

E.H. Price Limited - 40 Years Old!

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for their input.

The Price organization passed an important milestone in its history in June 1989. Although business began in 1946, it was on June 24, 1949 that our company was officially incorporated as E.H. Price Limited.

To mark the 40th birthday of E.H. Price Limited, we thought it appropriate to recount the history of the company in brief, and provide some early photographs and memorabilia from the past forty years.

On April 1, 1946 our company began under the name Chester & Price, when our founder, Mr. E.H. Price purchased the assets and rights to an agency business operated by Mr. Frank L. Chester. The principle activity of the agency was the distribution and sale of products manufactured by Hart & Cooley Manufacturing Company. The first office was located at 222 Bannatyne Avenue in Winnipeg, near the centre of Winnipeg's wholesale district and reasonably close to the main thoroughfares of Portage & Main. Although Hart & Cooley was the principle line represented, new lines were rapidly added in 1946, including Maid O'Mist and Farr air filters. Our sales territory at that date covered Manitoba, Saskatchewan and Alberta to the west and Thunder Bay, Ontario to the east.

In 1947, the business had expanded to include engineering and consulting work for architects, schoolboards, industrial accounts and others. However, the consulting work was discontinued in a few years' time and activity was focused on the expansion of the company as an equipment supplier to the heating, ventilating and air conditioning industry.

In the fall of 1948, Margaret St. Marie, who retired in 1988, joined the staff, followed shortly thereafter by Gerry Law. Margaret handled accounting, invoicing, purchasing, stenographic and internal office administration, while Gerry was Sales Manager (as well as the only salesman).

Early in 1950 it was decided that the company should open an office in Edmonton, and Gerry Law moved west to become the first Branch Manager. About this time, Angus Miller joined the company as full time Accountant. A few short weeks after establishing operations in Edmonton, the 1950 Winnipeg flood inundated Winnipeg, disrupting communications and shipping between Head Office and our first branch. In the fall of 1950, plans were made to proceed with a new office and warehouse at Winnipeg's McArthur and Dewdney Street location. The building provided 2,500 sq. ft. of space, one third office and two thirds warehouse. Angus Miller assumed the added duties of shipping, receiving, warehouse management and purchasing in addition to his accounting responsibilities. Talk about wearing a lot of hats!

The new Alberta operation prospered in the '50's, and additional branch offices were planned and opened up progressively as the years went by - in chronological sequence - Winnipeg (1946), Edmonton (1950), Vancouver (1952), Calgary (1953) and Regina (1957).

By 1960, the company was well established in Western Canada. Over the preceding decade as manufacturers' representatives in the HVAC industry, we had earned a respected name in the industry by handling, distributing and selling quality items, while at all times maintaining the most ethical standards as well as excellent services by branches and the men that manned them.

In 1960, we acquired a five-acre parcel of land in East Kildonan on Golspie Street and erected a 7,500 sq. ft. office and warehouse building. During the '50's, we had been selling our residential air distribution products to the wholesale jobbers under the name E.H. Price Limited, while our commercial air distribution products had been sold through a separate division of the company which operated under the name Patricia Engineering. To create a better separation between the two activities of the company, our new building on Golspie street was intended to house E.H. Price Limited, leaving our Dewdney office free to house Patricia Engineering, which dealt with the commercial bid and spec products. The new Golspie building was built larger than our needs at the time, in order to provide for future expansion and to allow us to earn rental income in the meantime. We needed a tenant to share the building with us. Thus began our association with Acme Manufacturing.

Acme Manufacturing, a Richardson Company, distributed and serviced hydraulic presses purchased from war assets, as well as designed and produced special machinery to suit customer requirements. Acme had on staff a number of experts in the hydraulics field, notably Albert Hagman and his son, Jack. Acme was then located on Watt Street in East Kildonan, and was looking for new space to rent. An arrangement was reached between the companies, and Acme and ourselves moved into our new Golspie Street building in September, 1960.

By 1961, matters were coming to a head insofar as our relationship with Hart & Cooley was concerned. We needed to find a more reliable supplier, and a review of candidate companies led us to select Titus Manufacturing Company of Waterloo, Iowa as our new supplier. Our initial intentions were simply to replace Hart & Cooley with Titus products; however, it was shortly realized that with this change, we would have the opportunity to get into manufacturing ourselves. To this end, E.H. Price, Jack Hagman and H.L. Birch, principle partner of Birch, Finley, McFarlane & Company, our auditor at the time and financial advisor since 1946, visited Titus in Waterloo, Iowa in June of 1961 to negotiate a manufacturing licensing agreement. This marked the end of our era with the Hart & Cooley Manufacturing Company, an association which had lasted 15 years.

Our decision to manufacture arose from our belief that we could supply superior products and services at a reasonable price. In order to get our manufacturing venture off on the right footing, it was necessary to draw manufacturing know-how into the firm. Thanks to our association with Acme Manufacturing, this was readily achieved by E.H. Price Limited and Acme Manufacturing joining forces to form our new manufacturing firm, Price Acme of Canada Limited. The new company had the financial backing of James Richardson & Sons, Limited, together with E.H. Price Limited's capital. E.H. Price was named President of the new company, and Alex Scott became Superintendent. Engineering and manufacturing know-how was contributed by Albert and Jack Hagman, formerly of Acme Manufacturing, Doug Wallis became Plant Manager and Hudson Lytle, Controller.

A 13,680 sq. ft. addition was built onto our then one-year old Golspie building in July 1961, bringing our total space up to 20,400 sq. ft. for the manufacturing area, extrusion mill and offices. The press itself was a Farquhar type extrusion press obtained from Titus. Although the official opening of the plant took place on March 23, 1962, the first extrusion run out on the new press took place at 11:45 a.m. on December 11, 1961, and manufactured products began rolling off the assembly line shortly thereafter.

When Alex Scott, Superintendent of our Winnipeg plant from 1961 to 1976, retired from the manufacturing division of the company, Jack Hagman wrote a letter to Alex and recalled some of the early trials and tribulations of "growing" our manufacturing operation from scratch. Jack never did send the letter to Alex, and we are very pleased that Jack has given us this letter to publish at this time, to provide additional insight into the early days of our manufacturing operation in Winnipeg.

"Now that one of the founders of E.H. Price's manufacturing division is about to retire I think we should share with our employees some of the things that happened in those early days. I am sure, Mr. Scott, you will remember most of these events and non-events.

Let's start with the fall of 1961. I was still with Acme Mfg. and didn't formally join Price Acme (we were called that then) until Jan. 1, 1962. You were out the back with me as we anxiously awaited the arrival of the extrusion press from Titus' Waterloo, Iowa plant. We weren't just idly waiting but busy building the first Butler building extension to the original plant. I also had the toolmakers in town busy making dies for the day when we would be making grilles. I think Doug Wallis was busy

setting up the office routines and cooking up a price list for the grilles we were about to make. I am sure that would have been our Sales Department's viewpoint of the price lists, anyway. Thank goodness they have always kept us striving for improvements and I'm sure they were doing it then. Keep it up, fellows. Somebody must have been looking after ordering manufacturing materials such as billets as it was there when we needed them.

My dad, yourself and myself eventually got all the manufacturing machinery ordered. Dad was busy drawing up carts, jigs, etc. that we were going to need. Ben Rebhan was soon hired to build some of this equipment and Peter Friesen was also soon busy making tools. Who was the fellow from Dewdney who wanted to know why the carts were so heavy when we were only using them for aluminum?

Finally the extrusion press arrived. Good Lord, look at the truck loads of junk! How are we ever going to get that stuff working again? Well, there is only one way. Let's get it unloaded and sorted out. It sure was a cold windy fall day when we did unload the stuff. Remember the fellow from the Elmwood Herald standing on the roof waiting to get a picture of the crane unloading the press itself. He came down off the roof to get warm. He was no sooner down and the crane swung the press in place. That was the first of the finicky tricks the old press played on us.

Top priority then was to close in the building in order that we could begin putting the press together. This was soon accomplished. Bud, Titus maintenance man, and Hal, Titus press operator, arrived to give us a hand.

Their arrival heralded some very long days for you and I and them. Seven in the morning until midnight or later. Their motive, to get home for Christmas; ours - that great sales force anxiously waiting for us to get started in order they could have something to sell. They haven't changed much since then, have they!

Bud was a very outgoing person. Remember how he used to twang the tie rods of the Butler building and that set up a great racket in the steel building. Startling, to say the least at 11 p.m. Remember all the chicken dinners sent in at night just to allow us to keep the process going. No pizzas those days. Bud used to say if he had one more chicken dinner he wouldn't need an airplane to go home, he would just flap his arms.

Remember the day we finally went to wash our coveralls at the laundromat. Bud threw in the bleach. The coveralls came out looking like army camoflaugue clothing but clean and shrunk. The washer - good Lord, the graphite didn't go out with the water but stuck to the side of the washer. We didn't have anything to clean it out with. Quick into the dryer with the stuff. We made it without getting caught. Pity the poor owner.

We had some characters helping us then. Ray from Kelvin Electric and that Irish gas pipe fitter from who knows where. The Irish fellow's favorite joke was that he was such a plutocrat that where he came from Mickey Mouse was known as Michael the Rodent. Straight corn stuff, eh!

Finally the day came that we were going to start the extrusion press. Ray was up on top of the extrusion head under the oil tanks putting clamps on the electrical lines. Ray was a swarthy looking Latin type. Bud started up the motors and everything was going fine. Finally we put some pressure on the lines. One of the stainless lines separated and oil started pouring out all over the place. Fifty gallons a minute. Ray slithered out of there like you wouldn't believe - covered in oil. That was enough for him that day. We never got a dry cleaning bill, did we?

Well, we finally got the press cleaned and put back together and we were ready to try extruding. The first extrusion ever in Manitoba! The die was 112 blade for supply grilles. Our Irish pipe fitter was at the head of the press watching. The extrusion finally came out. His comment was - "That's what all the fuss was about" - and walked away.

The second billet was cold and guess what we needed. The die that was rather popular for a while. I am sure you remember the "failure die". Bud's comment after that was - "Well that's that, let's go home", and that's what they did, never to be seen in Winnipeg again. Now began the great manufacturing adventure.

We had an official opening with Mr. Guerney Evans, Manitoba's Minister of Trade & Commerce, to push the button to start the extrusion process. We stopped the extrusion process with a billet in the container when the Minister began his blessing. Mr. Price, the Titus brothers and Mr. George Richardson were present and God knows who else. The blessing seemed to go on forever with the billet getting colder all the time. Would we have to resort to the failure die again? Finally the blessing was over and I put Mr. Evan's finger on the right button. He pushed it.

Hallelujah - everything went just fine. That was one time the press never let us down. Of course we never let on we were anxious over the delay.

One little incident I forgot to mention before about the coveralls. Who was the fellow who was using the cut-off torch and didn't realize the bottom of the coveralls were on fire until he was half way up the aisle to the washroom[?] I won't tell, will you?

Remember the first commercial customer's extrusion we made. That's right, the louver V blade on top of Winnipeg airport. We made it for Rogers I think. There was a couple of fellows in the front office who tried their hand at extrusion drawing with this order. They soon gave that up and Karl Felsen appeared on the scene. I am sure you, Karl and I remember who they were and we probably still have the drawings filed away.

Well anyway, that extrusion was a real tough one and would be to this day but we didn't know it. We broke a few dies first and finally got that sorted out. Then we couldn't keep the shape we required. Off I went to Brown & Rutherfords and had some 4 x 4's sawed to shape. We put these forms the full length of the stretch table and stretched the extrusion over the forms. It was the first and last time we had to do that.

We finally had nice stacks of extrusion all over the place. They sure nested nice, didn't they. Finally we started packing the stuff for shipping. What was all that white stuff on the extrusions[?] Corrosion on extrusions from being tightly nested on the floor! My goodness, let's try Bon Ami!! We sure had lots of that V blade around, didn't we. On

top of the washroom roof, etc., until we finally sawed it up. Those louvers still look pretty good on top of the airport and I have seen them many times over the years.

In the meantime we were also getting the other manufacturing process going. There wasn't too much in the way of untoward things happening there, was there? I can remember a financial crisis we had at that time. I think we had spent \$25,000 more than was budgeted for. Good old Mr. Birch, our accountant, came up with the right answer. He just called it pre-production expenses and that was the last I heard of it.

Well, back to the Extrusion Dept.; that's where all the action was. It wasn't long before we discovered we couldn't wait 30 days for the extrusion to naturally age harden. We needed an aging oven. Are those louvers still up there?

We tried an electric oven but finally decided to take the plunge and buy a second hand gas oven. Off I went to Chatham, Ont. and bought it. It finally arrived on a truck. Good Lord, what's all that rusty junk on that truck. Oh - didn't I tell you it was close to some anodizing tanks. Well, let's get the trucks unloaded and sorted out.

I think this was Ziggy's first job to put that thing together and paint it quick. It was pretty near a perfect assembly job except for the last two panels that had to be fitted in, out of sequence I think. Remember Ziggy!! When we finally got it assembled and painted it looked great and worked great. Now we were in the extrusion business.

In those days window sections were hollow sections and very hard to extrude. The old press started to develop cracks because of the very hard work on these sections. Well, I finally decided we couldn't carry on with these sections and said we were not going to do it anymore. Cy Deane's heart sank to his knees but being the salesman he is he carried on and got the window manufacturers switched to simpler shapes which was to their benefit and ours.

We had our wise men from the East, too. Two extrusion foremen that I am sure you remember. Stan Moore - he wanted to tie up our extrusion scrap with aluminum wire and use that as billets. We never had his vision or courage to try it, now did we. Jim Milne, he was the fellow who used to shut the extrusion plant down, line all the fellows up in a row and tick them all off and then send them back to work. He used to stress quality, for which we were thankful. After all this, our time and efforts were switched more to the grille manufacture.

We had our triumphs and trials there, too. Who were the two fellows who had to lacquer some grilles for shipment during one of our shutdowns. They started out alright and sprayed the lacquer but then it started to pebble. Quick, get a rag and wipe it off! Try again! My goodness, same thing!

How were they to know it was supposed to do that. They were the only french polished grilles E.H. Price ever sent out. So much for painting.

We were always involved in adding buildings to our plant it seemed. Sometimes it was little bits and what seemed to us at the time great chunks, but we were soon back at it again. Mr. Price even had us put in

the plumbing for a woman's washroom in our very first addition. This was all below grade and was in anticipation of having women factory workers. When we finally did get around to this we never used this plumbing as by that time it was in the wrong place. You know where we put their washroom? Yes, where we used to have our office. Startling, isn't it.

Enough of the rambling - let's get back to 1962.

Ray Nieson from Titus came up to help us get started in making grilles.
Mr. Don Titus always said we could assemble them on top of the desk but
we had jigs, etc. Was that only a sales pitch by Don?? Of course our first stock run was for all the wrong sizes and they were around for a long time, but that was to be expected.

Our greatest problem with the stock run was in the finishing tanks, as I remember. After we had physically located the tanks in the building which at that time, and to this very day, dictated how our material flowed through the plant, our next problem was to be the de-smut tank. Remember how it went right through our brass shut off valve and down the drain. Well you can't think of everything. Then we had all those spotty etch problems to work out with Neil Lawrence. Good job somebody took us serious in those days.

As I remember, Peter Plett and Fred Fraser had joined us from the Butler construction crew to start off our first stock run of grilles. They have been with us ever since, as you are well aware.

I even had a job description in those days. What did it say?

It wasn't long before we discovered we couldn't survive importing dampers from Titus and were set on the road to making an aluminum damper. This proved a failure because of the design of the product. Our first taste of real defeat.

It wasn't all bad though because we were then forced to start making steel products. This decision brought Don Adamson from Vancouver to help out. It was at this time I remember talking to Hud Lytle about what it was going to cost us to get into this phase of the business. Hud was the company Controller at that time. Despite Hud's concern Mr. Price persisted and away we went with a new phase of the business.

There are many more stories we could tell about the last 17 years but we don't want to give away all our secrets now, do we?"

Sales people love a good incentive or challenge. With a fledgeling manufacturing operation underway in Winnipeg, there became an urgent need to penetrate new markets all across Canada and bring in the necessary volume to support the factory. With our sales presence well established in Western Canada, the obvious area to pursue was the East. New sales offices were opened in Toronto in 1961 and Montreal in 1962, followed shortly thereafter with branches in Ottawa in 1964 and London in 1966.

As our market penetration increased across Canada, factory production kept pace through the addition of new equipment, tooling and facilities to support our growing sales network. A good indication of this growth from a manufacturing perspective is evident from looking at the multitude of factory additions in Winnipeg since Price Acme was launched in 1961.

Beginning from an initial plant area of 20,400 sq. ft. in 1961, additions were built in 1963, April '64, May '64, Sept '64, Aug '65, Dec '65, 1967, and 1969, bringing the Winnipeg plant area up to a total of 60,315 sq. ft. by the end of 1969.

We first began to make a concerted effort to expand into ceiling systems and architectural products in the mid '60's. A number of orders of varying sizes were secured in various cities across Canada. However, we made an immediate leap into the big leagues with our securing the ceiling system order for the new head office building for James Richardson & Sons, Limited in Winnipeg in 1967. The thirty-two storey Richardson Building ceiling order represented Price Companies' largest sale to date as of 1968, and indicated to all that the company had the expertise to become a major player in the architectural products industry.

Our A-line ceiling system was chosen for special recognition by the Manitoba Design Institute and received the 1968 Award of Excellence, in recognition of outstanding design. The integrated feature of the product which provided for the air distribution functional needs without compromising the architectural requirements, combined with flexible peripheral treatments and contemporary architectural flavour, all contributed to this award.

In an effort to better penetrate our Eastern Canadian market, and provide manufacturing space for new product lines, another major step in manufacturing was taken in the '60's. In August, 1966, we purchased a factory in Montreal from the Crump Sheet Metal Company. This acquisition added another dimension to our production capabilities by providing space and

tooling for the manufacture of air mixing units, air volume regulators, dual induction units and terminal units under license to Buensod Stacey Corporation, as well as louvers under license to the Airolite Company.

By 1970, it became evident that additional manufacturing space would be needed in Eastern Canada to support our growing market penetration in the East, and to provide more breadth in our manufacture of terminal units and louvers. As well, it was felt that we needed our own laboratory to provide sales engineering support and product development of our ever increasing line of air distribution products. With this as our rationale, construction of a new factory and laboratory was undertaken in St. Jerome, Quebec in 1970. The new facility had a total area of 42,150 sq. ft. for production, laboratory and offices.

The launch of our laboratory in St. Jerome in 1970 was clearly a major step forward for the company. Many benefits of a laboratory can be listed, but when all is said and done, the main benefit can be summed up by two words - "more sales". In the early years of our lab, it was stated that "we haven't had a failure from any demonstration or test as to the acceptance of existing products or the acceptance of any new product which replaced the one the visitor to the lab had specified". The lab quickly became one of the greatest tools at our salesmen's disposal, and the above statement is as true today as it was in the early '70's when it was first made./

1970 saw the beginnings of a new vinyl extrusion division with an extrusion press being located in our Winnipeg Sales Office at 65 Dewdney Ave. The new venture had enormous potential but technical difficulties prompted a reassessment and the operation was subsequently closed in 1971.

1970 also saw the launching of our own self haul operation with the purchase of two 24-foot trailers for shipping product east and west. Manufactured products from Winnipeg were shipped east, while aluminum billets required for the extrusion operation were shipped back to Winnipeg. Our self-haul operation ran on an uninterrupted basis for almost 10 years, and probably was our single best effort from an advertising point of view. Employees and customers alike commented on the "rolling billboard" advertising the E.H. Price Limited name across Canada.

The company made a major step forward in the extrusion business in 1972, by teaming up with Alcan to form Alcan-Price Extrusions Limited, a joint venture between Price Acme of Canada Limited and Alcan Canada Products Limited. Since the onset of our manufacturing activities in Winnipeg in 1961, the Winnipeg extrusion press was the focal point for our manufacturing operation and provided us with the opportunity to get into a new industry - sale of extrusions to other manufacturers in the prairie provinces. Spearheaded by Cy Deane, extrusion sales in the '60's continued to grow, to the point that by the early '70's, there was a need for additional extrusion press capacity and facilities to serve the growing market of Alberta. Alcan was likewise interested in entering the growing Alberta market, and the two companies, Price and Alcan, elected to join forces and address the entire prairie region on a teamwork basis.

Construction of the Alcan-Price facility in Calgary got underway late in 1972 and the new Calgary plant, with a factory area of 23,400 sq. ft. began operation in April 1973. With two extrusion presses in the prairie provinces, one in Winnipeg and one in Calgary, Alcan-Price was well posed to become a major player in the prairie region extrusion market in

the years ahead. Subsequent expansions of the Calgary plant have brought it up to 33,000 sq. ft. as of this date. As a point of interest, the name of the company was determined by a draw of names from a hat, with the name Alcan-Price drawn rather than Price-Alcan, thereby deciding the name of the new company.

As the '70's unfolded, the Mechanical Sales Division continued to add new products to their repertoire and offerings to the Canadian HVAC industry. Two significant relationships were established in the '70's. Wilf LaHaise and Gord Prizeman, then of the Ottawa office, sold our first Controlled Air fire dampers in 1973 and this marked the beginning of our longstanding relationship with Controlled Air. In the following year, 1974, we began our representation of Greenheck fans of Schofield, Wisconsin.

Company management had been seeking an association with a major manufacturer of roof exhausters for some time, and the Greenheck Fan and Ventilator Corporation, located in Schofield, Wisconsin, had developed quickly in the '60's and '70's. By 1975, Greenheck was positioned No. 2 in the US fan industry, largely through the leadership of Bernie and Bob Greenheck and their establishment of excellent research facilities, production space and strong sales organization. Our relationship with Greenheck has been very successful for both parties over our many years of association. Not only did it provide us with the opportunity to manufacture Greenheck fans in Canada, it also allowed us to distribute the complete line of Greenheck product in Canada. A 27,200 sq. ft. factory addition was built in 1975 to house our new Greenheck production area, and the first of Canadian manufactured Greenheck fans came off the production line in 1976. Our entree into the manufacture of fans greatly

expanded our ability to do metal spinning, a process required to produce the hoods and shrouds on the CB centrifugal fan line, in sizes up to 5' in diameter.

The mid '70's also saw our company make a significant step forward in data processing. Following a three-year feasibility study, the company launched its Data Centre in 1975, beginning us on the long road to convert over from manual practises of the '60's into more automated methods of the '70's. Beginning with a small batch orientated computer in 1975, with processing capabilities far less than a modern personal computer available for \$1,000 from Radio Shack, we progressed to today's Prime computer system with over 80 devices (terminals, printers, CAD drafting stations, etc.) hooked up to the mainframe machine. In our fourteen year history of data processing, we have progressed to the point where almost the entirety of our order processing is automated.

In an effort to expand market opportunities for Price ceiling systems, the company took a stab at ceiling contracting in the mid '70's, beginning with Price Tri-Tile, a joint venture in eastern Canada operating out of Toronto, followed by Price Acme, performing a similar mandate in western Canada and headquartered out of Winnipeg. Price Tri Tile and Price Acme left a legacy of quality ceiling projects installed in eastern and western Canada, most notable of which was the custom A-line ceiling system installed on the banking floor and concourse area of the Royal Bank Plaza, Toronto. Contracting activities were wound down in the late '70's to allow for the launch of the company's Architectural Products Division in 1978.

With the purchase of the energy efficient Electracoustic Ceiling System from Wilcan Products of Toronto in 1977, E.H. Price Limited acquired a fully integrated ceiling system that, when combined with our custom A-line extruded aluminum systems, provided a nucleus of products for a new Architectural Products Division of the company. Many new products were developed in the late '70's to further fill out our architectural line, and ceiling orders were secured across all regions of Canada and in major USA cities. Over 8 million sq. ft. of Electracoustic Ceilings were supplied by the company since 1978.

Continuing growth through the '70's necessitated the construction of a 18,224 sq. ft. new Head Office facility in 1977. Central personnel made the move from 65 Dewdney to the new Head Office building on June 16, 1978. Our Head Office building is a living testimony to the wide range of products manufactured or supplied by E.H. Price Limited. Following is a list of products manufactured and/or supplied by E.H. Price Limited that were incorporated into the New Head office building:

- . pneumatic terminal units manufactured in our Winnipeg plant;
- . baseboard radiation enclosures manufactured in our Winnipeg plant;
- . various grilles and registers manufactured in our Winnipeg plant;
- . Electracoustic Ceiling System manufactured in our St. Jerome plant;
- . a custom square metal pan ceiling system made in our Winnipeg plant;
- . linear metal ceilings made in our Winnipeg plant;
- . fire dampers from Controlled Air Manufacturing Limited, Mississauga, Ontario;

- . flexible air duct from Automation Industries (Canada) Limited, Flexible Tubing Division, Mississauga, Ontario;
 - . United Sheet Metal K27 duct and fittings;
 - . instruments from Dwyer Instruments Inc., Michigan City, Indiana.
- The new Head Office building housed our Tool & Die Shop, Central Engineering Department, Laboratory and executive offices. All groups now had sufficient space and facilities to expand their depth of personnel and capabilities in order to support our growing company. Our ADC certified lab was the focal point of the building, providing high and low pressure fan systems and various testing rooms including a reverberant sound room. The lab continued to play an ever-increasingly strong role in our sales and product development effort in Canada as we moved through the '70's and into the '80's.

As the '70's drew to a close, we could look back on a decade of continued progress across all areas of the company. The decade began with the construction of our 42,150 sq. ft. St. Jerome facility in 1970, and additions to Winnipeg's product line resulted in Winnipeg plant growing from 60,315 sq. ft. in 1970 to 108,653 sq. ft. in 1980. There were six factory additions in Winnipeg in the '70's, of which the major additions were 27,200 sq. ft. in 1975 for Greenheck production and 9,850 sq. ft. in 1978 for terminal unit production. In the Sales organization, new Sales Offices and warehouses were initiated in Dartmouth in 1975 and Saskatoon in 1980. Several other sales offices expanded their facilities or moved to new premises throughout the '70's, including London's move to new premises in 1975 and Burnaby's warehouse addition in 1980. Add to this the building of our 18,224 sq. ft. Head Office building, and we have quite an impressive history of growth in facilities through the '70's. We were well poised to enter '80's!

Since the initiation of our lab in St. Jerome in the early '70's, and its subsequent transfer to our Head Office building in Winnipeg in 1978, our lab has played a major role in developing new products or variations on standard products to suit special customer needs. The list of innovative products developed from our lab is endless; however, two such products warrant mention as we look back over the history of our Engineering and Laboratory groups.

The first major innovation was our Design 75 mechanical VAV terminal unit, developed in the mid '70's and patented by us in 1975 (hence the name). Buensod had a constant volume mechanical type terminal unit in the early '70's called Design 16. They subsequently engineered a Variable volume version of the box called Design 20, which upon thorough testing and product evaluation in our lab, was shown to be ineffective and not capable of performing the intended function. Rather than proceeding with the Design 20 terminal unit, our engineers went back to the proven technology of the Design 16 unit and developed a unique, patentable variation of this box to provide variable air volume capabilities for both low and high pressure applications. This initiative was made possible by having our own in-house ADC certified lab, and clearly demonstrated the wisdom and importance of having in-house design, testing and R&D expertise to support our air distribution sales effort.

A second major product innovation was our HORD (Hospital Operating Room Diffuser) system, conceived and developed in the early '80's to provide an alternative to operating room diffuser systems offered by our competitors. The Alberta government had a plan in the early '80's calling for the construction of some 30 hospitals in small towns throughout the province, of which one of the earlier projects was the Vermillion

Hospital. Our sales engineers worked closely with the project engineers on the Vermillion Hospital project and developed an all-aluminum, aesthetically pleasing, high performance operating room diffuser system which has set a new standard of performance for HORD systems. Bacteriological count tests were conducted in the '80's by the National Research Council, and literally hundreds of successful HORD installations in Canada, in both stainless steel and aluminum with an epoxy finish, attest to the widespread acceptance of the Price HORD system in providing air distribution to the operating room environment.

Continuing growth in sales in the early '80's prompted the construction of a semi-automatic conveyORIZED paint line in our Winnipeg plant. We have always had a focus on customer service - our customers need our products on time so that we must manufacture and deliver them on time. As our business grows, production bottlenecks are encountered that must be overcome in order to maintain a consistently high level of customer service. To eliminate the bottleneck in the Finishing Department, the decision was made in 1981 to install a semi-automatic paint line. A 27,341 sq. ft. plant addition to house the new facility was erected in 1982, and the paint line was commissioned and operating by November of that year. Winnipeg's new paint line is one of the most sophisticated painting systems available. It totally eliminated our previous bottleneck and, through subsequent efficiencies engineered in later years, enabled us to handle additional volumes arising from our quicker delivery and more dependable service.

In our on-going effort to expand the company's opportunities in air distribution markets, various avenues have been explored over the years, ranging from broadening the product line (new terminal units, new designs

for grilles and registers, moving into Greenheck fans, etc.) to vertical integration (such as ceiling contracting and broadening our extrusion business through Alcan-Price), to expanding into new markets (as evidenced by our continuously opening up new sales offices and warehouses across Canada). By the early '80's, however, it became evident that from a territorial point of view, we were seriously constrained by our Titus license which restricted us from entering the USA market. If we wished to expand into new territories, it would be necessary to go overseas.

With early successes in selling air distribution products to Dunn Air Conditioning Asia Limited in Singapore and Hong Kong to draw upon in the late '70's and early '80's, together with optimism on the Asia Pacific market in general, the decision was made in 1982 to launch a manufacturing facility in Singapore. A Titus license was negotiated with Environment Elements to provide us with the right to enter all of the key Asia Pacific countries of interest to us at that time, and Price and Dunn combined forces in 1982 to establish a manufacturing facility in Singapore - Price Asia Manufacturing Co Pte Ltd. In later years, Rob Dunn subsequently reduced his holdings in Price Asia, as a result of the stronger role that E.H. Price was required to play in an effort to get Price Asia off the ground.

Price Asia took a number of initiatives in the early years which served as "company firsts". Our need for flexibility in tooling resulted in its acquiring our company's first computer numerically controlled (CNC) turret press in 1983. Since that time, four additional CNC turret presses were added to the company (Winnipeg in 1986, a second press in Singapore in 1987, St. Jerome in 1988 and Atlanta in 1989), bringing the total now to five CNC turret presses. Singapore also installed a

conveyorized powder/wet paint line and pretreatment/baking facility, providing the company with its first powder coat finishing system. As well, Singapore has developed a thriving OEM business, supplying quality manufactured parts to other manufacturers in Singapore, particularly in the computer industry.

In 1985, Price Asia began the construction of a laboratory in Singapore - the only certifiable ADC lab in Southeast Asia. Similar to our lab in Winnipeg, our lab in Singapore is especially suited to the development of custom air distribution products, and provides us with the capability of simulating and demonstrating the operation of terminal units and air distribution equipment under variable volume conditions and for specialized customer requirements.

A decline in property values in Singapore in 1986 and the need for additional space to accommodate Price Asia's growing air distribution and OEM business prompted the decision to purchase a new, larger facility of total area of 66,000 sq. ft. The move from Price Asia's original rented premises on 48 Tuas Avenue 9 of area 36,000 sq. ft. to their new, larger facility at 19 Gul Crescent of area 66,000 sq. ft. took place in April, 1987. Significantly, the move took place over a four week period without disruption to orders in process.

As the '80's unfolded in Canada, significant strides were made in our Sales organization as we further entrenched ourselves as the market leader in our industry in Canada. New sales offices were opened up in Moncton in 1984 and Hamilton in 1986, and significant expansion programs were undertaken in other centres.

The strong southern Ontario market in the mid '80's together with our increased market penetration in this market prompted the need to find larger premises for our Toronto Sales Office. A new building was acquired late in 1986, and the Toronto Sales Office moved to new premises providing 21,000 sq. ft. of office and warehouse space on Rolark Drive in January of 1987. Once again it was necessary to complete a major move and strive to have minimum interruption to our business.

Not to be outdone, the Quebec market showed increasing strength in the late '80's, and our Montreal Sales Office was able to capitalize on this strength and simultaneously increase its market penetration. This prompted a need for new facilities in Montreal, resulting in Montreal Sales moving to a new facility with 10,500 sq. ft. of office and warehouse space in April, 1988.

In keeping with our tradition of moving Sales offices on a regular basis, our Winnipeg Sales Office underwent a monumental relocation in 1987. From humble beginning in a 2,400 sq. ft. wood frame office and warehouse structure at 65 Dewdney Street in 1950, our Winnipeg Sales Office grew steadily as the company prospered over the years, but always remained at the 65 Dewdney Street address, which had undergone significant renovation and growth in its own right. However, modern handling methods and the passage of time resulted in the Dewdney building becoming outmoded as a sales office and warehouse. We had a need to upgrade the facility, resulting in the decision to build a combination Central Warehouse and Winnipeg Sales Office on our Raleigh Street site in the summer of 1987, which provided a total of 22,400 sq. ft. of office and warehouse space.

It has been a longstanding corporate priority of ours to supply our customers with custom products designed to suit their individual needs. The volume of specials that go through our shop on an annual basis is too significant to mention in detail; however, they number in the thousands. This is well evidenced by noting that our sequential number of special product drawings, the EX, PXY, QXY and AL/XY Series, have a recorded total of 4,920 as of this date, representing over 5,000 custom products and over 8,000 custom drawings in all.

In an effort to increase our Engineering group's throughput and improve customer service, the decision was made in 1985 to purchase a Computer Aided Drafting (CAD) System, and 1986 was our first full year of operating the Engineering group with a CAD resource. Today, we operate five CAD stations and two plotters, one of which being a laser plotter, on a Prime 9750 stand-alone mainframe computer. Our Engineering group is clearly well positioned to support the company's growth in international markets in the years ahead.

Our original 1962 license with Titus Manufacturing Company of Waterloo, Iowa was renewed with Titus in 1972 and again in 1977 following the purchase of Titus by Environmental Elements Corporation in 1976. In 1982, Titus was again sold, this time to Philips Industries of Dayton, Ohio, who inherited our agreement which was due to expire on January 1, 1987.

In June of 1986, company management made a decision not to renew the Titus license with Philips Industries. This decision heralded the end of our 25 year association with Titus, and marked the beginning of a new phase in our company, in which we would be manufacturing a Price product

in name as well as in fact. Clearly we were at a point at which our products and services had reached a level of maturity and excellence sufficient to compete on a national and international basis with the world's major air distribution manufacturers and suppliers.

With the anticipated expiry of our Titus license, a number of efforts were undertaken in 1986 aimed at preparing for our entry into the USA market and to fortify our position in Canada. Several departments were restructured, and a Customer Service Department was formed to support the beginnings of a US rep group. Product nomenclature was changed across all product lines, and order entry and system changes were implemented to suit the new nomenclature. An ambitious catalogue and submittal program was undertaken to upgrade our literature to a suitable standard for the USA market and to incorporate the nomenclature changes. Over forty new catalogues were published and issued by year end, including new binders, submittal drawings, new and more concise ordering procedures, and price lists.

With our decision in 1986 not to renew the Titus license, completion of product development tasks became our highest corporate priority in the late '80's. Many of our competitors in the industry have been successful in introducing low cost commodity products through highly aggressive value analysis programs. With our move into the USA market, it became of increasing importance that we accelerate our own value analysis studies. To this end, three major initiatives completed in the late '80's were a new roll-formed steel grille and damper line launched in 1987, a new fan powered terminal line launched in 1989, and a new perforated diffuser, also introduced in 1989.

We passed many milestones in our computerized manufacturing information systems development in the '80's, beginning with the implementation of our order entry system complete with computer pricing and editing on April 4, 1983, and extending to our bills of material program which now is at the point where 95% of products manufactured in Winnipeg and St. Jerome have computer generated manufacturing instructions, cutting lists and bills of material. Our most recent highlights were the successful launch of our first major branch office data processing system with the new computerized warehouse and inventory control system in the Toronto Sales Office in 1988, and the launch of our computerized purchasing and inventory control system in Winnipeg plant on January 1, 1989. Countless other computer programs and systems have been implemented in support of all facets of the operation over the years.

It has been a longstanding corporate goal of ours to provide first class customer service. From a manufacturing perspective, service is best measured by quality, short lead time and on-time delivery. Since our entree in manufacturing in 1961, we have consistently produced a quality product. Our goal was to reduce our lead time without sacrificing quality. 1989 saw the culmination of many years of efforts in the manufacturing area to this end - Winnipeg's delivery in the first half of 1989 was 22 working days, with an average overdue of under one day.

This fine result in the Winnipeg plant reflects the culmination of 14 years of computer systems development aimed at automating and speeding up the processing of orders, together with the implementation of higher technology manufacturing equipment and processes aimed at reducing die set up times, and permitting smaller batch sizes, thereby allowing faster

material flow through the shop. Examples include the 20-station CNC turret press commissioned in 1985, the conveyORIZED semi-automatic paint line installed in 1982, and our move to more mechanical presses working off coil with less use of sheet steel. The most significant contributing factor to our shorter lead time, however, has been the dedication and commitment of our Manufacturing people who have continuously strived to improve customer service.

Our highest priority in the late '80's was to lay the groundwork for our sales and manufacturing thrust into the USA market. We were well poised to enter the USA market on three counts. First, from a people point of view, we had strong depth in each of Manufacturing, Engineering and Marketing. Second, from a financial point of view, we had a strong balance sheet and sufficient liquidity to finance this new initiative. Finally, from an experience point of view, having successfully launched numerous product lines and offices in Canada, plus our recent facility in Singapore, we felt we were well prepared to enter the USA market in a measured way.

As noted earlier, efforts were undertaken in 1986 to prepare for our entry into the USA market. We got off to a flying start at the ASHRAE '87 Show, at which our goal was to introduce our company, products, literature and personnel to a representative cross section of USA reps. In all respects we succeeded in our objective. By the end of 1987, we had appointed and conducted initial training sessions with twenty-six USA reps.

Simultaneously, 1986 saw the beginnings of our plant site selection study aimed at establishing a short list of USA plant sites as well as the general parameters for a new facility. The initial product line and start-up sequence for the new facility was finalized in 1987, with the intention of not proceeding with the next level of detailed study until our USA backlog could no longer be supported by our Canadian factories.

By year end 1988, we had thirty-two reps on board and our pace of securing business in the USA was triple that of 1987. Although still somewhat premature to build a USA factory, our plant site selection study went into high gear in November of 1988 when we learned of the availability of United Airflow assets in Atlanta. A thorough study was launched immediately and culminated in the purchase of the equipment and inventory assets of United Airflow on January 31, 1989.

We elected to pursue the quicker approach of acquiring an existing facility as compared to the alternative of building a factory from scratch, for four reasons: it provided a quicker start, the location was excellent, the purchase represented good value for our money, and finally, the new facility provided us with a paint line at a nominal cost, allowing us some time to finalize our thoughts on paint line requirements whereupon we would build a new facility and put in place a final paint line to satisfy our long term needs.

Price Companies, Inc., our new US subsidiary, occupies an 80,000 sq. ft. facility in Atlanta, with the area shared between manufacturing and a central distribution warehouse. Clearly we have an enormous challenge

ahead of us in 1989 as we address the conversion of our new US operation over from the United Airflow product line, systems and procedures to the Price product line and style of doing business.

By mid 1989, the UAF and Price rep networks were merged into a single, unified rep organization, and the following Price product lines were operational in the Atlanta facility: slot linear diffusers (SDS), terminal units (SPV, SEV), fan powered terminal units (FPV, FPC), low profile fan powered terminals (existing UAF design), R-controllers (existing UAF product), T-bar diffusers (TBD5), perforated diffuser (PTE) and lattice grille (C80). Two additional products scheduled for implementation in the last half of 1989 are steel grilles and dampers (520) and square cone diffusers (SCD).

In addition to new product lines, it was also a top priority to convert the Atlanta facility over to the Price style of doing business. A key element here was the installation of computerized information systems for order entry, production control, inventory control and accounting. This conversion was scheduled for mid 1989 and was expected to be completed by year end.

With customer focus being a top corporate priority at Price Companies, a warehouse sales plan was introduced in Atlanta in 1989, including a warehouse booklet, price list and procedures.

In an effort to improve employee communication and strive for more participative management, we began the practice of holding annual briefing sessions led by Gerry Price, our current President, for all employees. Fifteen sessions were held in 1987, focusing on history of

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~~focusing on history~~ of the company and current year objectives, while fourteen sessions were held in 1988, focusing on our eight long term corporate goals and current year objectives. Gerry Price had the opportunity to speak to and have feedback from some 400 employees in each of 1987 and 1988, representing about 2/3 of our total employees.

A total of four Service Awards Dinners have been held thus far, beginning in 1979 and subsequently in 1982, 1985 and 1987. On completion of the Service Awards Dinner this year, there will be forty-one members of the 20 Year Club and thirty-three members of the 25 Year Club. Special recognition and appreciation to Mr. Ernest H. Price, our founder and President of the company from 1949 (actually 1946 under Chester and Price) until 1964 was the highlight at the 1979 dinner. At the October 30, 1987 dinner, Mr. Gerald D. Law, Chairman of the Board and President of the company from 1964 until 1986 received special recognition.

This concludes our look at the history and growth of E.H. Price Limited as we mark our 40th year as a corporate identity or 43rd year of operation since our founding in 1946. Clearly we have a history of growth and progress that we can be proud of, and look forward to exciting years ahead as we address new challenges.

We would like to end with some excerpts from our Annual Employee/Shareholders' Report, which focuses on our 1989 goals and long term objectives.

In 1988 we identified eight long term corporate goals, which if accomplished, will enable us to achieve our overall goal of becoming the number one supplier of air distribution products in North America and Asia Pacific.

At this time, we are the market leader in our industry in Canada, Singapore and Hong Kong. Our challenge is to increase our market penetration in other Asia Pacific countries as well as the USA.

If you take our eight corporate goals together and then reduce them down to an action list, you in effect really get four goals: service, cost competitiveness, cost control and our style of doing business.

Our fast pace of progress and ambitious long term goals are not optional but in fact necessary to secure our market position. We must enter the US market to counteract possible lost earnings should our USA competitors succeed in taking a stronger position in Canada. We must introduce new products to stay one step ahead of our competitors or to "catch up" to our competitors, as the case may be. We must execute value analysis programs aimed at maintaining the lowest possible unit cost in our production, without unduly sacrificing quality, as the market becomes more and more manufacturing cost driven.

To achieve the above, we need depth of staff in Engineering, Manufacturing, Customer Service, Sales and other departments. As well, we must introduce new manufacturing systems and processes aimed at improving customer service (primarily reducing delivery time and increasing our responsiveness) since the market is demanding (and our competitors are supplying) better service on a year to year basis.

We must be aggressive and challenging in our expansion program but at the same time, realistic as to resources available, both financial and human, to sustain our growth.

Our major corporate objectives for 1989 are as follows:

1. Provide exceptional service to the marketplace, as measured by delivery (4 - 5 weeks), overdue (under 1 day) and being "responsive".
2. Achieve all of Price Companies' 1989 objectives in Atlanta, with particular emphasis on our pace of monthly sales, factory gross profit targets and achieving a breakeven on a month to month basis by year end.
3. Perform product development tasks required to keep our product cost competitive, with particular emphasis on SCD, PDN and FPV.
4. Price Asia's goal is to achieve a reasonable profit in 1989.
5. Develop a strategy to rejuvenate both louver and architectural sales.
6. Hold a strategic planning session in 1989 and produce a new three year plan, with particular emphasis on our longstanding corporate challenges that have proven difficult to overcome.
7. Design and implement an employee share purchase plan, and offer this plan to employees on January 1, 1990.
8. Make "participative management" a reality at E.H. Price Limited.

With limited resources at our disposal, we must ensure that all of our efforts are focused on activities in support of these corporate goals.

Finally, I would like to emphasize that we are committed to being a company which practises "participative management", to the overall benefit of all employees and the company as a whole.

This concludes our article on the history of E.H. Price Limited. It is appropriate on concluding the article to express appreciation to two individuals whose record keeping over the years provided the necessary material for this article.

Firstly, we express thanks to Jack Price, our Advertising Manager responsible for catalogues and publications from 1964 to 1974. Jack launched the first issue of Priceless News in 1965 and maintained a monthly publication discipline for 10 years.

Also to be recognized is Leo McVarish, who started with us in the Advertising Department under Jack Price in 1973, and has compiled three photograph albums providing literally thousands of pictures and memorabilia on the history of the company.