

REPORT OF PLANS FOR THE  
NATIONAL BUSINESS CONFERENCE

TO BE CALLED BY

HONOURABLE SIR GEORGE FOSTER, MINISTER OF TRADE AND COMMERCE.

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On June 4th 1916, Sir George Foster made a spirited appeal to all Canadians interested in the development of their country. It was entitled "A Call to Action", and so aptly sets forth the situation to be faced, that this report could not be more fittingly introduced than by extensive quotations from it.

THE CALL TO ACTION.

"Though no one can foresee the end of this war, yet the end must be drawing appreciably nearer. Until that time comes production will be largely abnormal, and every possible energy must be directed to the great purpose of preparing soldiers, providing munitions of war and supplies for its maintenance. The normal work of industry and productive power must, for the time, give precedence to war work.

"But the date draws continually nearer when this abnormal activity will cease, and the world, and Canada along with it, will move back towards normal. This transition period will, I believe, prove more grave and critical than that which marked the plunge from peace to war in 1914.

"In the belligerent world fully 20,000,000 adult men will lay down arms and flood back into the fields and factories, the cities, towns, and countryside; whilst millions more will lay down the tools now being used in making war munitions and take up again the tools of peaceful pursuits, and still other millions, now engaged in the vast subsidiary services of the war, will be thrown out of employment and have to look for work in other lines.

"The change is obvious on a moment's reflection; but it needs the deepest and most serious thought to adequately sense the tremendous meaning of that change.

"In Canada we shall have our problems to solve, and it will tax the wisdom and energy of us all to bring about a successful solution.

"Therefore it becomes necessary for business men and men of knowledge and experience to begin an earnest study of the situation that must soon be faced.

"As one means to this end, the Department of Trade and Commerce has thought it wise to convene in the coming autumn a convention of the business men of Canada to advise together, out of their practical and varied experience and knowledge, as to the best means of meeting the coming situation and of mobilizing the business forces of Canada so as to employ our labour, increase our production, and enlarge our markets along peace lines.



"Before such a convention meets, it is necessary that much spadework be done, much study and thought bestowed, and much consultation and interchange of views be had in each great branch of production and distribution.

"In no other way can such a gathering be rescued from becoming a mere theatre for declamation and debate and turned into a useful and effective means to the great and desired. Therefore I am venturing to solicit most earnestly the help and co-operation of Boards of Trade, the Manufacturers' Association, the great transport corporations, the bodies of scientific and industrial research, the engineering associations, the labour bodies, the mining, fishing, lumbering, and agricultural interests, the banking institutions, and generally of all men of knowledge and experience.

"If these will begin at once to examine, to think, to discuss, and to confer with one another in their respective fields of work and activity, they will be better prepared to answer certain fundamental questions which must be asked and answered before our productive and distributive capabilities become properly mobilized and energized for the great work that lies before us.

"In the two years of war activity our iron and steel manufacturers have set aside much of their machinery used in peace times and installed in its place machinery adapted to war purposes-- have organized and co-operated and systematized for war work. In this process they have discontinued the old business and lost the old customers. So with many other lines of manufacturing connected with war activities. Work has been provided by governments-- been fairly forced upon manufacturers by governments and been paid for by governments without trouble of travellers, of representation, of the initiative and organization involved in soliciting peace orders. A habit of receptivity has thus been formed which will have to be unlearned when the bells of peace ring out. Then governments will largely recede as feeders and providers. Each manufacturer will have to seek business for himself -- put back the old peace machinery or adapt the new war machinery to peace production, and betake himself to the old peace methods of hunting up business; but then, let it be remembered, in an atmosphere hot with the keenest competition. Are we thinking out now what we will do then and how we will do it?

"The object of this appeal is to challenge attention, to evoke thought and devise means to bring about industrial and commercial preparedness.

"The question which it seems to me each should face is this: 'What will be the situation as regards our industry in Canada when the war ends, and how can we best meet it?'

"Will our steel industry, our textile industry, and all our great industries, our transport corporations, our banking people, our agricultural and lumber and fishing and mining interests, our engineering, chemical and scientific research associations -- in a word, all our lines of production, natural and industrial, our labour associations, and our great educational institutions take up and canvas and work out their ideas along the line of this question?

"And to do this effectively will each one of these interests in this time of great national need take the trouble to get together a select number of their best and brightest



representatives, who will make it their business to conduct a thorough examination and be ready to counsel and advise their Canadian co-workers?

"And then, will they be prepared, after such examination and thought, to meet in the proposed convention ripe in well-based conclusions, fertile in well considered plans, and ready for co-operation each with every other in one united intelligent, systematized national effort to increase production and capture our share of home and foreign markets?

"If, for the next two or three months, spade work like this were carried on, the succeeding convention should be made an epoch in the economic and industrial development of Canada.

"This is the nation's own work, a reconstructive work greater even than the work of war. Shall we take it up in dead earnest and prove ourselves equal to the task?"

The task here outlined is one of enormous proportions but the resultant possibilities which intelligent and whole-hearted co-operation would bring within reach clearly mark it out as one worthy of our thoughtful study and our most earnest endeavors.

As the Minister correctly states, before an adequate plan of action can be mapped out there must be intelligent discussion, and before intelligent discussion can take place there must be a wide distribution of information, that has been carefully searched out before hand and logically grouped together.

In a memorandum sent to your Secretary by the Minister, the character of the information he thinks should be sought is indicated very briefly in the following outline:-

INFORMATION AND SOURCES THEREOF.

(a) What have we been producing?

Census, 1911,  
Postal Census, 1916.  
Manufacturers' information.

(b) What manufactured products have we been importing?  
Trade returns will show.

What of these can we make? Analysis of trade returns.

What of these have we started to make? Gather information from Boards of Trade and C. M. A.

What raw materials have we been importing? Trade returns will show.

What of these can we find in Canada? Our Departmental reports show, and Associations can gather.

What Canadian raw materials have we been neglecting which could be utilized? Examination of returns and reports of Mining and Chemical Associations.

With information of this character compiled and distributed, the Minister's thought is that the various interests that will be invited to send delegates to the Conference should then be appealed to as follows, (again quoting from his brief outline):

Ask Canadian Manufacturers' Association to study and answer these questions:-



- (a) Considering the released labour power when war ceases, what present commercial industries can be extended?
- (b) What new industries can be suggested for establishment?

Suggest that each line of production appoint a committee to consider and advise as to the above.

- (c) Ask Boards of Trade to study the question each in relation to its own locality and concentrate its views.
- (d) Ask the Bankers' Association to consider the question and prepare its views.
- (e) Ask the transport interests to do the same and prepare their suggestions.
- (f) Ask scientific research people to get together and prepare their suggestions.
- (g) The agricultural interests likewise.
- (h) The engineering interests also.
- (i) The Mining Institute as well.

After this has all been done, the Minister's idea is that each of these interests should report its conclusions to a central committee, whose duty it would be to reconcile conflicting views as far as possible in advance of the Convention.

Such a plan would seem to your Secretary to be open to criticism because of a lack of co-ordination, and the likelihood of various bodies working at cross purposes. For example, a score of Boards of Trade might each think that its city offered ideal conditions for the establishment of a dye industry, yet few of them might have any real conception of what the proposition would involve. Or again, neither the Bankers' Association, nor the transport interests could say intelligently how they could help until they first learned what industries it was proposed to establish. They might define in general terms what they were prepared to do, but their ideas, thus broadly expressed, might not fit the case at all.

Instead of leaving it wide open for each trade interest, or each locality to suggest lines of action that, while advantageous from a sectional point of view, might not be for the general good, it would seem to be preferable to split up the whole field of enquiry into logical divisions, and provide that each division be made the subject of investigation and report by a special committee. There would appear to be no object, for example, in having a hundred organizations submitting off-hand opinions about industrial research, transportation, scientific tariffs and all the other matters that will have to be considered. One special Committee, if properly constituted, if supplied with competent help, and given ample time to prepare its report, could offer an infinitely better report on any one of these subjects than all the ideas that would be offered at random from every part of Canada.

As indicating some of the problems that might thus be investigated, but without any thought of restricting either the number of special committees or the lines which their investigations might follow, the following programme is suggested as a commencement:-



Subjects suggested for discussion, with Committee in each case to prepare report in advance.

1. Reducing Imports into Canada by increasing Home Production.

Trade Returns indicate probable field. Better classification of returns to show exact kinds of goods imported; e.g. all N.O.P. items to be amplified. Difficulties to be studied, e.g. tariff on raw materials, import freight rates on raw materials, skilled labor, etc., and what co-ordination of effort, from Government down, could accomplish in this direction. Where home demand insufficient to warrant establishment of industry, possibility of manufacturing for export.

2. Increasing Exports from Canada:-

Imports of principal countries, of a class Canada is capable of producing, to show possible field. Share of that trade enjoyed by each of Canada's competitors. Our advantages or disadvantages in each market, with respect to (a) tariff, (b) steamship service and rates, (c) export bounties, (d) credit and collection facilities, (e) commission houses, (f) general commercial intelligence. German methods for development of export trade, e.g., combinations of manufacturers, and adaptability of such methods to Canada.

3. Framing of a Scientific Tariff for Canada, to meet new conditions in Empire and World Trade:-

What it will mean for Canada to be admitted to economic union of Allies, to preferential treatment within Empire. Sacrifices that might profitably be made in order to derive fullest benefit from opportunities thus presented. Revision of drawback regulations to encourage use of domestic rather than imported material.

4. Credit Information and Banking Facilities.

How Canada is handicapped in these respects, as compared with other countries. How this condition has helped build up New York Commission and Export Houses and made difficult the establishment of similar houses in Canada. Foreign Branches of Canadian Banks.

5. Transportation.

Import and Export Freight Rates.  
Terminal facilities for storage, loading and unloading.  
Marine Insurance.  
Direct Services - subventions to encourage - control of rates.  
Parcel Post - telegraph and cable rates.  
Export trade as factor in making our transcontinental lines pay.



6. Labor - Technical Education and Immigration.

The labor problem, skilled and unskilled, for farm, mine, factory.

Possibility of securing temporary relief through modification of immigration regulations and immigration policy.

Technical and vocational education as means of permanent betterment.

7. Natural Resources and their Proper Utilization.

Tariffs, "Made-in-Canada" specifications and other policies that will encourage development of Canadian resources heretofore undeveloped.

Encourage export of goods in their most highly manufactured form, e.g., nickel, paper rather than pulp.

Research that will lead to the proper utilization of waste.

8. Supervision of Industrial Development.

Municipal bonusing systems, and illogical development for which they are sometimes responsible.

Industrial promotions for stock jobbing purposes.

Industries prematurely established or established in numbers that lead to ruinous competition.

Appointment of Advisory Committee.

German system of control and its adaptability to Canada.

9. Industrial Research.

Possibilities of co-operation between university and manufacturer for investigation and solution of industrial problems; (a) Secret processes, (b) Betterments or discoveries for general use of the trade.

Special kinds of research to be undertaken by Dominion or Provincial Governments. Doing for manufacturing industry what is already being done for agriculture.

Individual effort in field of Research.

What other countries have done and how it has profited them.

10. National Commercial Intelligence Service.

Extension and improvement of Trade Commissioner Service, - special training necessary to qualify for. Use of consular certificates as means of acquiring valuable commercial intelligence.

11. Providing Special Education and Training for Canadian Commercial Representatives in friendly export markets.

Courses in our Universities for commercial language, acquiring familiarity with foreign weights, measures, currency, etc.

Lectures on Salesmanship.

Study of national characteristics as aid to salesmen.

12. The Revising of Existing Legislation - federal, provincial and municipal - which restricts the freedom of internal trade in Canada. Relative jurisdiction of Dominion and Provinces, in company incorporation should be determined, by amendment of B.N.A. Act if necessary.



Municipal by-laws that are designed to control "selling to the consumer" and abuses practised thereunder.

Embarrassing restrictions on sale of agricultural implements in the West - Interference with securities and curtailment of credit.

Advantages that would follow uniformity of provincial legislation in such matters as lien laws, boiler construction, etc. etc.

In arranging for these various Committees, it would probably be inadvisable for the Minister to do more than appoint a Chairman for each. His selection of Chairmen would need to be undertaken with care, in order that men of outstanding ability and special knowledge would be secured in every case. Each Chairman might then select his own Committee.

Over and above these special Committees there would very properly be an Executive Committee, preferably comprised of not more than five men who would volunteer their entire time for the work of preparing plans for the Conference and ensuring its success. They would necessarily keep in constant touch with each special Committee, and periodically inform each special Committee what every other Committee was doing. In this way overlapping would be avoided, ideas would be communicated that in turn would suggest still other ideas, and in due course lead to the whole field of endeavor being covered, thoroughly and harmoniously.

Naturally the Executive Committee could not accomplish very much without funds. While the members themselves would probably serve gratuitously, they would need to surround themselves with a staff of stenographers and clerks, and be free to engage the services of statisticians, engineers, lawyers, transportation, insurance and banking experts, etc., as they needed them, whether for themselves or for any of the special Committees. They might also have to incur considerable expense for travelling, for some of their enquiries might easily take them far afield, or require some one else to go far afield for them. Then, too, as a means of arousing interest in the

Conference, of attuning the public mind to the proper degree of receptiveness, of stimulating thought for the problems to be discussed, and, generally speaking, of securing the support of the whole nation for aggressive and concerted action, it would seem to be absolutely essential for the Executive Committee to provide itself with a Publicity Department, by means of which the Press throughout Canada could be kept regularly supplied with data, judiciously distributed according to the varying interests of each locality.

If the Conference is to be gone on with at all, the Minister can ill afford to make it anything less than a huge success, and one of the surest ways of making it a success is to provide the management with ample funds, not only that they and the other Committees may do their work properly, but that they may advertise the Conference thoroughly in advance. To that end it is suggested that the Minister be asked to provide an appropriation of not less than \$50,000.

When the reports of the special Committees are drafted, they might need to be revised by the various Chairmen in consultation, in order to ensure harmony of opinion throughout. They should then be printed, and sent to all the organizations that are expected to be represented at the Conference, with a request that each organization study the reports carefully and instruct its delegates as to the views it wishes them to express.



It is hardly to be anticipated that the Conference itself could decide upon a plan of action. All it would reasonably do would be to pass judgment upon the things which the special Committees suggest should be done, leaving it for the Executive Committee afterwards to see that they are done. Some of them might take months, perhaps years to accomplish. For example, if it is decided that one or more of our Universities should establish courses for the training of the commercial representatives Canada will send abroad, that matter will need to be followed up persistently, and frequent consultations will be necessary before what is desired becomes an actuality. After all that it may be necessary to do something to encourage desirable young men to take the courses. It is obvious, from this one illustration, that the Executive Committee will need to be continued in office for an indefinite period. Such being the case, it would seem wise to provide them with the authority and means of translating the decisions of the Conference into action.

As regards the size of the Conference, there is room for difference of opinion. The larger the numbers the greater the impression that will be created upon the Government, to whom we must look for money to carry into effect the plans decided upon. On the other hand 500 people are likely to get through more real work than 1,000, and similarly 200 will probably accomplish more than 500. The main thing is to make it representative of all important interests; the proportionate representation from each kind of interest is a detail than can safely be left to the Executive Committee.

No date has as yet been set for the Conference. At first it was contemplated holding it in September, 1916, as soon as the Trade Commission to England, France, and Italy had completed its report. Later it was decided to defer it till the early part of December. It is now February 1917, and the date is still unsettled.

Thus far, one of the chief difficulties encountered by your Secretary in endeavoring to arouse interest in the proposal has been the feeling that the problems all belonged to a future that was full of uncertainties, whereas the immediate present offered a whole series of other problems which business men felt had to be solved, but which were proving very difficult of solution. Such at any rate was the prevailing sentiment last year, when the war gave promise of being long drawn out. The general situation now seems much more hopeful, and it may be that with optimism on the increase, the time is at last opportune definitely to launch the undertaking.

The Committee of our Prairie Provinces Branch are anxious that it be gone ahead with, and the Convention fixed for Winnipeg, to follow immediately upon the conclusion of the Association's Annual General Meeting, say about the middle of June. Providing a commencement were made at once, there would probably be time to organize a successful convention on the above lines, and there can be no doubt about its being a valuable factor in ensuring the success of our own meeting. As the proposition however is a national one, in the broadest possible sense, your Secretary feels that date, place and plans should all be considered with an eye single to what is going to be in the best interest of the whole country, quite apart from what might suit the convenience or sectional advantage of this Association.

All of which is respectfully submitted,

G. M. Murray,  
Secretary.

Toronto, February 22nd, 1917.