

(September 11, 1933)*

Address

BY THE RT. HON. LORD MACMILLAN OF ABERFELDY.

PRESIDENT SIFTON:—Gentlemen, may I be permitted to welcome the president of the Empire Club to our first joint meeting during the presidency of your new president, Mr. James Baxter, and myself. We are very glad to have you here. Today is a very notable day for us. You will notice at the head table many well-known personages of the Dominion and perhaps I might make a short reference to some of them. The Lieutenant-Governor, the representative of His Majesty, has seen fit to join us and we feel deeply honored by his attendance. The High Commissioner for Canada may be seen. He is becoming rather a frequent attendant at the Canadian Club and we are very glad to welcome him. Then we have the Prime Minister of the Province of Ontario, Hon. George Henry. We have two former Prime Ministers of the Dominion of Canada, the Right Arthur Meighen and the Right Hon. Sir Robert Borden. We have Sir Herbert Samuel whom we are to have the pleasure of hearing address the Canadian Club on Thursday, not as an antidote to the High Commissioner's speech the other day but rather pursuant to our customs of examining problems from varied viewpoints. Then of course we have the guest of honor, and the distinguished member of Canada's Banking Commission, Sir Charles Addis, who is a well known banker, president of the Hong Kong and Shanghai bank corporation, director of the Bank of International Settlement and Director of the Bank of England. In that way he brings to the consideration of Canadian banking problems the wealth of information of other countries and the actual doing of

*A joint meeting with the Empire Club.

business as well as theoretical banking and the control of credit and we are learning rapidly that banking, in every one of its aspects is a commercial matter and not the strange metaphysical thing we used to consider it. Then we have Mr. Brownlee, distinguished Prime Minister of one of our provinces in the west that does so much to grow wheat and has such problems in banking and commerce; and also Mr. Beaudry Leman, an honored and respected banker from our sister province of Quebec. We welcome him. Then we are glad to have with us our own Sir Thomas White, banker, philosopher, and poet. And we have the chairman of the banking commission, Right Hon. Lord MacMillan, Baron of Aberfeldy. I do not propose to say much about Lord MacMillan. He is a successful Scot, which is not an uncommon phenomenon in the City of Toronto, so that any reference to that would be considered merely as platitude. He did, however, perform several prodigies of politics and business. In the first place he was a member of Ramsay MacDonald's Labor party. True, he was a distinguished member of the Carlton Club with all that carries with it, but he became a member of the MacDonald ministry as Lord Advocate of Scotland. This made him a member of the Carlton Club and member of the radical Labor ministry and a very successful Lord Advocate all at once and you see that is a magnificent achievement. He comes to Canada, highly qualified to look into our difficulties. He was a most successful chairman of a committee to examine into the insanity and feeble-mindedness in the British Empire. Nothing could be higher as a qualification for a chairman to listen to the evidence of bankers. The fact that he has not himself become the subject of a commission is tribute to the soundness and balance and the natural Scottish instincts with which he is endowed. With your permission, I will simply introduce Lord MacMillan.

LORD MACMILLAN:—Mr. President and Gentlemen, I read some time ago in one of those books about law prepared for the use of the layman this significant sentence, "Judges are human beings." I was much relieved being myself a holder of judicial office but when the author

went on to say that judges are not only human beings, but, "persons of superior intelligence and ability", my opinion of that author leaped in bounds of approval. One would require either to be more or less than human not to be appreciative of the delightful reception you have been kind enough to give me and my colleagues here today. You have been good enough, Mr. President, to refer to some of the darker episodes in my past life. It is unusual, in a merely friendly gathering to rehearse such topics. But as you have kindly referred also to my merits, and much too extravagantly, I can only recall that delightful story of the gentleman who went up to a nigger and said, "Can you lend me ten dollars," and the nigger beamed on him and said, "I ain't got ten dollars but thanks for the compliment all the same." And I feel therefore I ain't got all those qualifications you were good enough to attribute to me, but thanks for the compliment all the same.

And now of course I see expectant faces all around me waiting for me to make my pronouncement on Canadian banking. I can assure you, you will all be disappointed, Gentlemen. I am much too discreet for that. Of course I know indiscretions are always far more attractive than merely discreet observations but in this matter I am afraid you must await our published sentiment. And so, being a discreet person, I am going, if I may, to select a subject to which I attach enormous importance. It really is complementary to the subject of the Royal Commission over which I have the honor to preside. We have been considering throughout the length and breadth of Canada, in every province we have visited, the difficult, intricate and interesting questions of banking and commerce. This, no doubt, would be in the difficult times through which we are living a matter of prime importance but I am sure I have your assent to this that they do not represent the whole of life, however important a part of life they may be, and for a few moments I would ask you today to turn your minds to a different branch of commerce, and that is the commerce of ideas.

I attach even more importance to that form of commerce than to material commerce. I believe profoundly

that the best of all possible preparations, even for a business bargain, is that those who are about to bargain should understand each other and sympathize with each other and have a common background of intellectual and spiritual interests, and to my mind one of the most important things of these days is to have not merely an economic, not merely a financial revival, but what I can only call an ethical revival. I am convinced that you require even more a royal commission on such topics than you do on banking and commerce. But fortunately we are not a royal commission for these things. These matters can be dealt with much more happily and much less formally by other avenues of approach and it appears to me one of the most useful things we could do is to see that in matters of the mind and of the spirit we re-establish inter-communication among the nations of the earth, perhaps most of all amongst our own people in the Empire, and recover a new and different spirit than the merely trafficking—I was almost going to say huckstering one—which to so large an extent has dominated our interests.

Gentlemen, one of the great advantages of the commerce of ideas is that there is no question of free trade or protection there. There is free trade in the things of the mind and spirit throughout the world. There is no question of quotas, none of the mechanism of adjustment of quantities or quotas as between nations and between people. There are no frontiers to the intellect, no barriers to the free passage of the things of the mind and therefore in that branch of commerce one escapes the regions of bargaining and all are eager and willing to share the common heritage of the mind. To that I attach in these times immense importance. I sometimes think our sense of values has got a little upset. We are inclined to attach far too much importance to merely material things. In the end of the day surely we will all agree that the thing to achieve is happiness. Happiness consists really in the exercise of your gifts and capacity in the sphere in which they are best capable of manifesting themselves. Interest and happiness in life are the things we all really care for. Everything else is only a means to that end and I think we

have rather gone astray in all of our valuations and have been inclined in these times to attach too much importance to the merely material things and disregard to some extent these things which without money and without price, are, after all, the most precious of possessions.

And so it may seem strange, gentlemen, that as a chairman of a banking commission, engaged in considering problems of finance I should venture here in this great gathering of business men in Toronto to turn aside for a moment to a topic such as that. I do it, if I may say so, with a certain measure of relief, because it is not good for any man to be entirely pre-occupied with the things of this world. It is not good for him in any sense, even good for him in a business sense. My experience always has been this, that the bigger a man was, the simpler he generally was in his outlook on life; and when one met people who had a large view of life and great generosity one found in their outlook the least tendency to boggle over merely financial questions. These questions took their proper place and perspective among persons who were able to place them in their proper position. Now that seems very heretical, doesn't it, on the part of a chairman of a banking commission and yet I think it is an admirable corrective to us all.

Yet I do attach the utmost importance to this commission that has been entrusted to us. We have had an amazing experience. I venture to say I have seen more of Canada than most of you, even in this room. We have visited every province of Canada, and been to the capital of every province and other cities as well and have spent fourteen nights on the train and had other experiences of a somewhat disturbing character. It has been immensely educative; for me at least, immensely instructive. We have been able to make a survey of the whole Canadian position and even the subject of our transit has, I think, been an advantage because it has brought into juxtaposition and contrast, the very diversified conditions of the different parts of Canada. We have been able to form a picture of the economic scene and we have come to Toronto the last city of our pilgrimage until we return to Ottawa bringing

our sheaves—I am not aware that I should say rejoicing, but at any rate bringing our sheaves. And the next process, as you know, after the sheaves have been gathered, is separating the wheat from the chaff, a metaphor which will appeal to Mr. Brownlee. I am not going to say how much is wheat and how much is chaff nor will I say what is the value of the wheat, I understand always a highly controversial topic in Canada, but we have garnered a very considerable measure of valuable grains, I am quite sure, and we shall now sit down to study.

May I be allowed just to refer to two topics in connection with the commerce of ideas which was the subject I selected to speak to you upon today? One of them, I think, is really of great interest to you or ought to be. In London, England, we are at the present moment embarking upon a great scheme of Imperial education. The University of London has emerged from its original condition of being that most objectionable of all things, a merely mechanical body. It has got a new constitution and has proceeded to embark upon a great career, which involves the erection in the very heart of London of a series of institutes destined, I think, to become a clearing house of the things of the mind and intellect in the Empire. We have acquired there and hold a free-hold of ten and a half acres in the very heart of London. Anyone familiar with real estate questions will understand what ten and a half acres in the centre of London means. We are in close proximity with the British museum, probably the greatest storehouse of the material of learning in the British Empire. We are close to various other great institutes of learning, University College, which I am sure is represented in this gathering by several graduates, King's College close at hand, London School of Economics, not far off. In short, this great edifice which is to be constructed in the heart of London will find itself in the very centre of what one may call the intellectual sphere or region of the metropolis. There we propose, as time goes on, to establish a series of institutes, institutes for the promotion of higher learning, not merely in London, or Britain but for the Empire and for the world. The institute of His-

torical Research for example is an institute where any man coming from Canada, Australia or anywhere else in the Empire anxious to pursue some study, (shall I say with regard to the early colonial history of Canada?)—will at once have every possible assistance given him to explore the record offices and other archives of our country which we share in common. Is he interested in art? The Courthold Institute of art, due to the generosity of Mr. Courthold, the well-known manufacturer, will afford occasion for him to converse with the best artists of the day and offer every opportunity to pursue his studies. Is he interested in Oriental languages? The Language Institute will enable him to delve into the language of the Swabi or Banga. Is he interested in Public Health? He can go to the Institute of Public Health and there study with scientists interested in the same studies of the principles of public health. Or is he interested in education? The new Institute of Education is intended to be the rallying ground for the whole Empire where men may meet from time to time, wrap their ideas together and get all the stimulus that comes from the mingling of ideas. I have only given you a slight conception of this great clearing house which we propose to establish in London. It will take a generation to do it but it concerns every one of you and just as the Bank of England has always been regarded as the great centre of finance of the Anglo-Saxon world, it is our ambition that there should arise also in London, a city which has never been famed for learning as the other great capitals of the world, something which will make London as great in matters of scholarship and mind and spirit as it has been great in matters of finance and government.

That is the great conception and it is a conception that I am certain will interest everyone in this room. It is to complete the equipment of the British Empire, to offer the equipment to which all of us can resort for the pursuit of those things which are represented by the commerce of ideas.

That is one topic upon which I meant to say a word today. The other topic is possibly of more immediate

practical interest to you and that is just a word about the human factor in industry. I happen to be president of a body in England which rejoices in the name, I think it is, of the National Institute of Industrial Psychology. As our neighbors across the border would say, "I have spilled a bib-full." Despite the somewhat pontifical and portentous name of this society, it is one of the very greatest possible interest to all who are engaged in practical industry. Its aim is to study the human factor in industry as contrasted with the machine and industry. You will agree with me that the last half century has seen enormous advances in technological improvement throughout our countries and much less attention has been paid to the human factor in industry than to the perfecting of the mechanical side of our factories and all our industries. This has been carried on to a very great extent, but far too little attention has been paid to the human factor, the study of the human being who after all must be in charge of these machines, who must actually carry on the industry. And this society has for its purpose the study of these problems, and it does so in an eminently practical way.

For example, one of the big restaurants in London, as you know, is Lamb's, a name pretty well known everywhere. Well, Lamb's found there was a mysterious big breakage bill, that every month they had to face a huge bill for the breakage of cups and saucers and so forth. They investigated with the assistance of practical men forming part of this association. They sent two of their investigators, who proceeded to study the conditions under which the girls carried the trays into the restaurant. They discovered there was a certain corner in one of the passages. They lost most of the dishes there. They have fixed it. There was nothing there to an outside observer, but the experts saw at once a danger spot and it was put right. Then they observed there were corners on the table which accounted for a certain percentage of the smashes and the tables had to be rounded off and so examination of the human condition under which these girls worked revealed just the sort of condition you do not notice in looking after your own affairs. The breakages bill of

that important firm went down several hundred points in the course of a year. They actually were able to bring down their overhead by a very substantial amount.

A big firm of confectionary manufacturers had a great deal of discontent and ill-health among its employees and an investigator went and watched conditions under which these girls filled boxes with chocolates. You know the different types that go to make a box of mixed chocolates. He found the girls had difficulty in getting at the chocolates. They reached for the second and then stretched for the other one in this mixture, and these actions involve a certain amount of irritation. Re-arrangement was made so that the chocolates were obtainable in rhythmical fashion without strain or stretching, and it was arranged that she would stand for half an hour and sit for half an hour and the investigator studied the whole psychology with the most amazing result. The output was nearly doubled and it was reported to our association that we had worked almost a miracle in that business.

Well, I am only giving you some illustrations, but they indicate that you must study not only your machines but the adaptation of the human factor to your industry. And this organization, only in embryo, is beginning to carry out great work in that department which is of value, not only to the element of increasing human happiness and effort, but also in industrial efficiency. It is being applied in His Majesty's post office where they are investigating conditions under which letter sorting is conducted. In the schools they have been considering questions of ventilation, going into all these problems of biology which have been neglected, sort of making rough places smooth and getting rid of problems which we all know.

You may say, why don't people do this for themselves? They do not. I am perfectly certain everyone in this room has a mirror that won't stand at an angle. He fixes it when he wants to shave with a pin catch or a hairbrush and it has been that way for ten years, just because he won't take the trouble of fixing it. You go on suffering with a key that won't fit or a drawer that won't open, but when they are pointed out and a remedy is suggested, you

begin to take notice. This association is one that might interest you in Canada because its purpose is to get rid of these difficulties and increase the element of pleasure in work. If you once got people interested in their work you have solved the problem and one of our great difficulties is that men do not get sufficient interest and happiness out of their work. We want to restore that.

I have taken a lot of time with these two topics but they are related to each other. They are related to these different factors in our life, not merely the financial factor of which I am going to say nothing, but also the idealistic factor. You will forgive me if I confine myself to these topics today. And now I know the real difficulty of after-dinner speakers is what is known as "terminal facilities". I think I notice an appreciative look on the faces of some of our audience, because they saw welcome signs of the peroration approaching, and I do not propose to detain you longer except to tell you a Scotch story.

A young lad in a Scotch village used to walk out with his sweetheart night after night but never came to the point of asking her to marry him and at last one evening under the influence of the Summer twilight he said to her, "Jeanie, will you marry me?" And she said, "Aye, John, I will." And then dead silence fell between them and they walked solemnly and sedately home. When they came to the door of her cottage she said, "You haven't very much to say to me, Jock." He said, "I've said o'er much tonight, Jeanie."

PRESIDENT SIFTON:—Mr. James Baxter, President of the Empire Club, will express to Lord MacMillan our appreciation of his address.

PRESIDENT BAXTER:—This audience, my Lord, in numbers and enthusiasm has thanked you for your great unselfishness in coming at this time today. This supreme part of your character, if I may so call it, has been in evidence throughout the past three weeks to Canadians. As I spoke to His Lordship and said this audience today has demonstrated to you that there are more Canadians anxious to hear your voice than they are to hear themselves, otherwise the functions of the commission of which you are head would have gone on for several years. In speaking of the com-

mission I would like to point out a fact which is not generally known and that is that Lord MacMillan and his colleagues have performed their arduous duty and will continue to do so without pay. I extend to you, my Lord, formal thanks from the members of the Canadian Club and Empire Club of Canada and in addition, the thanks of thousands who are within range of my voice over the air. We are proud of the tribute you and your colleagues have paid to our Dominion by forgoing a well-earned rest and without pay you have listened to what some Canadians had to say from coast to coast. It has been recalled to us in a charming parody that the ground in front of Edinburgh Castle is really part of Canada. It was declared Nova Scotia by Charles First in order that newly appointed and newly made Nova Scotian baronets might take seisin of their lands. You, My Lord, are legally a bit of Scotland in Canada. The task you have engaged upon will in large measure shape the future destiny of this country. We are safe in your hands. My Lord, we thank you.