

during the ten years following the war will exceed that of all preceding years. "The practice heretofore has been to capitalize profits and profit-earning power. Under the new system, these would be humanized and democratized instead of capitalized. Such a system involves no injustice to capital, but simply reverses the order of precedence."

Returning particularly to production and marketing, Mr. Beer points out that production and employment are national as well as individual problems. He continues: "In proportion as trade becomes international it calls for guidance and assistance from national authorities. This responsibility is already recognized in the creation of a department of labor and in the appointment of trade commissioners. The department of trade and commerce has also made arrangement with His Majesty's government by which Canadians are privileged to consult any of His Majesty's consuls in foreign countries on matters of trade. Responsibility for trade treaties and for adequate shipping facilities rests with federal authorities. There remains, however, need for further progressive action."

"Reliance upon chance or upon the business activities of other countries for the performance of necessary trade functions is an invitation to failure. And of all these functions salesmanship is the one indispensable service which we must provide for ourselves. Other nations may finance our purchases, transport our products and insure their safe delivery, but to no other nation can we look for a satisfactory selling organization. Private organization to do this effectively is within the power only of the strongest manufacturing companies. Such an organization calls for men of high character and thorough business training who are equipped with a knowledge of the language and business customs of the country to which they are assigned. Specific reports on the demand for individual products, particulars of tariff regulations and restrictions, competitive market methods and credit ratings, must all be available. An efficient central selling organization can supply these services most economically, and only through such an organization can hundreds and possibly thousands of smaller manufacturers secure any share in the trade of foreign countries. The marketing of food products and materials for manufacture, as has been pointed out by the United States Federal Trade Commission, differs widely from the marketing of finished manufactured articles. 'The former will sell themselves at some price, usually at a price broadly established in competitive world markets, but for factory products, both staple and special, the manufacturer must often create the demand for his particular goods.' Demand does not operate automatically and from within, but can be both stimulated and guided from without. It is this which constitutes the necessity for a strong selling organization."

"Organized selling alone can meet the competition of the already established sources of supply and bear the initial expense of securing a firm foothold in foreign markets. The experience of Europe would seem to prove that some form of combination of producers and dealers may be made to facilitate greatly such trade. In Germany combinations of manufacturers and distributors are the rule. Cartels, syndicates, interlocking relationships, and price agreements are found in a large proportion of the industries. In France similar combinations have been organized in many industries. In England amalgamations and combinations of competitors are of frequent occurrence. In Belgium and in Austria-Hungary, before the war, the entire industrial system, as in Germany, was organized in cartels, syndicates, and price agreements. In Italy, Switzerland, Holland, Sweden, Russia and Japan similar conditions exist to a less degree. The formation of corresponding combinations has been strongly recom-

mended in the United States. The organization of each separate American industry for export trade is the object of a trade commission now sitting permanently at Washington.

"The form which such an organization should take to meet Canadian requirements can not be decided upon without a most careful and thorough enquiry, and such an enquiry should be engaged in at once by the federal labor department, the department of trade and commerce, or other government authority in co-operation with a carefully selected committee of industrial leaders and labor representatives."

"Reference has already been made to the important functions which a competent board of industry might exercise in connection with national production. Service of equal value should be provided for in connection with the problems of marketing. An effort has been made to show that only by the consideration of production and marketing, as constituting one problem, can the problems of each be adequately dealt with. The experience of the past two years has demonstrated the desirability, and indeed the necessity, of enlisting the services of successful and practical business men to control and administer work of this nature. A nucleus for the board of industry proposed lies within the personnel of the present Imperial Munitions Board. To a board of this character might with safety be assigned the task of co-ordinating and strengthening the work of all government departments now having to do with export trade. It may be found desirable to bring under one control work now handicapped by division and subdivision of authority. Careful investigation may prove the need for a reorganization of the work of our foreign trade representatives to bring them and Canadian producers into closer and more effective co-operation. Powers equalling the great responsibilities involved would necessarily have to be given the members of the board; but to men of affairs, experienced in industry, commerce and finance, and actuated by the desire 'to serve,' such powers may most safely be entrusted. It may be found of advantage to leave the negotiation of trade treaties, and the provision of adequate shipping facilities, in their charge, for these are inseparable and basic constituents of marketing. Through their effort and influence, the producing and distributing forces of Canada may be successfully harmonized to secure 'national' advancement. Half-hearted and unrelated measures can not adequately deal with the situation already created by the war or find a solution for post-war problems. The task is a great one, the greatest ever presented for the consideration of Canadian industrial leaders, but the leadership which can be given by the members of such a board would meet with a response from west to east which would surmount all difficulties. The heart of Canada is sound, materialism is not dominant, public opinion is wholesome and may be mobilized for the advancement of a great national ideal."

"But whether by these or other means, the duty of the government of Canada clearly is to take the initiative, to call to their counsel representatives of the interests involved, and to plan now with definiteness and in detail for the period of readjustment and reconstruction of industry which inevitably must come soon. Preparedness for such a time is not the work of days or weeks, but will be the arduous and concentrated task of many months if it is to prove in any degree adequate. It is not the part of wise statesmanship, nor yet of shrewd business foresight, to trust to haphazard solutions for problems of such importance, or to plead the pressure of other problems as an excuse for inaction. The whole teaching of the war is to this end."