral--. Across from the Italian Hall. And Louis came in to talk to my dad, and said, "You should upgrade your image." He said, "Your image is not what it should be in today's day and age."

EE: When would this have been, in the '50s?

JS: Yes. 19--. It would have been in the early 50s. I recall this happening.

EE: So actually, would that be a date that--.

JS: The amusing part of the story is that Louis had gone to Chicago to a hockey game with Connie Parnell from the Parnell's Bakery, and he came back, and he said, "Here, Jack and Herb, look at this."

EE: Yeah. They're doing this down in the Windy City, eh?

JS: No. He says, "Look at this. I suggest that you change your image to--."

EE: Or he--.

[... *audio skips*]

JS: About while he was in a crab house, Shaw's Crab House. And I have in these files a little matchbox that has that very stylized writing. So--.

EE: So you ripped them off? [Laughing]

JS: So putting two and two together, I presume that Louis Adams and Connie Parnell—our great competitors—were down in Chicago at the hockey game, and Louis brought this matchbox back and came in and convinced my forefathers that they should change their image. [Laughs]

EE: Yeah. We might say for those who can't actually see this, that it's an S-H--. Well, the name is spelled out, and there's kind of a three-dimensional effect with a blue underlay, if you will. So it looks as if it's kind of a sandwich of bread on top of blue, and you

can see the blue from the right side looking at the name, and from below as well. So it's a--. This is interesting. If this is a date here by any chance, I see--. [... *audio skips*] 45? No, that's European style rather than American, so maybe it isn't, but it could be the 15<sup>th</sup> day of the 8<sup>th</sup> month of 1965, if that--.

JS: That's probably when it was printed, that roll of paper. Probably.

EE: Well, that is a good story. Image. Image is so much of this. Of course, that's one of the challenges. Everyone is producing the same product, presumably. How did you differentiate yours? How do you convince the housewife that you've got a better bread than someone else does.

JS: Well, through the wonderful world of advertising. [Laughing] I have some ads here. Here's one from the early days. It says—you'll get a kick out of this, Ernie—"Even Napoleon would never have won his battles if it had not been a civil war in his stomach. Physical breakdowns come from warring foods. Shaw's Bread is the great harmonizer. Eat it freely, several slices at every meal. Know that feeling of peace and contentment. The Shaw Baking Company Limited. Phone North 445." And there you have it.

EE: I like it. What's the date on that newspaper?

JS: Now, that would be not very acceptable today. And that is October 29, 1927.

EE: Oh, '27. So that's very early on indeed.

JS: Yes. Very early.

EE: Five years or so after they--.

JS: So here's a wonderful claim. [Laughing]

EE: Well, something as bland as bread—if you will—there's something to be said for that kind of soaking up acid and what not in the tummy. I can buy that.

**[0:20:00]**

JS: So you ask how you differentiate? Well, Napoleon was dragged into the whole scene. [Laughing]

EE: So the situation in the city as far as bakeries was concerned, was largely a matter of all of these individual bakeries for quite a while? Or another possibility, of course, is supermarket. Would you like to cut it off for a moment?

JS: Yeah.

**[Audio pauses]**

From the union complaining about one of the bakers in town.

EE: What's the date on the letter?

JS: The date is September 19, 1939. Bakery and Confectionary Workers International Union. They got a letter from the secretary Alex Montgomery, who is complaining that, "Sysco's Grocery on Hodder Avenue was selling White Star Bread for nine cents, and is giving a sucker with each loaf. Our men have tried their best to have this practice discontinued, but without avail. We would appreciate cooperation on this matter and would ask if you could try and persuade Mr. Brunetti to use his influence in this particular case. Hoping that you will try and cooperate in this matter as we are as desirous as you in trying to do away with this price cutting and cheap bread business. I remain, Alex Montgomery, Secretary." [... *audio skips*] Other---. [Coughs] Excuse me. Bakeries in the area, and there's a list of bakeries. And they did have, from what I can gather, a Master Bakers Association. So we had Bennett's Bakery, that belongs to Nucci's today.

EE: Yes, it does.

JS: Beacon's Bakery, Parnell's Bakery, Fort William Bread, Brunetti—who was the man selling the bread with the suckers. John Brunetti's father, probably. Twin City Bakery, Star Bakery, Thunder Bay Bakery. You had Martha's Bakery, Kivela's, Ideal Bakery, and the International Bakery. So there were plenty of bakers in the city at the time—both cities, Port Arthur and Fort William.

EE: Right, and this was 1939. Baking of bread was done—commercial baking of bread—was done entirely in these various bakeries, I guess. When would the first supermarket with its own bakery—ostensibly with a bakery because I gather that can be a bit of flim-flam in it's way too—when would that have appeared in the city?

JS: Oh. Probably the 1960s.

EE: So who was up here? A&P?

JS: Shop Easy. The Shop Easy stores came to town where Lowerys is up on Red River Road. That's one of their stores.

EE: Oh, it was a grocery store?

JS: It was a grocery store at one time. There's one in Fort William. I think it's--.

OM: Victoria Avenue.

JS: Victoria Avenue.

EE: Right. And did they do some of their own baking?

JS: They didn't do any of their own baking. That belonged to Weston's. It was part of the Weston empire, and they were shipping bread by train to their stores, and then--.

EE: Because Weston's would--.

[... *audio skips*]

JS: System which failed totally in that over the course of the winter, the trains did not run on schedule. So the bread would arrive a day late. I recall a chap by the name of Stan Johnson. I met him at a National Council of the Baking Industry.

EE: Convention?

JS: Convention, in Banff. And he was telling me what a disaster that was. [Laughs] This was long after my uncles and dad had passed away, so I knew nothing of that. But he was the gentleman that told me about that.

EE: Yeah. Because it wouldn't be easy—or rather, it would be difficult—to differentiate fresh bread from stuff that had come in a day or two late by train. [Laughs]

JS: Yes, yes. So the Loblaws store at Intercity, that was—to my knowledge—the first store with an in-store bakery.

EE: And Loblaws is also the Weston empire.

JS: And then Safeway's.

EE: And then Safeway came in from the west.

JS: Safeway's came in an opened in-store bakeries.

**[0:25:00]**

EE: Right. Did any large competitor enter the--. Because these bakeries—leaving aside now the supermarkets as they developed because they're from outside—all of these bakeries were locally owned.

JS: Yes.

EE: Did anyone come if from outside?

JS: Canada Bread, possibly Joe Bechta's. I'm telling you about that. He worked at--.

EE: You did say a little bit about it.

JS: He worked for Canada Bread when he--.

EE: Alan McGavin, I think you said. McGavin's Toastmaster, was it? That was Canada Bread?

JS: Yes. McGavin. That was Canada Bread. They built that plant on May Street, which I subsequently bought.

EE: Well, yes. We understand that Joe, as it happens, joined them in, was it, '61? And seven years later, Canada Bread was interested in taking you over.

JS: That's correct.

EE: What happened in that little commercial war?

JS: Interestingly enough, it all came out of a strike. Strangely enough, the union—that is the union that we had at the Shaw Baking Company and Parnell's Baking Company and McGavin Toastmaster—was the Bakery Confectionary and Tobacco Workers Union local 284. They all belonged to the same union and the same local. So during--.

EE: And they struck all of you at the same time?

JS: No. Interestingly enough--.

EE: So what did they do?

JS: Interestingly enough, the union voted to put the Shaw Baking Company on strike, and McGavin Toastmaster continued to function. They had a heyday, naturally, so--.

EE: Might I ask--.

JS: It was a protracted strike that went on, and at the end of it--. It's a long story because there was some inner workings of the whole thing.

EE: Sure. Well, I'd love to have you tell the whole story in a moment. I just wanted to ask was this a result of agreement with different expiry dates that they were taking advantage of?

JS: No. Oh--.

EE: So if yours expired sooner and they--.

JS: Good question.

EE: Well, why don't you tell the--.

JS: Good question. Answer: yes. Answer: yes. They had a different expiry date.



EE: A later one.

JS: Yes.

EE: So what's the--.

JS: But the--.

EE: What's the story?

JS: The interesting part of it was that the McGavin Toastmaster boys had a vote on what went on at our plant. So naturally, they voted to put our bakery on strike while they continued to work. [Laughs]

EE: now did they pay handsome strike pay to your workers while they were on strike then?

JS: Well, I don't--. There was strike pay, but it certainly wasn't handsome. Meanwhile, the boys over at McGavin Toastmaster were bringing in the sheaves. They were quite happy to be doing what they were doing, much to the displeasure of our employees. So the long and the short of that was when the strike was completed—it was a protracted strike, went on for about six weeks—so at the end of that--.

EE: You settled with--.

JS: I had a phone call from the manager of the plant, chap by the name of McGilverly. He wanted to meet with me, and we went down to McEwan's Pancake House and had a cup of coffee. And he said, "Alan McGavin has called me, and he wants to buy your bakery." I looked at him and said, "Phone him back and tell him I'll buy his bakery." And that was my brilliant business plan. [Laughing]

EE: You meant that was the extent of it?

JS: That was the extent.

EE: You hadn't planned in advance to make any--?

JS: I was so furious.

EE: I can imagine.

JS: I was so furious that I said to him, “You just call him back and tell him I’ll buy his plant.” And I stormed off. Mr. McGilvery at the time though, did share with me that there was a long-range plan to take us out of business, which was all very interesting. But in the end, we bought their plant. Moved all the production into our bakery. We weren’t making much money at the time.

EE: You’re glossing over how this actually transpired. [Laughs]

JS: Yes. There’s a lot. Yes, it’s a long story. But the bottom line was that we weren’t making much money. Probably lucky to make one and a half percent. And McGavin Toastmaster--.

**[0:30:05]**

EE: On invested capital?

JS: No, on--.

EE: Or on gross?

JS: On sales.

EE: On sales.

JS: And McGavin Toastmaster, I understand, were bleeding to death. They were taking some substantial losses, so he—that being Alan McGavin—wanted to get rid of us.

EE: Get some market power?

JS: Yes. Move production into his plant. So it worked the other way, and we had some very profitable years. So much production in the plant at the time, one day was running into the next.

EE: Yeah. How quickly did McGavin's say yes to you? Immediately?

JS: Didn't take long.

EE: Yeah.

JS: His son, as a matter of fact, arrived in town with an accountant and a chap by the name of Tommy Burto, who did all their union negotiating for them that I wasn't very attached to. I can share that with you because he was part of the-- He was one of the guys that engineered the strike, in my view.

EE: Because you felt, at the time, that the union was sort of complicit, if you will, or was being used. The local was being used against you to drive you out of business.

JS: Well, that's-- I don't know that they were totally aware of it, but certainly--.

EE: No. No, sort of innocent instruments.

JS: Certainly, since our-- You're correct. Our agreement expired, and the McGavin agreement had not. So they were entitled to continue to work, but the strange part of it was, as I was mentioning earlier, they had a vote on what went on in our plant.

EE: Yes. Right.

JS: Which certainly stuck in my craw. I could see no--.

EE: What would the numbers have been in the local? If you think in total number, what proportion of the total membership would have been your workers?

JS: Oh.

EE: Because I guess Parnell's was there and so on, so--.

JS: We had about 50, and Parnell's probably 20, and McGavin Toastmaster I'm not sure. Probably an equal number, 35 or so.

EE: Yeah. So you were actually bigger, you think, at the time? Was yours the biggest bakery in town?

JS: Yes. Yes.

EE: Right. Which would provide the basis for the takeover. Could I ask whether financing the takeover was a challenge or--?

JS: Well, the answer is Good chat with the banker.

EE: Yes, of course.

JS: And of course, with the added production coming in, all the fixed costs were covered, so the additional production drove the bottom line.

EE: Right. Who were you banking with, if I may ask?

JS: Pardon me?

EE: With whom were you banking, if I may ask?

JS: Banking with? Bank of Commerce.

EE: With the Bank of Commerce.

JS: Chap by the name of Jack Heal, I think. He was the bank manager.

EE: Right. And he was quite ready to see the--.

JS: So he was, well--.

EE: You were the biggest bakery. If you could buy out this interloper from the west, [laughs] your position would be stronger, quite clearly.

JS: Yes. He was all for it because their operation was being run out of Vancouver. So there wasn't much banking business for them, I would think, in the city here.

EE: Sure. Well, that's--.

JS: So he was--.

EE: And that's a concern of the branch.

JS: Yes. He probably--.

EE: What he loaned you was an asset of the bank.

JSL: Yes. It would be a feather in his cap.

EE: Of course.

JS: So he was all for it.

EE: Yeah. And this was in 1968, then, as I understand it from your former salesman.

JS: Yes.

EE: That you carried through the transaction and set off to make--. Shaw's would be the biggest bakery in the city.

JS: Yes. And Joe has told me on more than one occasion—this Joe Bechta, who ended up being one of our supervisors—but he was absolutely shocked that the arrangement went the way it did, that he became one of our employees as a result of that.

EE: Yes. Because I understand from him that there wasn't any reduction in workforce at the time, that you continued both bakeries and the delivery systems that existed and so on.

JS: Yes.

EE: Did all the rationalizing--.

JS: Yes, all the salesmen. We kept all the salesmen and continued to use their image for a while until we integrated it. The salesmen, they kept their routes per se, and then slowly we integrated them. Most of the employees—the bakers—came to work for us. The office staff, one or two gals came to work for the plant, worked in our plant. So.

**[0:35:01]**

EE: This was 1968, two years before the merger of a couple of cities. Now, you would be the Port Arthur bakery, and they were, I suppose, being sort of the Fort William, but have-everything-bakery. And you're smiling when I say that.

JS: Well, the interesting part of that was over the course of the summer, my father and my Uncle Herb would deliver bread down to the summer cottages, and there was a lot of product being sold house to house in that era. I had mentioned earlier to you that Weston's, through the Shop Easy stores, came to town and had difficulty penetrating this market. They didn't really understand that a good percentage of the product was being sold house to house and not going through the grocery stores. That was one of the reasons we were able to fend them off.

EE: Yes.

JS: Now, my father and my uncle Herb would deliver bread to these summer cottages, and there were a lot at Amethyst Harbour and Birch Beach. There were a lot of Fort William people that had summer cottages. So this was their introduction to Shaw's Bread. And they said, "Well, why--." These people that were at Birch Beach and some of them from Amethyst Harbour were saying, "Well, why don't you come to Fort William? Deliver your bread over there." Well, it was a long way by horse, but all right. They said, "We'll accommodate you." And started distribution of product in Fort William.

EE: So this would have been going on through the middle 60s then, I take it, or prior to the takeover.

JS: Well, yes. This was--.

EE: Or earlier?

JS: Oh, yes. This was earlier.

EE: Or even back in the '50s?

JS: This was way back in the '50s. So it was about, I think, 1957. I was at school, and a delegation from the Thunder Bay Chamber of Commerce came into the--. [... *audio skips*] 1957, and your horses that are coming back, running back from Fort William along Memorial Avenue, the horse would run off the pavement on the shoulder. And the salesman would count up his tickets and count his money and fall asleep! Have a nice little snooze while the horse dragged him back. And here was this delegation from the Chamber of Commerce saying, "Those horses are backing the cars up to Duluth, Minnesota, Herb Shaw, and we're having a lot of complaints about that. They can't get around the wagon."

EE: Because they weren't really under human control at that point.

JS: "So why don't you think about putting a truck on it rather than a horse?" And that sort of began the demise of the horses, the house-to-house delivery.

EE: I guess as long as you were delivering by horse and wagon, some of the--. [... *audio skips*] Do you think that delivering bread door to door was actually financially sound? Was it a good business to do?

JS: Well, in that era, it must have been because they made money! [Laughing] And it's interesting, the grain trade, I can tell you that--. I distinctly recall the oats, the feed bag that the horses got, and there was a lady on Elm Street who had a beautiful rose garden. For some strange reason the horse that worked that territory would pause. The pause that refreshes. He dumped in front of her house. She'd come out and scrape up the manure and had a wonderful rose garden up there, so. [Laughing]

EE: And that is another environmental dimension of the horse delivery all right! [Laughing]

JS: Yeah. So I'm sure she was happy to be a friend of the elevators.

[... *audio skips*]

EE: Yes, the door to door delivery is--. Had Shaw's pioneered that, or was it something that had happened in the city even earlier?

JS: It was done. Well, dairy, Wakefield's Dairy.

EE: Well, yes, of course. Milk delivery is something we were more familiar with, but--.

JS: Milk delivery was all done house to house, and the grocery stores were mostly family-owned little corner stores.

**[0:40:00]**

EE: Were there other products that were taken out? Well, I suppose, the family-owned grocery stores would provide home delivery for that matter if you telephoned, I suppose.

JS: Yes. Wood's Meat Market, for example, had a truck.

EE: Or Wilmot and Sidle is one store. spelling

JS: Wilmot and--. Yes, yes.

EE: I knew Ron Wilmott in his latter years, and they would provide home delivery for anyone who wanted it, I suppose, would they?

JS: That's correct. So it went the way of all flesh. As the supermarkets came in, people began to change their habits and drive to the supermarkets, leaving the--.

**[... audio skips]**

EE: Load the car up and haul it home and so on.

JS: Yes. So the game slowly changed.

EE: When did you give up home delivery or door to door sales?

JS: Well, that just triggered it. 1957, it slowly--. That was the demise of the Fort William horse and buggy, and then slowly--. What I did, I just, rather than lay off a bunch of men, we slowly consolidated the horse and buggy days.

EE: Sure.



JS: A man would find work elsewhere, so rather than hire someone to continue, we just said, “Here. Here’s another group of customers.” And human nature being what it is, he was well overloaded, so he’d slowly make sure that he lost sufficient customers to make his workday pleasant. And that process just continued [*.. audio skips*] And then to work on trucks.

EE: Sure. What’s you’re describing here initially is the abandonment of the horse and wagon and going over to truck.

JS: That’s correct.

EE: How long did the mechanized delivery of bread door to door go on?

JS: Well, initially we purchased Volkswagen trucks, and that carried on for probably—I’m not sure—probably three or four years. Slowly it vanished.

EE: Sure.

JS: And then all of the deliveries were made to the grocery stores and the supermarkets.

EE: So when I saw Shaw’s Holsum Bread on the A&P shelves starting in, well, we came to town in 1978, that was the way one would be buying bread by that time? It would be at the supermarket, or some other shop I suppose. You did retail sales at the bakery itself, of course.

JS: Well, that’s-- [*... audio skips*] United States we visited. My cousin and I went on a trip and visited some of the bakers in the United States and came across Holsum, which was a trade name that was used by a lot of family-owned bakeries with a Chicago head office. It was a cooperative set up out of Chicago. So there was a chap in Madison, Wisconsin that convinced me that I should explore this further. So I remember sitting in his office, and he asked me a question about my stale percentage. “What’s your stale percentage, Sandy?” he asked. And I couldn’t answer that for him. [Laughs] And he told me what his was.

EE: This was the--.

JS: And he has a much more--. His accounting system was much more [*... audio skips*] That’s correct. This was bread that we picked up from the grocery stores.

EE: Right.

JS: So this was 1970s. So we got in touch with this cooperative and asked what it was all about. They explained what they did, and they were a cooperative group that had all the resources at hand to keep the bakers competitive, that is they had a universal accounting system, they had an advertising program, they had production people that travelled the USA and Canada. Bennett's Bakery in Halifax was a member of this group. So they--.

EE: Did they also--.

JS: They had all the staff in place to assist the wholesale baker.

EE: Sure. Right.

JS: And that certainly was a big aid for us. And then we--. [... *audio skips*] Bakery at the time spelled W-H-O-L-E-S-O-M-E, and it was a natural fit because Holsum, the Holsum name that was owned by the cooperative group out of Chicago was spelled H-O-L-S-U-M.

**[0:45:23]**

EE: Yes.

JS: So it was just a natural fit. And they certainly--.

EE: And so you simply converted to that did you?

JS: Yes, we switched. We switched our image to Holsum and began using their advertising. And you were asking that question earlier about what keeps you competitive, and that was one of the big--.

EE: Right. Differentiating your product.

JS: Yes. That was one of the big things that we did to be a leader in the market.

EE: Were they helpful in buying as well, flour and so on and so forth, or not?

JS: Oddly enough, that's the one item they would not buy. We had a purchasing group, and that was the backbone of the whole cooperative thing. [... *audio skips*] Most of the things that we were using through the cooperative, and of course, the concept was that through bulk purchasing, it would get discounts from the suppliers.

EE: Market power again.

JS: Bags, pan oils, all of the things that bakers would use, and they bought. They had minor ingredients, salt. I could buy Windsor Salt from Windsor in Chicago cheaper than I could buy it in Windsor and Thunder Bay. Very strange. Flour was the one item that the cooperative did not buy, and the reason for that was the major ingredient—the biggest supplier that we had—and the reasoning was that if a bakery got into trouble, the whole cooperative could be in trouble. If a baker went bankrupt-- [... *audio skips*] We were all, we were left to buy our flour.

EE: I see. That's interesting. This is, of course, where it's important to talk to the top of the organization because I come away from the interview with Joe, if I may say so, with just the opposite impression. Of course, he didn't know the ins and outs of the Holsum organization, so it's not surprising that he thought in terms of the purchasing and getting the flour, but especially the flour. Did you deal with one flourmill throughout or--?

JS: Interesting. No. But at one point in time, the flour millers would help their customers. Example, the bulk flour system that we put in place. And there's some photographs in here of the first load of bulk flour that they had.

EE: Why don't you describe that in words for this recording?

**[Audio pauses]**

JS: The date was there.

OM: Try this now.

EE: Sure. I think it's started again. So--.

JS: So here's the picture, Ernie, of the first carload of bulk flour that came in about 19-- [... *audio skips*] Question about flour.

EE: I wondered whether you had arrangements with one flour mill all the way through or not.

JS: One flour miller. In this case, the Robin Hood Flour Mills assisted in the acquisition of the bulk flour system. The Robin Hood Flour Mills had a division in their company, an equipment division, and they would help bakers with used equipment. They would buy and sell equipment, help their customers in that manner, and also in the financing of bakery equipment in that some of the bankers didn't quite understand the inner working of a bakery. The Robin Hood Flour people, the mills, of course, understood well what was going on. So that was one of the ways that they would get us committed for a term on the usage until the equipment was paid off—maybe two years.

EE: Yeah. You'd have an exclusive arrangement with them?

JS: They would have exclusive supply with--. Of course, they would allow us to invite other quotations, but of course, the debt was there. So naturally, we did a lot of business with Robin Hood Flour Mills as a result of that.

**[0:50:00]**

EE: And they didn't take advantage of the debt to charge you more for the flour, I don't suppose. I mean, that would be counterproductive if they overcharged.

JS: Well, they wouldn't overcharge, but they weren't giving it away, certainly.

EE: No price reductions either.

JS: Which was fine with us. We knew what was going on in the marketplace. But we'd pay them a premium to enjoy the benefits of the efficiencies--.

**[... audio skips]**

EE: Differentiation, or the fact that it's a homogeneous product, that's even more true of flour, I suppose. Any mill that takes in, I want to say, something like No. 1 Northern—old fashioned designations for wheat—anyone who takes in that kind of wheat and mills it through, the end result is going to be just the same no matter what. Or am I wrong?

JS: Well, I'm sure you're right. [Laughing]

EE: So really if you bought from Robin Hood or from Five Roses or Lake of the Woods or--.

JS: Well, when we did join the W. E. Long Company, we'd send samples of flour to our lab. That was another little benefit we had.

EE: This was down in Chicago as well?

JS: Yes. We'd send samples of our flour to the W. E. Long lab that they had in Chicago, and they would send back the results. In that manner kept the flour mills supplying us with the flour to our specifications because of the protein. The protein could vary, and with that, the strength of the flour could cause us some grief in that if bread proofed up too quickly, you couldn't put it in the bag.

EE: No.

JS: So there would be a lot of manufacturing cripples as a result of that.

EE: Now this can relate to the wheat itself, varying qualities of wheat year by year, I guess.

JS: That's correct.

EE: Some has more--. Some crops--.

JS: That's correct. So what we would--. We had specifications with some tolerance levels, and we would ask the flour miller to supply us with flour to those specifications, which they did. Sometimes they would wander off, and we'd have to call them and say--. We'd send them our analysis out of the Chicago lab to say, "You're off base here, causing us some grief--."

[... *audio skips*]

EE: Even has too much protein. I suppose you can bring it down by mixing in some poorer grades of wheat, actually, at the milling, I suppose. [Laughing]

JS: Well, I'm sure that went on at the mill in the early days. When I became involved, we were manufacturing bread at the rate of about 20 loaves a minute. And we--.

EE: 1,200 an hour.

JS: Beefed that up to 60 loaves. A loaf of bread a second was coming off the line with various improvements that we made from time to time, none the least of which was the conversion of the oven when the gas pipeline came through. The Shaw Baking Company was the first gas installation.

EE: Really?

JS: Correct.

EE: You stood first in line and--?

JS: First in line. What had happened, two old boilers in the plant were condemned. The Sterling Brothers were putting in two new boilers. My uncle Herb and Alice anguished over having to put an addition on the plant to hold the two new boilers because the old boilers were condemned, and one of the problems was the gas pipeline had not arrived in Thunder Bay. They were tearing up streets and running the lines in, but the gas had not arrived. And here they got caught on the horns of a dilemma. The boilers had been condemned, so the answer to that was they had to put in a 2,000-gallon bulk fuel tank to start up the boilers.

EE: The boilers had been, what, coal burning or oil?

JS: They were coal burning, and now--.

EE: Right. And so you were going to convert to natural gas as fast as you could.

JS: Now they switched. They were hoping to switch immediately to natural gas, but the natural gas did not come in, and here my aunt and uncle had to install 2,000-gallon bulk--.

**[0:55:07]**

EE: Diesel fuel or--?

JS: Fuel. Bunker fuel oil it was that they burned for a few months until the gas came through. And then the next stage of that was a chap came out of Florida, Claude Miranda by name. He came and drilled holes in the tubes in the oven. You're familiar with convection ovens in the house, home?

EE: Vaguely.

JS: Little fan in the oven. Well, that's an offshoot of what this chap was doing. He put fans in the side of the oven to move the heat in the oven around very quickly around the pans. So the baking times could come down if you're following me. And he also drilled the tubes that were carrying the heat in the oven. Took a little quarter-inch drill and went along and drilled holes. In that, the fuel oil could not be transferred into the bowels of the oven or you'd contaminate the product. With natural gas, you could. So he drilled holes in the tubes.

EE: And let the heat move around better?

JS: And the heat--. Exactly. And then putting big blowers on the two sides of the oven. He had a hurricane going in the oven.

EE: Now did he go from bakery to bakery doing this himself?

JS: Yes. His whole life was--. He'd talk about--. He'd sit there and tell you about, well, Pittsburgh, and his whole life was ovens. He talked about Pittsburgh.

EE: Now did he come in and sell himself, or had you heard of him? And you heard about him out of Chicago or out of your--?

JS: Yeah, through the cooperative.

EE: Cooperative.

JS: He'd talk about, "In Chicago, I did this." It didn't matter what city. He'd talk about New York, up the coast. He'd name the bakery, and he would tell you what size of oven they had. He didn't tell you about the history of the town. He didn't tell you about the location of it being on a river. He didn't talk about the libraries. All he talked about the ovens that these bakers had in the various and sundry towns, which I thought was rather amusing.

EE: So one could conceivably map his movements across the country and relate them to the increase in output of the bakeries of the ovens that occurred after he got finished with his drill.

JS: One could probably do that. Claude Miranda, he was quite a character.

EE: So when did he get here roughly do you remember?

JS: Oh, jeez. Well, shortly after the gas pipelines came through there.

EE: Late 50s then?

JS: Yeah.

EE: Because that was what about '57 or '8?

JS: Yeah, in there.

EE: It followed on the terrible events of parliament in 1956 when the steel strike in the States prevented the steel becoming available, and C. D. Howe had won, and the Trans-Can pipeline was going to go to work that summer, and they--.

JS: Yes. Clare Mapledoram and the folly of the pipeline--.

EE: And all the rest of that kind of stuff.

JS: The pipeline debate and all the nonsense that went on around that. The boys--.

EE: The end result was more bread.

JS: Some of the boys had their hands in the cookie jar on that one, Mapledoram from Fort William included. [Laughing] Highly embarrassing to them all, I'm sure.

EE: Yeah. Well, I don't doubt it. It took years to live it down, I'm sure.

JS: So that's just a little aside of the many things that went on.

EE: Well, this would be among the changes that we can talk about later on. I'm not quite sure where we are in our questionnaire here. [Laughing] Owen, why don't you put one in and I'll--.



OM: Yeah. One question, Sandy. When you moved into Holsum, how did your bread product change?

JS: How did the--?

OM: You talked about stale factor and labs.

JS: Oh, that was basically the accounting.

OM: Right.

JS: Which--.

OM: But had the bread recipe changed at all from when you were providing--?

JS: Uh, no. No. Recipe didn't change.

EE: It was the same wholesome product you'd always had then?

JS: It's just a name change. But that, certainly, the cooperative certainly helped because in those days, I recall our accountant taking inventories once about every six months. He would take an inventory and take a statement off once a month. Well, the times moved along fairly slowly, and we weren't too concerned about keeping an eye on the bottom line. Then as competition increased, it became necessary in my era to begin taking off statements every four weeks. So I would take an inventory. We had our people take inventories off and close the books every four weeks to keep our eye on the--. The margins were slim.

**[1:00:29]**

EE: Sure. So the inventory would be what--.

JS: The baking business--.

EE: The amount of raw material in stock, the amount of bread that you were sending out and the amount that came back? What about stales, what do you do with them? Throw them out?

JS: No, we sold them through our thrift store at a discount. Some of it got thrown away, some of it went to--. Well, my old Uncle Bill of the early days, he had a thriving business going out the backs. Being a farmer himself, befriended all the farmers in the city of Thunder Bay, and the stale product that would come back, he'd put it in a flour bag—a paper flour bag—scale it on a scale, and sell it to the farmers for feed.

EE: Sure.

JS: Pig feed and whoever knows what.

EE: Pig feed particularly.

JS: So he--.

EE: I wonder if pigs do well on bread.

JS: My old--. Pardon me?

EE: Do pigs do well on bread?

JS: Well, in part.

EE: I guess it's as good as they're eating seeds of whatever sort. It would be grain.

JS: Not an entire diet.

EE: No, obviously not.

JS: I know there was one chap, a big farmer, who fed his pigs nothing but bakery product. The vet apparently scolded him for doing it because his pigs were having a bit of a problem. So he instructed him to supplement the diet with other feed grains. So he wasn't getting enough roughage. I think that was the issue.

EE: I can imagine.

JS: I can't quite recall. Anyway.

EE: So as you were saying, the accounting got tighter and tighter as you--.

JS: Yes, well then--.

EE: Did you computerize at some--?

JS: Pardon me?

EE: Did you computerize at some point?

JS: Yes. That was the next step, computerizing the bakery accounting. And then from there, we computerized the distribution of products. The salesmen ended up with computers and printers, which helped them in their accounting.

EE: Do you remember when this was happening? As early as the '70s?

JS: Oh, '70s. No. The '70s were--. The first bakery programs were, well, when computers first came on.

EE: Because they were fairly big machines through the '70s I would think.

JS: Yes. First came on stream in the 50s--.

EE: Because the personal computer is the--.

JS: In the late '50s, the huge IBM computers were in the universities.

EE: Yes. Well, I was going to say, the big ones are out of the 40s already.

JS: The big IBM computers. Filling rooms. Filling huge rooms--.

EE: And all the rest of them.

JS: And it wasn't until the microprocessors came on in the late, I'm going to say, '80s that--.

EE: Into the '80s, I think, the PC—the personal computer—appears.

JS: Yeah. So we had computers to do our bakery accounting, which is a big part of--. The bakery accounting and the sales are the--.

EE: Did you buy a--.

JS: Bigger portion of the bookkeeping that goes on in a bakery.

EE: Did you buy a mainframe for your--?

JS: Yes, we bought a--. Not a mainframe, but we bought a--. Wasn't called a mainframe, but the computer. There was a computer in the backroom that--.

EE: Yeah. Something IBM.

JS: I didn't have access to certainly. It wasn't until microprocessors came along that I had anything to do with it. But there was some training that had to go on with our staff, and the key punching.

EE: Yeah. The good old key punchers.

JS: Then through cards.

EE: Because that was certainly taking place in the '70s. Early '70s, this was the new sophistication, all those cards that could be punched and the machines that would read them and so on.

JS: Yes.

EE: University researchers were beginning to do that.

JS: Yes. So--.

EE: Did computerization reduce or increase your office staff, or did it change it very much? I mean the--.

**[1:05:00]**

JS: It increased the office staff oddly enough.

EE: It increased it actually?

JS: Yes.

EE: I wondered.

JS: But the benefits were in that--. There were certain benefits in that we had much better records as to what was going on in the business. Tracking the customers, knowing who their customers were, what volumes of business they were doing—which was very difficult to get with the quill and the ink well. So we very quickly learned who—through Pareto's Law—who the 20 percent of the customers were who were doing 80 percent of the business, and it was right on. In our case, it was 18. 18 percent of our customers did 80 percent of the business.

EE: Really? And who were you--?

JS: Pareto, have you heard of him?

EE: No, I'm not sure.

JS: A researcher. That was his law.

OM: That's the 80-20 factor?

JS: Yes.

OM: Yeah.

EE: I think of Pareto, but I don't think that's Pareto. This isn't the 19<sup>th</sup> century economist we're talking about, is it? Or is it?

JS: Could be. I don't know.

EE: Pareto, circa 1900. That long ago? Well, some of these basic principles, of course, could have been established by someone else--.

JS: twenty percent of the guys get eighty percent of the girls, I guess. [Laughing] And so on it goes.

EE: Lord knows! It beats me, I don't know. [Laughing]

JS: It would cascade out of the computer era.

EE: Right. Did this render your pricing practices more sophisticated? Or on what base had you decided on the price of a loaf earlier?

JS: Well, it's various and sundry prices, no question about that. One price fits all. That worked for many years. One price fits all. There was no discounting. And I recall running into Harley's Supermarket up in Dryden, and my friends Weston's were giving him a very healthy discount. Oh, that opened my eyes, and I developed a very loyal customer.

EE: When you undercut the Westons? [Laughs]

JS: One of Harley's major competitors, I went to him and asked him what kind of discount he was getting. And he wasn't getting anywhere near--. [... *audio skips*] Talk to Mr. Weston about enhancing his program. [Laughing] Which he did! And he was forever grateful to me. [Laughing]

EE: Now did he buy from you then as--?

JS: Yes! Yes. He gave me more space and bought more product and said, "Thank you very much. I love this." And that was the--.

EE: And it cut off Weston's, or he was buying from both?

JS: No, no. He continued to buy Weston's product because there was some demand for it with his customers, but he got a great kick out of that that I had helped him in enhancing his wallet. So that was the wellsprings of us then altering our system. There was some business that was done through bid. The hospitals, City of Thunder Bay, for example, would invite annual quotes, and we would--. [... *audio skips*] For pricing. The patron, the ship's chandler that looked after shipping, looked after these ships that would come to town. They enjoyed special pricing.

EE: This is the time when a competitive group, the bakers of the city—especially if they had an organization—would be severely tested in their capacity to work as a brotherhood.

JS: I've often wondered. I was mentioning earlier, those bakery names, and there was the group, the Master Bakers Association. One must look with a jaundiced eye with that and wonder what went on. And probably there was some discussion over pricing, I would think.

EE: I take it that wasn't happening later on when you were involved in this?

JS: Oh, there was some laws put in place that made it uncomfortable for those--. [... *audio skips*] I was never involved in any of that because I didn't relish the thought of doing time, as they say.

EE: No. No, it's very interesting. This has been one of my interests in Canadian history. I haven't written on the matter, but I certainly have read with interest. And the price spreads, mass buying that commission in the early '30s. What was his name? Harry Stephens out of Vancouver, the Conservative, who drove this on in the Bennett days. There's some very interesting testimony, and lay people I don't think appreciate fully the fact—or readers of history—that a businessman doesn't want to go to jail. In fact, the businessman would prefer not to be before the bar in court charged with things. And so I think that even Canadian law, weak as it was, still, I think, did serve as a deterrent to some of this behaviour. Admittedly, if you have a number of places that want bids, a very quiet agreement that, "You put in the lower bid at the city--."

[... *audio skips*]

[1:10:54]

JS: Sure, it did. In my era--.

EE: I have a suspicious mind in this area.

JS: In my era no, I do--. I read--. The Weston's have a book—you would be interested in that—called *The Bread Men*. In fact, I bought it in the Montreal airport, and I have written in it that, “These guys can't even sell their book at full retail value.” [Laughing] Because I bought it for about 50 percent off. But a very interesting story about all the Weston empire. Very secretive. The Safeway stores, the Loblaw stores—they had many arms of the business, and no one really knew what was going on but them themselves. It was a Jewish stockbroker in Montreal, as I recall, that pieced the whole Weston empire together merely by asking questions and researching, Who was on the director of this company? Who was the on the director of that company?” And eventually pieced together the Weston--. [... *audio skips*] There was a problem with Weston's empire in their wholesale houses. You may recall this. A&P in their--.

EE: Yeah, vaguely.

JS: Produce department, I think. Some of their people were seeing that the margins were proper in that end of the game, and they got into some serious trouble over that. And the story goes that the people in the Weston empire were anguishing over this. “If we end up in court, questions are going to be asked about Loblaws and Shop Easy and E. B. Eddy Company and the Stroehmann Baking Company in the United States.” Their English companies. The face of the Weston empire would be exposed, and they anguished over this. And they finally came to the decision that, “Well, we better come clean before we end up in court.” And they were desperately concerned about the price of their stock. “What will happen? What will happen? Our stock will go down.”

EE: In the stock markets. The shares.

JS: In the stock market, the shares. “What will happen with our individual holdings?”

EE: Oh, yes. There's always that ultimately.

JS: Yes. And “What will happen? What about our stock options that we're holding?” Oh, they just--. They couldn't stomach the thought of having to come clean, but the horror of having to go before the courts and have it all come out there transcended what they were anguishing over, and they decided that what they would do is come clean. The result of that was that the masses looked at this and said, “Good lord, do you know they own--? I need a piece of this!” [Laughing] People rushed to buy George Weston's shares, and the stock shot up. Most amusing tale.

EE: And so they turned in their options and sold the shares that they got for them and so on. Banked--.



JS: So you may be aware of that. I don't know.

EE: I'm not actually. I'm just enjoying the story. But this book was written some time ago, the one you're describing?

JS: I gave it to one of my American friends because the Stroehmann Baking Company was large in the East Coast of the United States of America.

EE: Sure. The bread--.

JS: They sold it.

EE: *The Bread Men*, is that the title?

JS: It's called *The Bread Men*. So he was--.

EE: I'll try that on Abe Books to see what comes up.

**[1:15:03]**

JS: Jim Apple in Sunbury, Pennsylvania, I think, was the chap that I gave it too because there was a chap that worked for Weston's. He was a vicious competitor, and they transferred him down into--. [... *audio skips*] Their own baking company were having trouble in the marketplace down there. Talking to him, I said, "Jim, you should understand what you're facing here." He thanked me, and he probably still has the book to my knowledge. Anyway, the long and the short of it was that the Stroehmann Baking Company was sold to Bimbo, a Mexican outfit.

EE: Yes. Right.

JS: So they got out the baking business, that arm of the business, in the United States, but they're a huge corporation. Interesting that my friend Jim Apple in Sunbury, Pennsylvania told me this. [Laughs] He's quite a character. He told me that Sunbury, Pennsylvania was a Luftwaffe airbase during the Second World War, and the people in Sunbury, Pennsylvania didn't know it. [Laughs] Kidding.

EE: Yes, yes, yes.

JS: He says, “This is my sleepy town.”

EE: Pennsylvania has a lot of different people in it.

JS: Anyways. A character.

EE: What about the varieties of bread? Leaving aside now the attempt to differentiate your white bread from someone else’s. Was the business largely in white bread initially? And did it then--.

JS: Yes. Yes.

EE: Become more diversified?

JS: Yes. The white bread was the big issue. Interesting. The grain trade--. All the elevators along the waterfront, and all the employees carried lunch buckets. Then along came the fast-food operators, and slowly lunch buckets disappeared. So the major item was white bread, and that, we would bring in a carload of white flour, and that would last approximately three and a half, four weeks.

EE: This is one of those Robin Hood carloads, eh?

JS: Yes. Robin Hood Flour. The rest of the flour all came in 100-pound bags. Whole wheat, 20 percent of the product line. Rye, rye bread. 100 percent whole wheat. All these different varieties.

EE: That complicated the baking operation a good deal, I would imagine, when you’re using different kinds of breads.

JS: Correct.

EE: You weren’t eager to do it if you could avoid it, I suppose. [Laughs]

JS: Well, yes. If you could only make one product, you could highly automate it. That’s the success story of McDonald’s. Our plant--.

[... *audio skips*]

EE: Millions of inedible buns.

JS: Our plant could run 320 buns a minute. 320 to 4--. The machine was set up to knock off 400 hamburger buns or hotdog buns—individual buns—a minute.

EE: [Laughs] Now this was a machine you bought to fill that business?

JS: A machine that--. Yes, yes. The fast-food business. [... *audio skips*] Run 4 times 3. 1,200 buns a minute, and then they expanded the head that knocked the buns off to six pockets. So they had 6 times--. Well, 6--. 1,800 buns. 1,800 buns a minute would be coming off their line. You'd stand in the bakery in Chicago and watch this. And that's, of course, all they made.

EE: Yeah, just--. Sure.

JS: So tremendously efficient with one--. Well, they had two or three varieties of buns—smalls, their regular hamburger bun, and then their Big Mac bun—but there weren't--. One, two, I guess, they had three types of buns with sesame seeds on some of them, which was simple enough to do at the end of the line. But--. [... *audio skips*] Our plant, it would slow the production line down, and they were more costly to make, naturally, and the flour was more expensive.

EE: Yes. Did you do some of this business here in the city? Buns?

JS: Oh, sure.

EE: For--?

JS: Oh, for McDonald's. Yes.

EE: For McDonald's?

JS: Oh, yeah. We had--.

EE: A&W, I suppose?

JS: Yeah. We had McDonald's business at one point in time.

**[1:20:03]**

EE: And then someone else got it, or they began bringing in buns or--?

JS: Well, that's an interesting story. Sent a gentleman up from the United States of America who went through our bakery and wasn't overly pleased with what we were doing. And I looked at him and said, "I've been in your plant in Toronto," and I explained--. [Laughs] He said, "You can't get in there. Nobody gets in there." I said, "I've been in your plant," and I told him what equipment he had, and I was aware that we were going to lose the business. I said, "Hey, you don't have to go through this process of telling me that--."

EE: Yeah. He was sent up to close down the account, and to use whatever pretext that would do it.

JS: Yes. I said to him, "You don't need to do that. I know who you are because it's gone on in the States. My friends at the W. B. Long company have told me this is what you do." And he looked at me embarrassed. He wanted to know who got me into the plant, and I said, "I went in as a hydro inspector." But the chap that--. I was introduced as an inspector, but it was the equipment salesman who took me in.

EE: To show you what fine stuff he had down there?

JS: Yes. Showed me, yes. [Laughing]

EE: And to sell you the same thing on the smaller scale up here?

JS: "I'll get you into the plant," and he showed me all the equipment he'd sold them. He swore me to secrecy. He said, "Don't ever tell them that I was behind it." But--. [... *audio skips*] Through the door, "Who's this guy?" "Oh, he's just some guy with Hydro. He wants to look at some of the wiring and the set up in there. He'll be back." So, in we went. Harold Parker. Dead and gone. Nice guy. [Laughing]

EE: So you scrapped the machine, or you found someone else to buy your buns?

JS: No, no, no. We kept her. McDonald's, it was a good account, but we had plenty--.

EE: But not the only business.

JS: No, no, no. As a matter of fact, they would have us submit to them our pricing on the products that we were shipping to them, and they would invite the other bakers to send in their pricing, and then they would come back and say, "Oh, your sugar prices are a little high. The price of your polyethylene is a little high. Bring that down." So they put--.

EE: Nickel and dimed you.

JS: Yes. So when the production went out through the door, which was probably four hours of production a week that went into McDonald plants, all the McDonald operations in northwestern Ontario which we were supplying—Fort Frances, Dryden, operations here. Three and a half, four hours of production a week got lobbed off our plant. Did not alter the bottom line one bit. So all I was doing was--. Unaware. Unaware, but there was no profit in it. We were just wearing out our equipment and paying people.

EE: Wears you down in the process.

JS: Yeah. Wearing down the equipment, wearing down the employees, of course. They were--. It was the employees that were making--. They were gaining their daily bread. But the plant was not making a penny. It did not affect the bottom line at all, much to our amusement and horror. [Laughing]

EE: Yes. Horror at what had been happening earlier.

JS: Yes. How foolish could we be here? Anyway, most interesting.

EE: Yeah. This is really getting very close to the heart of a business operation, of course—and I hesitate to ask these kinds of questions—but when you're describing this particular contract and its consequences, the cost accounting which was being encouraged by your cooperative and your arriving at a measure of your profitability year by year and so on and so forth--.

JS: In answer to your--.

EE: To the unspoken question, almost.

JS: In answer to your question—your earlier question—yes. McDonald’s were enjoying a better price than what other customers were enjoying.

EE: And still putting the boots to you.

JS: Based on volumes. So yeah. While we were aware of overall--. That particular product line was examined closely enough to say, “Hey, are we making any money on this?” Because that’s what they did. They just said, “Hey.” They would grind. They would grind--.

**[1:25:18]**

EE: Push you around.

JS: Hence their success. So McDonald’s do not own bakeries.

EE: They literally don’t, eh?

JS: They do not own bakeries.

EE: Well, this big thing in Chicago you were describing, someone else owns that and sells?

JS: That’s correct. They didn’t want to be in the bakery business. They were in the business of running their little operations, and they run them very well. But the suppliers know they didn’t want to be in the game of supplying themselves. They could do better getting an investor to set up a bun plant, and--.

EE: Sure. But would they interfere in the operations of the bakery that that investor’s established for them by looking at practically all the costs that go into in and then nickel and diming him down?

JS: Well--.

EE: They’re not baking, but they sure as heck as pretending to run that. Well, they’re running the place in a certain sense.

JS: They had a wonderful little gal that came out of Toronto. She subsequently ended up buying a McDonald's franchise. But she was the gal that would come and do her inspections in the plant, and she would also come to the bakery to see that our formulas were being adhered to by their standards and that the sanitation systems were in place so that they wouldn't end up in any lawsuits as a result of something we were doing as a supplier. They were very vigilant about what they did. So that was her little task.

EE: Right. Quality inspection, I suppose. Plus.

JS: QSC. Quality, Service, and Consumer--. Whatever their--. QSC. McDonald's--.

EE: It was actually a company with that name?

JS: No. McDonald's, that was McDonald's little--. They had their people live by that standard.

EE: We're running out of time, are we?

OM: Half an hour.

EE: Half an hour. [Laughing]

JS: Half an hour. Well.

EE: I think I might ask about changes. We have been talking about you describing various changes that took place. And why don't we talk about changes and challenges, and then I'm going to come back to some of these questions that were in the questionnaire earlier about what might interest people and so on and so forth. I think it's more useful given your years of experience. Because you were involved with the bakery for more than half a century, actually. You sold your interest in, did you say, 2001?

JS: Yes.

EE: And you'd been, what, sole proprietor for--? Or were you sole proprietor?

JS: Oh, no, no. No, no, no. I was not sole proprietor. My father and his brothers, it was 11 on his side of the family.

EE: Ok. And so it was a corporation with shares.

JS: We will take you back to that era. An interesting story there. My father and his brother, Herb Shaw, were here digging the basement, seeing that the plant got put in shape. His brother is running a bakery in Ottawa 1922, and all the brothers and sisters put what little they had into the bakery because they were convinced this might be not a bad investment. Now, it's haying season. They're taking the crops off in Navan, Ontario, at the family farm. My uncle Bill was there, my uncle Jim, Uncle Ed, and Uncle Oz. And my grandmother comes down with a telegram, "Send more money. We have the bakery up. We need money for wagons and horses." And now the brothers are all looking at one another askance. "What should we do?"

I hear these stories at weddings and funerals. So my uncle Jim, he said, "I stuck my pitchfork in the ground down in that field." He pointed at the thing as I was visiting the family farm. "I stuck my pitchfork in the ground, and I said, 'I'll send my money.'" And the eldest brother, my uncle William—my uncle Bill, wonderful old guy—he said, "I stuck my pitchfork in the ground and said, 'I'll send my money.'" And then another brother, he stuck his pitchfork in, and he said, "I'll send my money." And then my uncle Ozzy, he was the doubting Thomas. He got on the train and came up to Thunder Bay and looked to see what had gone on. He wasn't about to put any more of his money in until he could see if this thing was actually going to come to fruition.

**[1:30:45]**

EE: And he ended up putting it in too?

JS: Yes. He put in a little bit. So what happened was-- We're talking about \$250, \$300, which was a lot of money that they were anteing up. So they, the brothers and sisters, became shareholders. And then of course, when they passed away, they—through their wills—passed their shares onto their children.

EE: Because they were actually paper, the shares? They were actually--.

JS: Yes. There were 300 shares in the business.

EE: 300 shares, right.

JS: So those shares got watered down over the course of time.

EE: Or they--.



JS: So I held about 18 percent.

EE: Or they accrued in value?

JS: Did they--? Question?

EE: They increased in value, I would think. You said watered down.

JS: Oh, yes. Oh, sure. Well, the shareholdings rather than the shareholders increased.

EE: Ok, sure.

JS: The shareholders increased, but the shareholdings stayed the same.

EE: Right. Yes.

JS: So now I'm dealing with—as time went on—I'm dealing with more shareholders, which can be a problem in a family business.

EE: Yes, indeed.

JS: Times were good when they were receiving dividend cheques, and then as competition increased and business was not generating the profits they expected, now there are no dividend cheques.

EE: Did you have--.

JS: And now, “Mr. Shaw, Mr. Sandy Shaw, what are you doing going down to these meetings in Chicago enjoying yourself and not sending me any money?”

EE: Spending money!

JS: So those are the little things you end up dealing with in a family-owned business.

EE: Sure.

JS: It can be unpleasant.

EE: Annual shareholders meetings took place?

JS: Annual shareholders meetings, yes, with the board.

EE: There was a board of directors?

JS: Yes. Cousins. My cousin Don Nelson was a shareholder—of Weiler Maloney Nelson. And he was a great source of comfort for me and assistance. Gold medal graduate in his class out of LTI. He went to LTI here.

EE: Oh, yes. Lakehead Technical Institute.

JS: Lakehead Technical Institute. He was dispatched here at the age of about 14 when my uncle died in 1948. His mother and father said, “Don, go to Thunder Bay and live with your aunt. She’s by herself.” So he arrived here and went to Port Arthur Collegiate, went to LTI, moved on to engineering in Queen’s University, and discovered a by-product of what we’re talking about here. The wonderful hops that were flowing through the system in the form of beer, and he enjoyed himself to the extent that he failed his engineering degree or failed his engineering classes and switched to law.

EE: And was more successful there?

JS: And graduated at the top of his class as a gold medalist, and certainly he enjoyed litigation with the engineering folk that he tangled with because he had a bit of a background in that. [Laughing] He was most amused with that. But he ended up in a partnership with Weiler—Weiler, Maloney, Nelson—so how do I--.

EE: Which was quite a firm, thinking of Weiler and Maloney. [Laughs]

JS: So he was a great deal of assistance.

EE: Nothing like having a good lawyer on your side who--.

JS: Well, his brother was a director in the company. He did not become a director, but he certainly helped me in many ways.

EE: Yes. But you--.

**[1:35:01]**

JS: I can still hear his voice ringing in my ear. “Why this bill, Cousin Don? Why so much?” “Well,” he says, “I discounted the bill somewhat, but I’m going to charge you.” “Why is that?” “Because then you’ll do what I tell you.” [Laughing]

EE: Right.

JS: Anyway. That’s how--.

EE: So you became the managing director, I suppose, then were you?

JS: Yes. Over time.

EE: Because of course, that used to be a good honourable title in Canadian business, managing director. I guess it got displaced over years and--. [... *audio skips*] Yeah.

JS: CEO. I preferred the general manager title.

EE: Sure, and president as well?

JS: President.

EE: And general--.

JS: President and general manager seemed to--.

EE: A nice combination.

JS: Seemed to impress the odd customer for some strange reason.

EE: When did you rise to that position?

JS: Oh. When my aunt passed away. I went to Ryerson, Ryerson Institute of Technology, and came back in 1958, and she died on Christmas Day on me.

EE: Wasn't called for.

JS: So now my uncle Herb, he became the president.

EE: She had been the one in the office, the power in the office, eh?

JS: Yes. She was the accountant, looked after that.

EE: And so you were then pushed into the--?

JS: No, no. No, no. It was my uncle Herb that became the president, so it was a long while after that. He sort of sat in the driver's seat. It just evolved.

EE: Sometime in the '70s then, I take it, gradually, would it be?

JS: Yeah.

EE: Which would be on towards 30 years then that you--.

JS: Well, it was. Yeah.

EE: '71--.

JS: Yes, my uncle Herb--. Yes, it would be.

EE: 25, 30 years.

JS: Well, it was in the '70s when I was--. '68, in that era. I pretty well took [inaudible] running the show. Well, I had a lot of good people.

EE: You always need good people.

JS: I was not the genius that was driving the whole thing. We had a lot of good people. I had their interest at--. A lot of good stakeholders, Joe Bechta being one of them.

EE: Well, the better the people around you are, the better you'll look, and the more you can boast about at the end of the year if you choose to boast.

JS: Yes.

EE: It's almost just as well not to.

JS: I learned that along the way. Hire people that are brighter than I ever--. [... *audio skips*] Even.

EE: Yeah.

JS: And see that they got them done, helped them with their objectives. And that's basically the system that I used, how I operated the empire.

EE: Right. If you were to look back over that 25 to 30 years of managing the business, what would you focus as the major changes that happened at various points? We talked about, what, computerization and the ability to cost control more efficiently as one example, but there'd be others as well.

JS: Well, that was--. There was a big change in the distribution system, going from the horse and buggy era into bread trucks. Small ones at first, the Volkswagens, and then larger Holsum vans that we bought. So there was more sales. One salesman was capable of--.

[... *audio skips*]

EE: There wasn't a salesman going out with a van load or whatever, truckload of bread door to door? Did that stop at a certain point?

JS: Well, we were covering that. Yes. As I was saying earlier, we made a conscious decision to slowly shrink the house-to-house operation.

EE: It sounded like attrition and--.

JS: Yeah. We did it through attrition rather than making an announcement that, "No longer will we be delivering product to you house to house." There'd be a backlash. There would be customers saying, "What are you doing? I relied on you all these years, and now what are you doing?" We just let it slowly die a natural death. And assimilated the salesmen into the--. Bought trucks for them and then those Volkswagens--.

EE: Was there a district--.

JS: Those Volkswagen trucks were replaced with Holsum vans, and the business then was switching from the ma-and-pa grocery--. [... *audio skips*] I was mentioning earlier about product being delivered in--.

**[1:40:07]**

EE: Those waxed--.

JS: In wax wrappers. Bread was going out in cartons, 16 loaf bread cartons. Here's a photo for you.

EE: Oh, yeah.

JS: There's a picture of--.

EE: So, it's a box. A cardboard box as you were--.

JS: Cardboard box that was--. The bread was shipped out of town in a cardboard box, 16 loaves of bread to a box. It had a divider in it so the bread wasn't squashed. This is a particular photograph here of--. You mentioned in our introductory remarks here the Styffe tugs. There's a photo of me and Gary Smith. What I'm doing there is loading a tug. There was a washout in Nipigon. The

railroad tracks were washed out, and now how do we get our product down to all the poor starving people in--. [... *audio skips*]  
Through Bert Styffe that I knew very well, hired his tug, and--.

EE: And out it went.

JS: Loaded it full. Loaded the tug with bread and took it down to Rosspport. "Saving the customers on the north shore of Lake Superior from starvation," I have written on this little photograph.

EE: Bread, the staff of life, being taken--.

JS: "Sending bread to Rosspport due to the washout on the Nipigon highway for delivery along the north shore." So that's what we did. When the tug arrived in Rosspport, the question was asked, "Where's the rest of the provisions?" [Laughing] "Where's the meat? Where are the eggs?" "No, this is Shaw's tug."

EE: This is only Shaw's Bakery! [Laughing]

JS: "We rented this tug from Styffe's and that's it. That's what you get." So once again, you were mentioning earlier, what did you do to sustain the business? These are some of the things that we did.

EE: Sure. And--.

JS: And it--.

EE: Imaginative enterprising.

JS: Customers, most appreciative--. [... *audio skips*] That were in the background. That sustained the operation. So the transporting of bread in 16-loaf cartons with mixed product going out on Lakehead Freightways vans, the bread would end up in their warehouse and sometimes damaged. The cardboard cartons would get broken.

EE: Because you'd have to seal them carefully to forward them.

JS: Tied. They were tied. And Mr. Smith, his interest--. Our interest was in getting the product there first thing in the morning.

EE: Yes.

JS: You can have all the excuses in the world, but when the chef in the restaurant reaches up, he wants slices of bread to put in his toaster. He doesn't want to hear--. [... *audio skips*] The toast to serve his eggs. Customers in the grocery stores wanted the bread there, and they just expected it to be there.

EE: And Mr. Smith understood that?

JS: Well, Mr. Smith, he was hauling all kinds of goods and meat. He would haul meat, and there was always warehouses full. There was sufficient meat for a few days in the grocery stores.

EE: But not--.

JS: Canned goods. Sufficient goods for a week. Not bread. Bread was expected to be there on a daily basis as pretty well milk.

EE: Sure.

JS: So we ended up buying a transport truck and doing our own hauling. That was a big change. Computerization, you mentioned that. Certainly, yes, that was a big change. And at the same time, as we were expanding into the northwestern Ontario market as a result of the purchase of transport trucks, now we make our own [... *audio skips*] For us into Dryden, Kenora, Fort Frances, and all the way down the north shore as far as Wawa. All the small towns. White River. I recall driving across the ice before the bridge across White Lake was built. Drove across to visit Spadoni and talk to him about becoming a customer off of our truck distribution system rather than off the rails. He was most pleased because we shipped the bread to him on the train, and it was the train in the wintertime was not too reliable.

**[1:45:16]**

EE: Oh, right.

JS: And the same thing going up into Geraldton, Longlac.

EE: So you had truck drivers that ran the north shore there in the wintertime up and down those hills, eh?



JS: Yes. Cavers Hill. Ooh.

EE: Even when the--.

[... *audio skips*]

JS: They would hit a moose. A lot of damage to the vehicles.

EE: I can imagine. The business remained a good one to your retirement?

JS: Well, the last, when Weston's put their Superstore in the middle of the city here, that put a little dent in our armour.

EE: Do they bake there as well?

JS: They have an in-store bakery, yes.

EE: But they also--.

JS: So there were in-store bakeries that cropped up.

EE: Well, Safeway has them as well and so on and so forth. Because I understand that there's a bit of flim-flam here, that some of it is fresh coming out of their bakery, but not a lot of stuff. And I know--.

JS: Yes.

EE: Buying Canada Bread or City Bread out of Winnipeg, and obviously that--.

JS: Exactly. Yes.

EE: Yes. It's not fresh.

JS: Sure. No. Well, it's overnight, so it's not bad.

EE: Well, no. And rye bread and whatnot, you don't mind if it's a little older for that matter.

JS: Yeah. Well, there was some honour among the thieves here also because a lot of the independent grocers---. [... *audio skips*] Distribution system on. And, "Oh, we're not here to hurt you, we just want our little share." [Laughs] They'd be happy to drag us right out of business. They own the Valu-mart stores down in these small towns. What they had done is open these Valu-mart stores in all the small towns, independent. They're independently owned but controlled by Weston's through their wholesale.

EE: Supplied by--.

JS: Supply. So these businesses would not allow us through the doors, and of course, the little independent grocers in those towns would not allow Weston's into their stores in return. So as I say, some honour among the thieves. Tit-for-tat. So fortunately, there were a lot of little independents, independent grocers in those towns that supported us.

EE: Who felt loyal to you.

JS: Or we would have been out a lot earlier. But the last few years, it was difficult to make money. I was turning over about \$7 million, and we would walk away with a couple hundred grand. A bread truck today, a Holsum aluminum-bodied van, would cost you \$100,000. So we couldn't--. What was happening was we could not replace plant and equipment with the resources at hand. And of course, bankers get upset. So I decided I was going to move on.

EE: And the family decided soon afterwards. The directors decided to wrap it up.

JS: Well, under my urgings. A consortium bought the business. They thought they could make it go, but unfortunately, not long after I left it went into receivership. Sad day.

[... *audio skips*]

EE: The bakery.

JS: You'd have to ask those who attempted to do that. I walked out the door and tipped my hat and never went back. Thank you very much. [Laughs] See you later!

EE: Right. Looking back on the years you spent at Shaw's Bakery, what would you like people to know about the work that you did?

JS: What would I like--? [Laughs]

EE: These are those kind of wrap-up questions.

JS: Well, good lord. Maybe you should have [inaudible] or something. [Laughing]

EE: Or maybe what might interest or surprise people most about what you did?

JS: Good question. I'd have to give that some thought. What would surprise? Surprise. Oh, Ernie, I--.

EE: Or what are you most proud of?

JS: I don't know. I don't know. I had a lot of fun. I'll tell you--.

[... *audio skips*]

EE: Optimistic person.

JS: 450 customers, and of those I can name about two that annoyed me to no end. Most of them were wonderful people. It was a joy. Every day different. New challenges every day.

[1:50:09]

EE: No typical day?

JS: No, there was never a typical day. Enjoyed--. Accept today's challenge. I had a little thing on my desk, it said, "Do it now. Do it right now." [Laughing]

EE: And you'd never live up to that.

JS: And on the flipside of it, it said, “Accept today’s challenge.” I’d look at that when the world was crumbling around me. But lots of fun. Lots of joy. Lots of good times, some not too good.

EE: Yeah.

JS: But generally, a lot of fun.

EE: Did the economic ups and downs, let’s say, the interest rate depression of the early 80s—to be really blunt, Paul Volcker’s [US Federal Reserve] actions, or John Crow’s in the early 90s—did they impact the bakery very much, or is that a pretty steady business?

JS: Oh. Well, a very steady business. The problem was, of course, to get the price increases when all that volatility was going on.

EE: Inflation in the ‘70s.

JS: That was difficult. We had these contracts in place that I mentioned earlier with the City of Thunder Bay, for example. I had to go hat in hand and talk to the city, and say, “I need your help here.”

EE: Yeah. Just can’t survive with the--.

JS: This contractual arrangement we had isn’t working very well! [Laughs] And they were sympathetic.

EE: Did flour jump in the ’72/’73 when there was that terrific inflation?

JS: Oh, yes. Flour was volatile. Flour was bouncing around, and it was very difficult to stay on top of our costs as a result of that.

EE: You didn’t have long-term contracts on flour, I take it?

JS: At that time, no.

EE: When those old peak oil shocks, and there were other things--.

JS: That’s right.

EE: Prices on farms went crazy in the early '70s as well.

JS: That's right. We did not have long--. We were buying hand to mouth hoping, as those price increases were coming one after another—we were not contracting for our flour—hoping, of course, for a reversal.

EE: Yes, of course.

JS: Then we were getting caught in the continuing rises.

EE: Right. Yeah.

JS: So there was some unpleasant times, some losses. Red ink being splashed around the plant, which makes one kind of nervous.

EE: Yes.

JS: Sleepless nights. No doubt about that.

EE: Well, I think we probably have to wrap it up. Have to, I'm going to say. We're running out of time on the card, darn it! [Laughing] Because this has been very, very interesting, Sandy, and I'm very grateful for your giving us the time, and your candor, and the pleasure, of course, in the business.

JS: My pleasure, sir.

EE: It's been great. Thanks very much for telling us all of this.

JS: Good.

OM: Excellent. I think Ernie and I were talking when Ernie was driving me home--. We're off now. It's not recording. I don't--.

**End of interview.**