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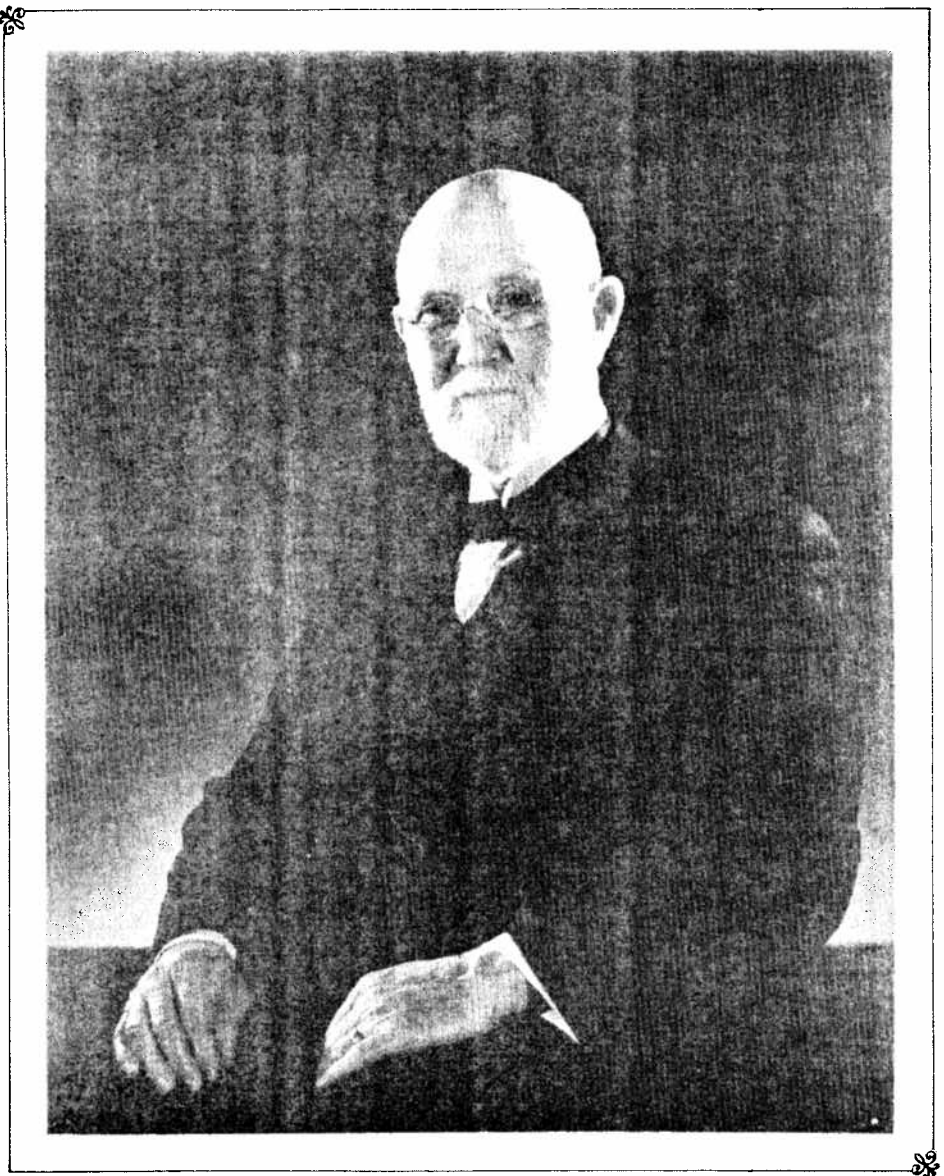
BEING AN UNFINISHED STORY
OF HIS LIFE



by

Sir Joseph W. Flavelle, Bart., L.L.D.





INTRODUCTION

In going through my Mother's papers this winter, I came across this document. It proved to be so fascinating, even if it is incomplete, that I thought you might like to have it. Apparently it was a draft of a talk that Sir Joseph was going to give to the family probably at Christmas 1938. It portrays a facet in the life of a man to whom we owe so much and whom we are proud to call, Father, Grandfather or know as Great Grandfather.

Frank F. McEacbren

June 1967

I don't know that I feel very comfortable in attempting to cover what is involved in my letter to you young people the other day, but when one reaches the advanced age that I have reached, frequently in talking with friends about this or that, they say "Really you ought to write that down so that we would know more about it". Miss Gladman and I have talked a good many times about taking so many hours a week to do something of the kind, but so far have not done it.

In speaking of myself to you, my dear grandchildren, I am not thinking of it at all in the sense of a parade or fuss about myself. It is rather with the thought that, while you have not met them much in your young years, some of the harsh things that were said about me during the years gone by may be heard by you at some time, and I thought perhaps if I were to recite some of the circumstances which have affected my life, and some of the things with which I have been associated, you would remember you had heard the truth concerning them from your grandfather while he was alive, and would not be disturbed by some of the things which may be repeated again.

The associations of home when we were young children were clouded by the fact that my father, as generous-hearted an Irishman as ever lived, had, over the years, acquired an appetite for liquor which he could not control. This threw upon Mother the strain of the necessity to provide for her children as they were born, the bare necessities of life. It was not that my father meant to conduct himself the way he did, but the appetite for liquor became a desire which would lead him to drink week after week until he would have to go to bed ill for two or three weeks. He would then get up and go to work, and do what work he could get, only to have the same thing break out in the course of a few weeks and repeat the story over again.

In my earliest recollections, Mother taught a private school which faced on the market square in Peterborough. We had many very interesting old families living in Peterborough - the Burnhams, the Rogers, the Rubidges, the Clementis, the Fortyes, the Stewarts, the Hamiltons, the Haultains, the Dennistouns. I think I could mention seventy or eighty names to you, - men who, when we youngsters met them on the street, we did not think it was any trucking to superiority to touch our hats to them. They were superior in a sense that they came from British or Scotch or Irish parentage, which left a mark of distinction upon some members of the families and which was passed on to the children. Not a few of the children of these parents went to Mother to school. She was a remarkable teacher. I have sat on her knee for many hours during the week while she taught, because there was no one to take care of me and I was too little to be left alone, so she carried on her teaching with me sitting on her knee.

There grew between Mother and her children an extraordinary relationship of love and respect. I was the youngest. We came two and a half and three years apart - the five of us. The oldest one was my sister Minnie. As soon as they became old enough my two brothers and my sister went to work so as to relieve the treasury of the house of the pressure on our finances. My brother Jack went to Lindsay to work with his uncle, Mr. Dundas, the father of Miss Lily and Miss Alice Dundas, your cousins. My brother Willie went to work for James Best, and after he had finished his time there he went to Lindsay and joined my brother working with my uncle. My sister taught school, first in Burleigh, in that time a wild place. She afterwards taught in Omeme, and subsequently went to Lindsay with my two brothers and my uncle and became the senior book-keeper in the store, at which work she was exceedingly capable. That left my sister Margaret and I at home alone. My sister Margaret had one limb shorter than the other, about three and one-half inches. When she had grown into young womanhood, she got a boot with a thick enough sole to ease some of the lameness. There was a very great bond between my sister Margaret and me because we were youngsters together.

Mother was very devoted in her religious life. She had been a very faithful child of the Church of England in Ireland when she was a girl, and when she was married and came to Canada she still attended the Church of England. Our family prayers were very rich with the lovely prayers from the Anglican Prayer Book, interspersed with her own voluntary prayers. When she came to Peterborough, the Church of England in Peterborough - St. John's Church, the beautiful old stone church on the hill that you have seen, those of you who have been in Peterborough, the church Miss Gladman went to when she lived there - this church was supplied with a missionary from the Church of England at home. He turned out to be a cock-fighting, whiskey-drinking parson, which so shocked my Mother that she could not go to church to hear him, or worship where he led the worship. It happened that at that time the Methodist Church in Peterborough had a cultivated minister, and someone told her that was the place for her to go. She went, and found comfort and satisfaction in worship, and out of that grew the fact that we all became Methodists. We children, as we were born, were baptized in the Methodist church and later attended worship there.

We always had family prayers, morning and night. Mother addressed God not in any irreverent, familiar manner, but as though He were right beside her and she was just telling Him. She had a great deal to tell Him in her anxiety and care, but as she prayed one felt she was in the presence of a Being in whom she believed, and it grew with me as a little fellow that I, too, could pray as Mother did, and ask as she did for guidance and for counsel.

It was customary in the Methodist Church in those early days to have what we called protracted meetings every year, when there were special services and those who wished to give their hearts to God were invited to come to the penitent bench and confess their sins. When I was a little chap, just after I had gone to work, I felt I wanted to join the Church, and it seemed to me the natural way to do so was the way other people did, and so I went to the penitent bench and was admitted into membership in the Church.

Our Sunday School was singularly effective. We had a series of men of genius, one of whom was Robinson Rutherford. Our friendships were all in the Church, our companionship in the Church, our social life in the Church. I started very young to be in the Sunday School library. I distributed the Bibles in Sunday School.

Out of this association in Church and Sunday School there developed a relationship, not an impudent one, but one in which I could tell God anything. I remember when I went to work in James Best's store, the senior clerk in the store, who lived a pretty high life, used to like to rag at the little chap so as to try and get him to do something that was a discredit to anyone professing to be religious. I can remember putting a packing case in the cellar against the stone wall, with just room for me to crawl in, and I used to go down there when he ragged me pretty badly, and pray that I might be kept from becoming angry and saying things I would be sorry for. That little altar of refuge continued for the three years that I worked with James Best.

I started on my first piece of work when I was ten years old. Among the very kind friends of my Mother was Mr. George A. Cox. He sent word to her he would like me to come and deliver telegraph messages during the two weeks of Christmas holidays. At the end of the two weeks he gave me \$10. It seemed a great deal of money to me. I had heard Mother say many times that she would like to have a black paranatta dress. I had not the least idea what a black paranatta dress was. I went to Nicholls & Hall, the big dry goods store in Peterborough. I had been in with Mother at different times when she was shopping, and knew the senior clerk sufficiently well to speak to him. I went in and said to him: "I don't know anything about paranatta, and I don't know how much a paranatta dress would cost, but I have this \$10. If you could let me have the material for the dress and all the things that go with it, I know my Mother could make it herself, and I would like to spend this \$10. in this way." So he said, "that is alright, Joe. I'll see that your Mother gets the material for the dress and all the requirements." What a time Mother and I had when the dress was delivered and I had to explain how it came.

My brother Will was leaving Best's at the end of the year to go to Lindsay. Mother succeeded in getting from Mr. Best a position for me when my brother went away. Prior to going to Best's, and needing what little wages I could earn, I went to work for Mr. John Erskine, who kept a general dry goods store. His specialty was the things that women use in doing needlework. He was a very kind, straight-laced man. Charlie Henderson, his senior clerk, was a good deal of a devil, but he was a good fellow. On one occasion I was in the lane behind our place. Johnnie Maloney had a store a few doors down. I came in in a great state of excitement and said: "Oh, Mr. Erskine, Johnnie Maloney's bust." Mr. Erskine said: "I knew he was very sick, but not as sick as that." When I explained to him the character of the bust, he gave me a lecture on being more accurate and careful in my language and choice of words. Maloney's business had failed, and this was the "bust" I referred to.

Then I went to James Best. My engagement was for three years. There were formal articles drawn up and signed by Mother for me, which stated I was to work for three years and was to receive Fifty Dollars the first year, Seventy-five Dollars the second, and One Hundred Dollars the third, as well as my breakfast and dinner at my boss's. Mrs. Best was a delightful, kind woman. She had three children. I can remember a great victory I achieved in the very early part of my stay. Her baby was very small. He cried and cried and cried, and they could not find out what was the matter, but he kept on crying. He was sitting on my knee one day and I looked at his head and saw something underneath the skin. Best's store was next to James Stevenson's. James Stevenson used to buy sheep skins, and some of us had brought a tick home on us and the tick had got under the baby's skin and was troubling it. The fact that I discovered it made me the "white-haired boy" with Mrs. Best.

Mr. Best was a high-minded, straightforward, decent man. He had a general store in which, as we said in those days, we sold everything from a needle to an anchor. Our business was chiefly in barter. We took in the things the farmers had - butter, eggs, fruit, vegetables - and traded them for the things we had. We used to get fish from Mud Lake, as we then called it - Chemong Lake as it is called now. People living around the lakes, when they came to town used to bring fish and trade them for goods.

I think you have all heard this story before. The pictures of Queen Victoria and the Prince Consort, standing over there on the bookcase, were on the covers of handkerchief boxes which came into the store. I asked Mr. Best if I might have the pictures after the handkerchiefs were sold, and so I got those remarkable prints off the top of handkerchief boxes and had them framed. In 1903, when Lord Minto occupied this house for a week, he put those pictures of Her Majesty and the Prince

Consort on the dining table at all official dinners he held here, so they have become quite important pictures.

When my three years with Mr. Best had expired, my brother Willie was concerned about all of us going into business, and he said: "Now, Joe, I would like you to go to school." I had already passed into high school. He said: "I would like you to go to high school and graduate from there and try and fit yourself to be a lawyer or a doctor, instead of going into business like the rest of us." And so he gave Mother the equivalent of what my wages would have been for a year's time. At the end of the year, I said: "Will, I don't want to do it. I want to go into business and earn for myself. I am not going to let you do it."

Walter Beal had a flour and feed store backing on the market in Peterborough. My father used to work there occasionally, and I secured a job there. I was seventeen years old. At the end of the year he died suddenly, and my two brothers and my uncle provided me with a moderate amount of cash and the necessary credit in the bank, whereby I bought from the estate - I, a boy eighteen years of age, bought the business of Walter Veal. There came a decision at that time that profoundly affected my whole life. Matt Macdonald was the man who drove the wagon; Walter Middleton, the man who worked in the store with me. When we started out after the business was turned over to me, I said: "Now you, of course, are going to be just employees. I am going to be the owner. But I hope we shall agree with one another to try to please the customers who come here, so that they will want to come back. Try that whatever we have to sell will be worthwhile, and you, Matt, when you deliver the goods, will have such good manners and good sense that you will please the people to whom you deliver so much that one of the factors in getting them to come back and buy from us will be the way you act. And Walter, it is up to you and me to see that what we buy is worthy of selling; to try and sell at a fair price, and, without being mean to try and buy as carefully as we can; and if we three work together perhaps we can make this business so that it will pay."

Now that decision was also accompanied by a plan in advance. I said, "Out in the market (we had a very active market in Peterborough) farmers bring in their eggs and their butter and their vegetables. They sold them for cash to the people who come to market to buy. In the fall of the year they bring quarters of beef and lamb, and tallow and sheepskins and lambskins and cowhides. Now I am going on the market and try to buy these things as well as I know how, and bring them to the store and sell them to our customers, and I am going to try to make the rent and cost of the store out of these things bought outside, so that whatever business you do in the store will be clear profit."

I knew nothing of keeping books of account, but kept a memo in my pocket, and every week I used to figure out as nearly as I could what the things which I bought had cost and what I had sold them for in the store, and what I had made on them, so as to see how nearly I came to making expenses for the week, and when it did not look well I used to work harder the next week to try to catch up.

Now that principle which later in my life came to be known as a budget system, planning in advance, developed in that little store in Peterborough, with the co-operation of Matt Macdonald. Matt became known all over town. He just could not have lived up to the standard I set better than he did. Everybody liked Matt. Walter was a very careful, quiet man, and the three of us worked together. That started us in a planned method, planning in advance what we would try to do, and checking up afterwards to see how it worked. We based it on our plan of pleased customers, trying to have what they wanted; trying to have the goods at a price that was fair; and having the courage to tell them when we did not think the thing was quite what they should have, that it was not right and they had better not buy it.

At the same time, I planned to have only a limited amount of money owing. We would tell the people who bought on credit that we would have to ask them to pay promptly, and fixed the time when payments must be made at one month. I can remember with even as tried and true a friend as Mr. Cox, writing to ask him to tell his people not to buy any more from me than they could pay for in thirty days as I had not money to spare, and their account had not been paid for three months. He came to see me and said: "That is alright, Joe. I will see you are paid at the end of each month."

I mention this because I have observed the same practice in relation to credits in all subsequent enterprises with which I have been associated, insofar as I have control and the right to direct what should be done. When I came to Toronto I reduced the time from one month to one week, and asked my customers not to buy any more from me than they could pay for the first of the following week. The result has been that during long years in the companies with which I have been directly associated, my losses on credits were very small. It became part of the planned oversight of the business.

I came to Toronto under interesting circumstances. My brothers in Lindsay and my uncle bought farmer packed butter and store packed butter. Farmer packed butter was put up in little kegs holding about one hundred pounds of butter. The farmers began to pack it about the first of June, and brought it in in wagons or sleighs about the first of November. The store packed butter was butter taken in exchange for goods, and was packed in small tubs, about fifty pounds to a tub.

One of the first things I was given to do in James Best's store was to sort butter into colours. It used to come in, some white, some yellow, some mixed white and yellow, and I had to sort it and put it in tubs fairly true to colour, in place of being a mixture of white and yellow butter which would look very badly to our customers.

In connection with that part of my own business, I used to drive in the fall of the year through the country east of Peterborough. My brothers took west of Peterborough for their business in Lindsay. I went east, and they had a half interest in what I bought and helped me to finance it. I went to Keene, Indian River, Norwood, Hastings, Campbellford. I remember on one of these occasions when I had the team of horses at the door to drive to Campbellford, your mother, Mina, came downstairs and said, "The baby has had a convulsion. I think she is going to die." In place of starting for Campbellford I went for Dr. Halliday. I brought him back and this wee girlie was lying in an unconscious state. I can still see Dr. Halliday with a clean handkerchief spread across her mouth, breathe down, stretch her little arms out, and by and by she commenced to breathe, and her life was saved.

I learned that in Toronto for some reason in 1885 the store packed butter that was shipped to the commission merchants on Front Street to sell had not sold, and there was a great stock of two-year-old butter in Toronto which could be bought at a very low price. I came up to look at it on behalf of myself and my brothers in Lindsay, for we were partners in that business. There turned out to be three thousand packets of it. I bought it from three to five cents a pound. I coopered it myself, and through working on it my clothes smelled so much of rancid butter that when I went home on the horse-car to my boarding-house, I used to sit out on the back rail because people would look at me with such disgust that I was ashamed. I was so impressed with how badly the business was done on Front Street, that when I came back I said to your grandmother, "My dear, I believe if I could sell my business out here in Peterborough and go to Toronto, I could do well on Front Street. What would you say?" And characteristically of her, your dear grandmother said: "Whatever you say, my dear. If you think it desirable, I will go to Toronto, of course."

And out of that came my moving to Toronto. My friend, Mr. Cox had moved from Peterborough and gone into the Canadian Bank of Commerce as well as the Canada Life, and he brought me to Robert Jaffray and introduced me. I sat down and told them the story. I said: "There is a place, 74 Front Street East, that I would like to rent. If I could secure it I would take it as an indication that I ought to come to Toronto." Jaffray said, "That is one of the Manning stores. I will give you a letter to O.B. Sheppard, the agent for Manning," and he gave me a letter tell-

ing him he would be warranted in renting me the store, and that I was of good character; and so, before I left his office I had rented 74 Front Street East. I was not able to sell my business in Peterborough immediately, so left it in charge of the two men who were with me, and came to Toronto.

I used to go into the country and buy whatever I could that was worthwhile – butter, eggs, cheese, whatever there might be – and sell them in my store, and again I brought with me from Peterborough the same planned operation as regards accounts, only I now made the limit for credit one week. I followed my practice of keeping track of what I had bought and what was sold in an endeavour to know at the end of each week about where I stood.

After I had been there a short time I was waited upon by a group of egg dealers. In those days over the Province of Ontario there were wholesaler dealers in eggs who had their wagons and went around the country to village and town stores and collected eggs and brought them to their warehouse where they sorted and candled them, passing them before a candle so as to grade them into firsts, seconds, and thirds, and what were not sold in town were shipped to some of the markets in the United States, chiefly New York and Boston. They came to me and said: “We are greatly harrassed by the price changes. When you are short of eggs in Toronto, the price goes up and you people telegraph storekeepers to send you eggs, and we find ourselves confronted with an awkward position in buying eggs because you are paying a higher price than we can afford to pay.” Out of that conversation there developed a situation in which they agreed to ship to me eggs I requisitioned each week, to be sold at a price which they fixed. It gave my business a splendid fillip, because we always had enough eggs to keep the market supplied, and keep it supplied at a price that pleased. I give you these details because they enter into the picture of a planned operation.

At the end of my first year in Toronto, I was unlucky enough to have one of the serious illnesses of my life, typhoid fever. When the doctor told me I had typhoid fever and must stay in bed, I said: “I am sorry but I must go downtown.” I stuck it out for a week, and I can remember walking up Jarvis Street past the Jarvis Street Baptist Church – we lived then on Homewood Avenue. The next thing I remembered was my wife bathing my head, and the doctor in the room. I was in bed for six weeks. During that time my man let two carloads of potatoes freeze on the track, sold two carloads of hay and was not paid for them. I had an unhappy time. Meantime, I had notes coming due at the Bank of Toronto, which gave me some concern. My wife wrote Duncan Coulson, the Manager of the Bank of Toronto, telling him of my illness, and saying I had some notes maturing due in his bank which I feared I could

not pay until my return. I never saw the letter my wife sent, but the answer came, “Tell your husband to have his typhoid fever with as much comfort as he can. I will look after his notes.” From this time on, a very friendly relationship developed between my wife and I and Mr. Coulson, and even after coming to this house we would always ask him to any parties we had.

I secured the confidence of William Christie, the biscuit maker. Creamery butter was just coming into existence at this time – butter made in the factory in place of by the farmers. I commenced to supply him with a product that pleased him. Out of that grew a situation that when a later development brought me into a bigger way of business, for twenty years I enjoyed his orders without ever a price being fixed except by myself.

When I was recovering from my illness there was a request to my dear wife to let Mr. Gunn see me. He was the first visitor who saw me, and he said, “My partner, Archie McLaughlin wants to quit, and I am afraid he will change his mind, and I would like to know if you will take his place and buy him out. I have watched you work since you have been here, and I think we would get on together.”

And so we added Number 74 to his store and became Gunn, Flavell & Company. We had our articles of partnership and I saw, for the first time, a double entry set of books where you had a correct story of your transactions as I had not understood it before, hence when I took off my weekly memo to know how we had been getting on I had the help of a set of accounts and a skilled bookkeeper, which was very valuable.

The present General Gunn, whom you all know, was a boy in the store. I immediately put into operation breaking up our sales into their respective parts. We had an eleven-column journal. John was in charge of the journal. He was not supposed to leave the office at night until all the entries were made and balanced across. John became more careless and more careless until at last I sent him home. His dear mother came to see me. She said, “You don’t mean to say you have dismissed John.” I said, “He has dismissed himself. He won’t do what he is told. If he will do what he is told he can come back.” He came back repentant, and his eleven-column journal was balanced each night.

I give you these details because they developed in the subsequent larger field of my operations as part of a planned system of operation.

Riding up Sherbourne Street three years later, just after I had renewed my partnership with Gunn for another three years, I saw William Davies drive into our house. We then lived at 423 Sherbourne Street. I had never spoken to Mr. Davies. I knew what he looked like. He went in to the door as I came up and I followed him. In a very strong voice he said, “I have called to see you. My boys are sick unto death, and

James says you are decent. Will you come into the William Davies Company?" When I began to speak to him, he said: "There is no use speaking to me, I am deaf." He brought a pad and pencil out of his pocket for me to write my reply. I wrote, "I am sorry, Sir, I have just renewed my partnership with Gunn for three years. It is impossible for me to accept your proposal." He said, "You will see Mr. E.R.C. Clarkson."

Out of that came a situation where I arranged, with Mr. Gunn's concurrence, for Andrew Gunn, whom I had sought a year earlier, and my uncle in Lindsay, to buy my share in the business. That brought Uncle Dundas to Toronto and brought Andrew Gunn into the Business as a partner. Andrew proved to be a very effective, useful man. This also permitted negotiations between myself and the Davies people being completed, which brought me into the Davies Company. Again, I brought to the Davies Company the theory of a planned operation.

The Davies business was almost wholly an export business with Great Britain. They had two stores. It was in the stores that I had met James. We used to sell export bacon to him from Gunn's for his stores. This started me on my way to an export business, concerning which I had no knowledge.

Before completing my portion of a year's contract in the Davies business, William Davies Jr. came to see me and said: "I am sorry to tell you we have had trouble with our cure. We do not know what it is, and I feel before you go on with the business you ought to know about it." When I spoke to William Davies Sr. he said: "One thing you can make up your mind to is that the trouble is not in the cellar. Our cellar work is of such superior order that it is impossible the trouble could be there."

I made up my mind I should go to England to find out something about the business that could be done there. In the subsequent twenty years I went over once always, and sometimes twice, and occasionally three times a year, because I believed that I should learn what sort of product the customer wanted. It was not what I wanted to sell, but what the customer wanted to buy that mattered.

I brought into the accounting department, only on a more technical scale, the same method whereby the business could be planned in advance, and could be checked as soon as possible afterwards as to what had happened.

I instituted enquiries concerning tainted meat through visits to Chicago and to Sperry & Barnes in Rhode Island, who made the same product as we did. They told us they thought the trouble was we were running our hogs, and after they were killed putting them in a room with too low a ceiling, where the heat could not get out. I had the ceiling taken off and the roof raised to give plenty of air, but the taint still

continued. I had hogs driven around the yard until they fell down exhausted. I did this thinking, when they were killed, perhaps the rough handling of the hogs would have affected the cure, but we did not find any more trouble in them than in the other hogs. I could not get any information in England, but they emphasized we were suffering in the reputation on the character of our brand, which was of first importance.

Some considerable time afterwards I had our refrigerators all overhauled in accordance with Armour's plan for their refrigerators. They said they had had similar trouble and had rectified it, but this did not remedy our trouble.

Some people called Jones & Bosomworth of Elora sent us in some very high grade Yorkshire bred hogs, and I told our people I wanted them kept separate so that I could follow them through and send them to England separate and see what they had to say about the product from Yorkshire bred pigs.

As I was interested in these particular sides, I went into the cellar to see them during the cure. I noticed a pile of sides and thought they looked as if they had not been turned. The regulation required that they should be salted and packed side upon side about eight high - they looked like cordwood along the floor, - and regularly turned. When I looked at them, I said: "Stanley, were these sides turned?" "No, they were not." "Why?" "It is all Jimmy Leitch's fault. He is in a stew for more help and takes men out of the cellar, and I haven't men enough to turn them." I said, "Do you mean a certain number of sides are not turned regularly?" "Yes." I said, "Stanley, you have been here for forty years. You will leave tonight and not come back again. I will pay you a pension for life but you will not work here any more." That settled the taint in the gammon. The trouble in the fore end of it I discovered from the same intensive examination, and we subsequently turned out millions of sides without an ounce of tainted meat. The trouble which was not in the cellar was all in the cellar through fault in disciplinary control.

I went to the factory when the men went to work and spent most of the day in the factory working with them. I learned that it was astonishing what could happen and what could not happen when you had a knowledge and grasp to carry your work through effectively, and out of it we developed in the William Davies Company a steadily increasing volume of business, with great approval of our product. I was the only curer who regularly went to England and made a study of the situation there, and we gradually established a premium of a shilling, two shillings, two shillings six pence over other Canadian bacon, which was a very handsome profit in itself.

In 1898 my friend, Mr. Fudger, came to me and said: "I have an opportunity to acquire the share capital of the Robert Simpson Company. Robert Simpson has recently died, and his executor wants me to buy the stock. I have examined the business carefully, and if you would come in with me as partner I would buy the \$135,000 worth of shares at the price named." Out of that came my connection with The Robert Simpson Company. And, again I brought into that new enterprise the same thing that had served me so well in Peterborough, in Toronto in the Gunn Company, and in the William Davies Company – share with the staff in planning in advance what you believe you can do, and checking as promptly as possible what actually happens. If things have not turned out right, ask why, and get control and mastery of your business.

Mr. Fudger said: "I know you are busy in the William Davies Company. I know you cannot come and have an office here, but I want to have you available for counsel", and there was established between us mutual confidence and faith of a very happy character. The business grew in importance and size and volume.

In both the Davies Company and The Robert Simpson Company, I encouraged the young men who were growing up to acquire shares. We sold them the shares at par. We helped them to finance the purchase when they were not able to finance it themselves. In the Simpson Company, Mr. Fudger and I formed a trust account through which we borrowed the money for the men and gradually had it liquidated. We also provided a market for their shares as they were not listed anywhere, so that employees who had purchased shares and wanted to leave and go somewhere else were able to sell their shares. Consequently there grew up a body of young men in the business who had an interest in it because they owned stock.

During this period I had had rather an extraordinary experience in opportunities to go into other enterprises. You may remember, if you read over what I said when I retired from the Bank of Commerce, that I stated that after Mother found me my first position – and this is one of the things I would like you young people to know – after Mother found me my first position, everything else that came to me came wholly unexpectedly. I never looked for any position, nor asked for any honour. I came into the Bank of which I was Director for forty-one years, and from which I retired a year ago, because Mr. Cox came to my house on Sherbourne Street one evening and said: "Joe, we have discussed asking you to be a Director of the Bank, and I think you would be elected at the coming annual meeting, if you are willing to serve." I said I would come if elected. Three years later he came to me and said: "I want to establish a Trust Company, the National Trust Company, and also the Imperial Life, and if you will come in and take the presidency of the one and vice-presidency of the other, I will appreciate it, and hope we

will make a success." Out of that grew my connection with the National Trust Company of which I have been President or Chairman for forty years' time. I remained with the Imperial Life until the National Trust Company grew to such importance that I did not wish to continue to divide my time. The Imperial Life has had a splendid career since then.

Thirty-seven years ago, my doorbell rang one evening. My caller turned out to be Henry Gooderham. The purpose of his visit was to say to me: "There is to be a benefactor's trustee appointed to the Board of the Toronto General Hospital. There are only three voters for benefactors' trustees. My brother George is one, I have one, Lewis of Rice-Lewis has one. Mr. Lewis is in Buffalo and won't be back for the meeting. George wants you to go on the Board. If you will accept, you will be elected as George and my votes are the only ones to be polled." That is how I came to be in the Toronto General Hospital. And, through years of sustained effort, I brought precisely the same methods to bear on that work as I had brought to bear on the other enterprises with which I had been identified.

A friend of Cawthra Mulock's called to see me, and he said: "Flavelle, you are in direction of the Toronto General Hospital. Cawthra Mulock is coming into manhood. I am very anxious he should make something out of his life. He has enough money to spoil him, if he does not have some serious work to do, and I think if he were to go into the Hospital, and you could get him to go to work, it might be of benefit." Out of that grew conversations with Cawthra, and I suggested he should give \$100,000 for an out-patients' department at the Toronto General Hospital, which he did. When the question came up as to where the out-patients' department should be established, there was an immediate division of opinion between the doctors. They said: "The hospital is in the wrong place. It is a long distance from the University. It is inconvenient to come here for clinics. If you are going to spend \$100,000 on an out-patients' department, can you not go further and move somewhere near the center of the city?"

Meantime, Mr. Whitney had been returned to power. In bringing to bear upon the hospital the same method of supervision and control exercised in other departments, I ran across the opposition of the doctors. I found great irregularities. There was one poor old body on the top floor who fell out of bed and broke her thigh. The doctor in charge never made an examination, and I learned some weeks after that this poor soul had had this terrible suffering and had been neglected all this time. I told that doctor he must not come to the hospital any more. I would ask the Board to dismiss him at the next meeting. There was a tremendous row. He was an influential man, but it was characteristic of the carelessness taking place, of which I had seen many evidences.

There was one doctor from Peterborough whom I had known as a boy, an eye, ear and throat man. He treated one of my servants in such a disgraceful way and with such neglect that I said to him: "Herbie, you cannot give any further service in the Toronto General Hospital. You will have to go."

We had no School of Medicine in the University of Toronto as a faculty. We had the Trinity School of Medicine and the Toronto School of Medicine, one belonging to Trinity University and the other an independent body, and Charlie O'Reilly, Superintendent of Toronto General, used to make representatives and each hospital toe the mark with a tolerable amount of propriety, because he would say, "If you fellows do not behave yourselves better, there won't be any appointments this year from your College."

Out of it all there came a final determination that we would move the Toronto General Hospital from the east end of the city to somewhere near the University. I succeeded in getting the municipality to agree, and the Government to agree, to a plan that if we, the benefactors, would raise \$600,000 they, the City, would raise \$600,000 and the Government would give \$600,000 on behalf of the University, and we would have \$1,800,000 for the new building, plus the \$100,000 from Cawthra Mulock.

This was the beginning of a fund which enabled us to proceed with our plan for the new hospital, and which has resulted in the splendid organization and extraordinary equipment with which you are all familiar. The \$1,800,000 did not pay half the cost, but we secured all the money for it.

During the years a very interesting friendship had developed between Timothy Eaton and myself. He once said to me: "Joe, you should never have gone into Simpson's but plan on buying to the corner, that is to say, when you are buying any more land do not be content with buying a piece; buy to the corner. That is the sensible thing to do."

I told him the story of our plans for the hospital, and I said: "Mr. Eaton, when the time comes, I want \$50,000 from you. Will you let me have it?" He said, "Do you mean to do it well, Joseph?" I said we did and he replied "I will give you the \$50,000. This was some time before we were ready to proceed. Later we reached the conclusion that we had a much bigger program on our hands than we had realized.

I recall that in 1903, when I was bringing your grandmother home from Nassau we stopped at Augusta. Timothy Eaton had had a bad accident and was badly injured and was there seeking the sun. He was in Augusta, with his wife staying at the hotel where we were guests. Also George Cox with his wife and Marshall Field of the merchandising family of Chicago was there with his wife. Timothy Eaton said to me: "Joseph, I want to talk to you. I have sent for John, and I am going to

tell John when he arrives that he is to take entire charge of the business of the T. Eaton Company." He looked at me and said: "You don't approve." I said: "It isn't for me to approve or disapprove." Jack had been leading a pretty high, wide and handsome life. I said: "It isn't for me to pass upon your plans." "Well," he said, "you don't approve of it." "Well," I replied, "if the business were mine, I would hardly do it." He said, "You will live to see you are wrong and I am right." Some time later he died before the hospital plan was complete. One day when we were in committee in the hospital, and were in great perplexity to know what to do with the burden we had assumed, I said: "I am going to Jack Eaton." The others stayed in committee while I was away. I found Jack in committee with his men from various outlying districts. I asked if I might see him. He brought me into the room. Harry McGee was there, the manager from Winnipeg, and three or four others. I told him: "Now this is what happened with your father. I have nothing to show. I have only my word. He told me he would give \$50,000 towards the Toronto General Hospital. We have a much bigger scheme on hand, and I have come to ask if you will give \$250,000 in place of \$50,000." He turned to Harry McGee, "Did you hear him, Harry?" he said. "I did." "What will I do?" "Give it to him." So I went back to report to the committee that I had got \$250,000.

I am telling you this, not to magnify myself - I have no thought of that - I am telling you because I want to leave the impression on your minds that if there is anything you ought to do, you can do it if you bring the proper resolution and purpose to bear upon it. I am not lecturing you, but I have seen thousands of profit and loss sheets in the last forty years in my connection with the Bank. Here are two people with the same connection. One goes steadily down, the other steadily up. They buy their raw product in the same market. They sell their finished product in the same market. There is just a difference in grasp and in understanding. And I covet for you out of this conversation, that if anyone should say to you, your grandfather was this or that, you will know that over these long years of association in business, I know of no transaction, in which I was responsible, where there was any desire to take advantage of anybody improperly. I believed that pleased customers would increase the volume of business. I can remember when I was in Gunn's, Charlie Blackwell came to see me. Charlie came from Lindsay, and I had known him quite well there. Charlie had come to Toronto and joined the Parke people - Parke, Blackwell & Company it became. They were in business farther east on Front Street than we were. Charlie said to me: "Look here, J.W., I think you will admit I am as clever as you are, but there is something different in our two houses. What is it? I do not know. It is perfectly plain to me that you are doing well here.

We are just struggling along, making ends meet." I said: "How much do your expenses run each year?" He said: \$19,500. Well, our expenses had been \$20,000. We had made \$17,000 over our expenses in Gunn's, and Charlie had made nothing. He had the same opportunity, the same markets, the same location, but we had the advantage of our practice of planned operation, of encouraging men to work together, of keeping our eyes open for openings that would break through.

I told you about William Christie. When I went into the Davies Company he sent for me. He said: "Now, Flavelle, remember when we talked about lard?" I said, "Yes." "Can you give me lard that will be the same every day in the year?" I said: "I don't know, Sir, I am new to the business. I don't know what can be done, but I promise you this, that if it is not right I will let you know. In the meantime, I am sending to Chicago to have someone come and inspect our whole plant and tell us what is required, and as soon as we have our new equipment in and are satisfied with the lard we are making, I will send you samples." Later when the improvements were made, I sent him samples of lard for several weeks. He sent for me and said: "That lard you have been sending has been very satisfactory. Can you give me that grade regularly all the year 'round?" "Yes," I said. "If you will let me have your lard business, I will promise you the lard will be all the same quality, and whatever the market price is you will pay me one-sixteenth of a cent per pound less than the lowest price at which we sell lard to anyone else in any given week." "Well," he said, "if the quality is right, I am satisfied." And that connection went on unbroken for twenty years. He sometimes took a car or a car-and-a-half a week. There was never a complaint about the lard, and never a question raised about the price. I told our people, "This is an honourable compact. If you violate it in any way, I will do what you know I am not in the habit of doing with men - I practically never dismiss anyone - but I will dismiss any man in the office who fails to live up to the standard of this arrangement with the Christie people." I give you this incident, and the story of Charlie Blackwell as an illustration that it is the grasp of what you are doing, the mastery of it, and the working together with your men that counts, and the getting your customers to believe in you by reason of your treatment of them. I can say to you, my dear grandchildren, that at the end of these years, during which I have been told I was a war profiteer and a cheat, and everything else you can think of, I can say to you that there has only been one standard set throughout my life - that was to do my work well, to be truthful with the people with whom I carried on my operations, and to depend upon the goodwill of my customers and the goodwill of my work people, working with me, whereby the enterprise with which I was identified would progress satisfactorily.

Now, there is one other side to this life of your grandfather I would like you to know. Mother was a Conservative in politics. She was an Irish Tory. I grew up in the belief of the Conservative Party. I think you will remember what I said when I retired from the Bank of Commerce, that when I brought my first dollar to Mother from James Best's store, she said: "Now, Joe, a portion of that is to be put aside for the Church, and a portion set aside for your party. When you grow up to be a man, and to be a good man as I hope you will be, I want you to have learned that among the things you ought to do is to support your Party with money, because if good men do not support it, bad men will, and the government will do things they should not do because bad men pay them and good men don't." And so a portion of my first wages was set aside for the Church and a portion for the Party. I have been a consistent giver to one or both party funds ever since. I have never sought or expected any advantage for myself in return. Although brought up in the atmosphere of the Conservative Party, I have aided the other party when I thought the leaders or the cause warranted my support. I have supported Mackenzie King, the present Prime Minister, also Mr. Rowell. In the early days we asked Billy King to become Superintendent of the Toronto General Hospital at the time it was reorganized and rebuilt. He, however, decided this was not the sphere in which he wished to work. When he was nominated as the candidate for the Federal House for Waterloo, Mr. Larkin came to tell me that Billy needed financial help. As I thought well of him, and that he would do well as a member of the House, I assisted him financially, although he was a member of the Liberal Party.

When I was in the packing business we were frequently accused of squeezing the farmer and thus making high profits for the company. The facts are that our margin of profit was small, but our volume large, and the profit was not influential as it affected the farmer's situation. The breeding of hogs takes eight months, and the farmer sometimes saw the price, during the breeding and growing periods, drop three or four cents a pound. Unfortunately, he was encouraged to believe that the packer was to blame. The packer had an advantage in being only about seven weeks from his market, but he had no more control over that market than had the farmer. The farmer sometimes thought the packers stole the difference when the prices fell so sharply. It was volume, however, only that made high profits and heavy losses when the selling price failed.

I asked John Dryden to have the editor of The World and friends of the Farmers' Institute come to the William Davies plant, when I would show them anything and everything regarding the business, so that they would come to realize that the farmers' strength was in doing their job

better on the farm, and that there was nothing to be gained by attacking the packers. I had never been a party to any price-fixing agreements.

After a morning spent at the plant, the editor of *The World* agreed he had been wrong, and asked my pardon for all the things he had written against the Davies Company. Smith, of the *Farmer's Advocate* said: "I don't believe a damn word. Flavelle is just too clever for us."

To this point the notes cover a stenographic record made by me. I had to leave and Mr. Barrett made a few longhand notes which I typed out not to Sir Joseph's satisfaction and he had intended dictating the balance but unfortunately did not have time. — Muriel Gladman.

In 1914-15 I was playing golf when a telephone call came asking me to meet the Governor-General in Ottawa the next day. As a result of that meeting, I was appointed Chairman of the Imperial Munitions Board, responsible only to the British Minister of Munitions. During the whole period of my service on the Munitions Board I received no salary. I did not wish to accept any money for expenses, but later agreed to do so when my associates asked to let them work without salary, but that their expenses should be paid as they were not in a financial position to lose both salary and expenses.

O'Connor - decent man. Wheat \$2 a bushel and up. Hogs \$20. Beef \$12 per hundred weight.

Disagreement with Minister of Labor, supported by Borden, who wanted to control rates of wages in munitions plants. My reply was that, without expressing any opinion on the rates paid, I considered this was a matter to be dealt with by the British Minister, from whom only I could take orders.

O'Connor's Department made the assertion that the Davies Company and I, its President, were profiteering because our net profit was \$5,100,000 in one year. The statement was an error. These were gross sales. After our expenses were deducted the Company's net profits were \$1,200,000.

MacDonald of *The Globe*, which had first published the erroneous figures, came to me to apologize for the cruel mistake, and asked me not to resign as Chairman of the Board.

However, patronage wanted to control the munition contracts, and a rising tide of anger against the Munitions Board and myself was in the air. Politicians wished to repay friends by giving contracts to incompetent manufacturers. This I refused to do, and the anger grew. The Ottawa Conservative Board asked me to resign. I cabled to my chief in the British Ministry, who replied that any thought of a resignation was contrary to his wish.

Northcliffe, in Washington, asked for a full report of the Munitions Board operations. I offered to discuss Munitions Board affairs with him, but refused to give him any report that would, by inference, give him any right to criticize the Imperial Munitions Board, as I was in the position of trustee for the British Ministry only. Northcliffe, at a private dinner, later made the remark: "We put people in jail in England for profiteering as Flavelle is reported to have done."

All the charges that were made against me were without a shadow of truth. I was a trustee for the British Ministry. We had six hundred plants in Canada manufacturing munitions. There was no temptation for anyone to go wrong. There was none offered. Our early decision to work together resulted in a good feeling with all our associates. We had a telegram from each plant every Friday morning, reporting what had been done. The work of the Imperial Munitions Board was a planned and well-ordered work.

We had a fine body of men working with us — FitzGerald as purchasing agent, George Edwards as head of the accounting department. He had a trial balance taken off at the end of each day. The British Ministry reported they had seen nothing like our accounting system anywhere, and asked J.P. Morgan to copy it. Edwards went to New York and they used his plans.

The Imperial Munitions Board spent in all, \$1,250,000,000.

All this is said not for personal satisfaction, but to show that it was an unusually well done service which, through an innocent mistake on the part of a newspaperman, was maligned, and the lie can never be altogether downed.

On the 17th of December, 1913, I received a letter from the Governor-General asking if I would accept a knighthood if it were offered. I replied, "No", because I believed honours should be given only for distinguished service to the country.

In 1917 I received a letter from the Governor-General offering to place my name on the honour list as one who should receive a baronetcy. This time I replied: "Yes."

The young people saw for the first time the Letters Patent creating the Baronetcy, etc. with their old-fashioned Seals in metal containers, and all in a red leather box.

The older ones felt that the young people hearing grandfather's statement for the first time were grateful for the facts which he presented, and some of them so expressed themselves.

Would it be possible to enlarge on this life story by working at first one period and then another and doing a bit of research and questioning? — Miss Gladman.