

Our Partnership With England

By COL. GRANT MORDEN.

Col. Grant Morden, member of the British House of Commons, has recently announced the amalgamation of important Canadian coal, iron and shipping concerns with the great steel industries of Great Britain. At Toronto, the address printed here, brought him an ovation from the members of the Toronto Board of Trade. No financial enterprise has aroused such interest in the past decade as the forming of this great merger which will be known as the British Empire Steel Corporation.

I remember watching a professional game of billiards in the old National Club here in Toronto. I think it was between Roberts and some other professional player. It was many years ago, and what struck me as an enthusiastic amateur billiardist in those days, was the fact that they did not play for the stroke immediately in front of them, nor even the stroke succeeding that, and after studying the play, I found that they played for still another stroke, in other words, three strokes ahead of the game. I was only a youngster at the time, but I went home and began turning this over in my mind, and I said to myself, if this applies to professional billiards, how much more should it apply to business.

Ever since I have been trying to play three strokes ahead, and with a country like Canada, with its enormous resources and possibilities, it is only the man that plays three strokes ahead who is going to succeed, and it is only the man that does this that is playing his part as a true Canadian for the best interests of his country.

I want to tell you one of the reasons why the British merchants have got back their business in a way which has astonished the world. I am talking not only now of manufacturers but also merchants. When the war came on, it became impossible for English merchants to fulfill their engagements. The merchants of other countries stepped into the breach. The nations that did not enter the war said, "Here is our opportunity to take away the trade of these Britishers who have had a monopoly of it for centuries past." They did not anticipate the way prices and costs were going to rise, and they made large contracts and agreements.

But what happened when the prices of raw materials and labor and everything else jumped up to unprecedented bounds, what did these countries do? The bulk of them repudiated their contracts, and to-day, in the markets of the world, the business men who made contracts with those countries, will pay 19 per cent or more in advance of the prices quoted now by the countries that formerly failed to keep their business agreements and trade contracts for the sake of dealing with British concerns which have never yet been known to repudiate an agreement made.

Some people wonder how Britain is regaining its overseas trade. I assure you that one of the most important factors is that men know when they make a contract with a British firm, it will be respected and lived up to to the last letter not only of the legal but the moral point of the law. If you follow those traditions of the merchants of England, you need never look back, you will couple with that great tradition which they have established throughout the world, the fact that Canada is a part of the British Empire, and that a contract made within the British Empire is as good as the gold in the Bank of England.

Our neighbors to the south thought they were going to have a great advantage when exchange

went against England and Canada. It only showed how little they knew about exchange. It was about as much as I knew about exchange when some ten years ago travelling from San Francisco to New Orleans, I found out that there was some racing going on at Juarez. I stopped off for a few days at El Paso, Texas, which is just separated by a bridge over the Rio Grande River from Juarez. At that time, a Mexican silver dollar was only worth 90 cents in the United States. On the other hand, an American silver dollar was only worth 90 cents in Mexico.

A man at that time started out in El Paso, Texas, one morning with an American dollar in his pocket. He went into a saloon and bought a drink of whiskey, which in those days, cost him 10 cents. He laid down his American silver dollar on the counter, and after having his whiskey, was handed a Mexican silver dollar in change, which was only worth 90 cents in the currency of the United States. He then walked across the bridge over the Rio Grande to Juarez, went into a saloon there, and bought another drink of whiskey, which also cost him at that time 10 cents. He put down his Mexican silver dollar on the counter and the bar tender gave him an American silver dollar back in change, which in Mexican currency at that time, as I said before, was only worth 90 cents. He returned over the bridge to El Paso and repeated the operation. That night he was picked up out of the gutter in El Paso, very drunk but still with an American silver dollar in his pocket. Now I wonder if the American bankers have ever yet figured out who paid for those drinks?

Within Canada we have the greatest resources in the British Empire. These resources are unlimited, but at the same time these resources cannot be capitalized into money values unless we have the capital, experience and labor to develop them. Now, where are we going to look for it? We have only two directions in the world to-day, one to our neighbors to the south, the other to our kinsmen in the east. We have got to combine with somebody. I need not ask you, the citizens of Toronto, with which you prefer to combine. Most of you are descendants, like myself, of the United Empire Loyalists who preferred to sacrifice their lands and their possessions than to live under an alien flag. Therefore, I know your answer will be the same as mine,—we will only combine with our own kinsmen within the Empire.

Combination is the order of the day. The great manufacturers of England who for years would not consolidate with others in similar lines of business, largely owing to the fact that in many individual cases their grandfathers and great-grandfathers had established and gradually built up their industries, and through family pride they could not realize that solidity in business was identical with the success of the United Kingdom. But that has all changed. Within the last eighteen months there have taken place more industrial consolidations in the United Kingdom than have probably taken place within the last half century. They realized that it was absolutely necessary. The Government of England have given them their blessing, their co-operation and their help in consolidating the great industrial interests and the great banking interests in England. Why? To place them in the position of going out in the world's markets and recapturing the trade that Great Britain has always controlled in the past.

Some people and, I am sorry to say, some Canadians have that idea that because large concerns consolidate, that there is going to be a trust, that there is going to be a monopoly, and that conse-

quently prices will be increased. There was never such a mistake. Why, take the history of any great consolidation in industry and you will always find that it tended to decrease costs and not increase them.

The economy of, we will say, ten or twelve great concerns working together is perfectly obvious—the elimination of overhead charges, the over-lapping of freight charges, the saving in advertising—all of these features mean in the aggregate a very large sum. That does not come out of the public. In addition to that there is much more than simply the economy of operation. There is the increased service which is possible only by consolidation with similar interests, and the results are that every element of the community benefits.

Proper combination to-day in trade is essential just the same as combination in all united efforts. I remember many years ago going through an institution in the West of Toronto called the Mimico Asylum. I was amazed to see in that institution that one guard could take care of about 100 lunatics, and I said to the superintendent, "How is it possible for one guard to look after so many lunatics," and his reply was that it was perfectly simple, "because lunatics never combine." The people of Canada are not lunatics.

But you must teach and educate the people—teach them, educate them—that the right kind of trade combinations are not detrimental to them, but are to their advantage, and with your enterprises and patriotic press in Canada, you can do much.

I am going to take up a somewhat personal subject. I am going to deal with a matter in which I am personally interested, if you will allow me. I am sorry I have to make it a personal subject, but being the prime mover in it, I have no other choice.

There has been consummated a great Empire Steel Consolidation. I have always felt that this Empire of ours linked together, as I think Kipling said, with "the silken thread of sentiment", living and working together without any real binding ties, rather puts me in mind of the story of the Frenchman who had had for a number of years business connections with a man in London. He went over to London and his visit happened to coincide with the celebration of his English friend's silver wedding, to which he was invited. It was a very enjoyable occasion, and when it was over the Frenchman told the host he had had a very pleasant time, but he said "My friend, I cannot quite understand what this ceremony means, this silver wedding." His host replied, putting his arm around his wife, "Why, this charming lady and myself have been living together for the last twenty-five years." "Oh," said the Frenchman, "now I understand, you have married the lady."

We have been living together in the British Empire for many years, and it is time we got married. How are we going to do it? The only way, in my opinion, being a practical manufacturer and a practical business man. Some people call me a financier, but I can assure you that I am first a manufacturer and a business man. I have never financed other people's business, I have always financed my own. I am an industrialist from start to finish, and as such I only saw one way in which we could consolidate this Empire of ours, of which we are all so proud.

Some Canadians think, I am sorry to say, that Canada is big enough to declare a nationhood by herself, but at the same time, down in their hearts they know that the nationhood of Canada within the Empire is really greater than anything that could ever be accomplished by independence.

My opinion of the way in which we can accomplish a binding partnership in the Empire is by building up an industrial partnership. This has been my dream for many years. I looked over

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