

## 100 years of AMEC in Canada

Sharing a century. Building a nation. AMEC is proud to celebrate 100 years in Canada. For a century, our people have led projects that transformed the landscape and helped shape the country.

The AMEC story in Canada begins on September 16, 1907, with the incorporation of the Montreal Engineering Company Ltd., which did business for 85 years before being acquired by AGRA Inc.

AGRA came into being in 1960, acquired Montreal Engineering (then known as Monenco) in 1992, and the Vancouver consulting engineering firm of H. A. Simons in 1999. AGRA itself was acquired by AMEC in 2000.

In the following sections, we showcase the evolution of the company in Canada including the history of the major predecessor companies of AMEC, milestones, projects and unique stories that capture the essence of a company deeply intertwined with the development of Canada.

### **AMEC: Our Canadian heritage**

AMEC's heritage is linked with the early captains of Canadian industry, entrepreneurs and pioneers of their day. Here are stories of the major predecessor companies to AMEC and some of the many firms, subsidiaries, investments and joint

ventures that have shaped the company over the years.

### **Montreal Engineering Company, Ltd. (changed in 1969 to Monenco Inc.) 1907-1992**

Amongst all this ferment, a successful group of investors from Atlantic Canada was quietly making history of its own. In 1903, the group set up Royal Securities Corporation, Ltd., the first company to sell corporate bonds east of Montreal.

Royal Securities invested in the new utilities and electric tram companies springing up in Cuba, Puerto Rico, Mexico, and elsewhere in the region. During this frenetic activity, Royal Securities created an in-house engineering department to help it assess and appraise its investments in energy and infrastructure. In 1907, Royal Securities transformed this in-house department into the Montreal Engineering Company, Ltd., a wholly owned subsidiary with a staff of three.

The names associated with the creation of Montreal Engineering are a who's who of Canada's financial industry at the start of the century. William Maxwell Aitken, a brilliant young investor who later achieved considerable fame and fortune as the legendary press baron, Lord Beaverbrook, was registered as the owner of half the 500 shares of Montreal Engineering at inception. Arthur J. Nesbitt, who in 1912 co-founded the Nesbitt Thomson brokerage

(now BMO Nesbitt Burns) and Power Corporation of Canada Ltd., owned a single share in the new enterprise.

Four years after its incorporation, Montreal Engineering boasted a staff of nine with a total annual payroll of \$13,270 (Cdn). Seventy years later, the staff stood at 1,969 people and the entire 1911 payroll would not have been enough for a single 1981 salary.

In 1919, two years after he became Lord Beaverbrook, Max Aitken sold control of most of his Canadian interests, including Royal Securities and Montreal Engineering, which went to Izaak Walton Killam, another financial legend who aggressively transformed Montreal Engineering into an energy colossus.

Killam served as the driving force behind Montreal Engineering, acquiring interests in electric utilities and industrial conglomerates for the three-and-a-half decades that followed. On his death in 1955, Killam's interest in the company passed onto his wife who sold off most of her late husband's myriad of holdings. Montreal Engineering was bought out in December 1955 by its senior employees and, although there were no longer any corporate ties to many of the Killam companies, Montreal Engineering's legendary reputation for reliability and excellence allowed it to maintain profitable ongoing relationships with its former corporate siblings.

Five years after Killam's death, in 1960, Monenco had become the fifth-biggest customer of Trans-Canada Airlines, now Air Canada. More than two decades later, it became the biggest single customer of the now defunct Canadian Airlines.

Up to 1964, the company concentrated the bulk of its activities on electric projects. But that year, Montreal Engineering embarked on an aggressive program of diversification, forming a variety of subsidiaries and partnerships to extend its expertise into other fields. Typical of these new undertakings was the creation in 1967 of Canatom Ltd., later Canatom Inc., a three-way partnership of Montreal Engineering, Shawinigan Engineering, and SNC.

In 1969, Montreal Engineering went public and renamed itself Monenco Inc. In that capacity, it continued to grow and develop an international reputation until 1992, when it was acquired by AGRA Inc.

### **AGRA Inc. 1960-2000**

In 1960, a young civil engineer from Alberta named Ben Torchinsky incorporated AGRA Inc. in Saskatchewan to operate the province's first canola-crushing operation. The highly successful plant, the first in the Western Canadian province, offered local farmers a ready cash market for all their oil-bearing produce, while allowing Saskatchewan consumers

the option - for the first time - of buying locally made margarine, and cooking and salad oils.

Torchinsky, who taught engineering at the University of Alberta, had launched his own engineering consultancy years earlier, specializing in the then new field of soil mechanics. With the creation of AGRA, however, he moved into a wide variety of fields, including food, retail, media, and real estate. His interests ranged from cable television services in Saskatchewan to the CKO All-News radio network to a 7UP bottling plant inherited from his father-in-law—AGRA had become a multinational conglomerate before the phrase had entered popular parlance.

But in the late 1980s, Torchinsky recruited Alex Taylor as President of AGRA to help him steer the company back to its engineering roots, shedding those nonengineering assets that didn't fit this new strategic plan. Instead, AGRA concentrated on winning and executing contracts for cutting-edge engineering projects. In one of its many far-sighted moves, AGRA invested early in the recycling industry that sprang up in California, where consumers caught the green fever long before people in the rest of the continent. When environmental concerns shot to the fore at the end of the 20th century, AGRA was well positioned to provide the services for which so many were clamouring.

Indeed, AGRA's experience in this field was to form the basis of what today is AMEC's Earth & Environmental division. Launched in 1951 as Engineering and Construction Services, the company had its base in Edmonton. By 1954, it had opened a subsidiary office in Calgary and operated under the name R.M. Hardy & Associates, and was the only firm in Alberta to offer geotechnical services, setting the standard as geotechnical leaders in the oil sands and innovators in western Canadian pipeline work.

The roots and leadership in the design of large natural gas transmission lines can be traced to 1955 with West Coast Transmission. The design and geotechnical consulting services were handled by Dean R. M. (Bob) Hardy at a time when sawdust and coal were still more common as a heat source than natural gas. Dr. Hardy would visit the transmission line site in his good shoes and black suit. The company has a long history of geotechnical innovation and excellence which dates back to the Edmonton office's involvement with the Alberta oil sands starting with the late Dean Hardy's involvement with the Bitumount Mine just after the Second World War. While the Bitumount Site is now a designated historical site, oil sands development has grown tremendously since then.

A quarter of a century later, the firm had grown to 500 employees with 12 offices in major Western Canadian cities and had become known as Hardy Associates. In

1986, AGRA acquired Hardy and merged it with its BBT (for Ben B. Torchinsky) Geotechnical Consultants subsidiary to create Hardy BBT Ltd. The new company embarked on an aggressive strategic acquisition campaign to become a North American leader in environmental and geotechnical engineering, which culminated with the acquisition of Ogden Environmental and Energy Services, a 27-office operation in the United States. The environmental, geotechnical and materials business was lead by William Slusarchuk from 1983-2000. Today, AMEC's Earth & Environmental division has a staff of 3,200 professionals operating from 130 offices worldwide.

In 1992, AGRA acquired Monenco Inc., thus gaining an entry into the energy sector and further boosting its credentials as a world-class engineering consultancy. And the 1999 acquisition of H.A. Simons, which led the world in forestry and had recently and successfully moved into mining, further reinforced AGRA's stature.

By the time it became part of AMEC in 2000, AGRA had grown to become a \$1.3-billion-a-year (Cdn) company with an impressive record of engineering achievements worldwide.

#### **H.A. Simons Ltd. 1945-1999**

H.A. Simons Ltd. was a family business created by second- and third-generation engineers. The

founder of this dynasty, Venning Dodge Simons, established his industrial engineering firm in Chicago in 1914. Barely two decades later, V.D. Simons Inc. had been involved in the design and construction of some two dozen paper mills in a half dozen American states and British Columbia.

V.D. Simons Inc. had by 1931 devised several innovative industrial processes, including the burning of combustible wastes with oil to reduce energy costs. The firm also pioneered several recycling technologies, including one to process and refine old paper stock into card and other fibre boards, and another to de-ink old magazines and reduce them to a pulp in advance of washing and bleaching them for reuse.

Legend has it that Prentice Bloedel asked Venning Simons in the early 1940s to build a pulp mill in Port Alberni, British Columbia. Simons, then already 70 years old, answered that he was too old to start a new venture. Instead, he offered up his son, who moved to Vancouver in 1944 and opened H.A. Simons the following year. The fledgling company took on that Port Alberni project, building the mill for Bloedel, Stewart & Welch. It was the first kraft pulp in B.C. and the first to integrate sawmill residuals. It was also the first big project for H.A. Simons.

The company prospered in the years after the end of the War, building more and more pulp and paper mills, becoming known throughout the world as the "go-to" company for construction of forest-

industry plants. For years, it alternated with Finland's Jaakko Pöyry Group of consulting engineers for first place in the worldwide forestry industry. Its plants still operate today in Poland, the Czech Republic, the jungles of Borneo, and of course, all across Canada and the United States. In 1968, a third generation took the helm when Tom Simons, son of Hal and grandson of Venning, became president and CEO after a 10-year career with the privately held company. Under Tom Simons, the company branched out into mining and consumer goods as it sought to diversify as a way to protect itself from the vicious cycles of the pulp and paper industry, which saw its staff totals fluctuate dramatically, from 1,200 to 400 to 2,500.

H.A. Simons achieved notable successes in its new ventures; among its credits is the Ekati Mine, Canada's first diamond mine, which opened in 1998. AGRA acquired H.A. Simons in 1999.