

A History of the Canadian Association for Business Economics

Judith Maxwell and Mike McCracken

Writing the history of an organization would seem to be a simple matter of piecing together the decisions made by a changing group of people, identifying the outcomes of those decisions, and assessing the organization's contributions and failures. When applied to a voluntary organization with a continuing turnover of people and with sketchy or patchy records, these steps are not always practical and the historian must rely on the collective memories of those who were involved.¹

Deciding when to stop a history also seems more challenging than knowing when to start, since a "birth date" serves as a useful benchmark. There is a somewhat ragged edge at the end, since many aspects of the organization's history are still to be determined, whereas others can be assessed as "successes or failures," at least from the perspective of the authors. In this history of the Canadian Association for Business Economics (CABE), the period from 1975 through 1990 dominates the narrative told here, if for no other reason than that this period covers the authors' involvement with the association. It also leaves room for the person who, early in the new millennium, may want to pick up the thread and write CABE's 20th century history.

Antecedents

Economists seem to have a propensity to flock together. The purposes may vary — to form a consensus on the outlook, to look for a new job, to hear interesting speakers from elsewhere, or as a reminder that they are part of the "social" sciences. In Canada, regional associations were in place in major centres well before a national association was formed — in Toronto (1970), Montreal (late 1950s), Trois-Rivières (1970), Ottawa (1950), Vancou-

ver (1970), Calgary (1965), and Edmonton (1974). As well, the Moneco and Econro groups had been meeting separately and together for some time, as detailed in the article on Moneco Econro by David Braide and John Parish in this issue of *Canadian Business Economics*.

In the mid-1970s, a new generation of economists with a strong interest in public affairs and industrial development began to have an influence. Most of them were in their 30s — just ahead of the baby-boom generation — and they had a vibrant interest in Canada as a country. As travel became easier, they began to build relationships with colleagues in other cities, industries, and sectors. They also participated in the annual conferences of the National Association of Business Economists (NABE) in the United States, which took place on the Columbus Day holiday (which coincides with the Canadian Thanksgiving holiday). The NABE meetings were exciting — good speakers, lots of debate, and a terrific cross-section of business, government, and academic economists who were proud of their profession.

The Association of Associations, 1975-88

The Formation of CABE (1975)

Members of this new generation of economists decided to try to be nation-builders at an informal meeting in April 1975. No records of that meeting exist, but the participants included Maureen Farrow, Judith Maxwell, Sally Pipes, James Dunn, and Laurent Thibault, among others.

The next step, in early 1976, was the formation of an executive committee headed by James Dunn, with Judith Maxwell as vice-

president and a team composed of Laurent Thibault, Roger Sauvé, Sally Pipes, Marcel Thérien, George Saba, Eric Moore, and William Ketcheson. Its legitimacy came from the fact that a steering committee made up of members of the three founding regional associations had nominated the group.

Principles and Objectives

The first written statement of objectives appeared in the first issue of *Canadian Business Economics (CBE)* in early 1977 as “a means of communication and exchange of experience and ideas among economists in the business community and government, in educational institutions, in other fields, and in other countries.” The response to these objectives included the *CBE*, an annual conference rotated among the associations, and a directory of the membership of the six associations.

The formal objectives were:

- to provide a forum for discussion of business economics and related subjects;
- to provide a means of communication among practising economists interested in business economics and among organizations of business economists in Canada;
- to promote the study of business economics in Canada;
- to provide a link between members and the International Federation of Associations of Business Economists (IFABE) or other international groups, as well as national associations of business economists in other countries; and
- to do all things necessary for the attainment of these objectives.

(Similar objectives are still in place, with several additions reflecting changes in the CBE structure that have taken place since 1977.)

The Founders

The key to the beginning of any organization lies in the efforts of the first group of people. They set in place the principles, the spirit, and the culture of the group.

James Dunn. Jim was the director of the Bureau of Statistics at the Alberta Treasury in 1975, and continued there through 1976 as an advisor to the treasurer. His teaching experience in marketing and commerce helped motivate the initial efforts to put together a direc-

tory of economists for the first formal meeting of CBE. His “company” (the Alberta Treasury) generously underwrote the production of that first directory. Jim returned to academic life as associate dean and professor of commerce at the University of Alberta, although he continued to prod the local chapter and the rest of us to keep expanding.

Maureen Farrow. Maureen immigrated from England in 1961 and was employed by W.A. Beckett Associates, the pioneering economic consulting firm, subsequently headed by Jacques Singer and later by Maureen herself. She worked tirelessly for CBE — as a member of the original steering committee, as editor of *Canadian Business Economics*, and as president in 1983-84. She also made a major contribution to the IFABE conference in 1987, producing a memorable three-day event.

Judith Maxwell. Judith was educated at Dalhousie University and began her career as a journalist for the *Financial Times of Canada*. At the time of the formation of CBE, she was director of policy analysis at the C.D. Howe Institute, a Montreal-based think tank focusing on current policy issues. She was president of the Montreal Economics Association in 1975-76 and of CBE in its initial years (1976-77).

Sally Pipes. Sally was senior economist at the Vancouver-based Fraser Institute and an active member of the Board of the Association of Professional Economists of British Columbia. It was her enthusiasm which brought the West into CBE in the early years. She served as president of the association in 1981-83.

Laurent Thibault. Larry was chief economist of the Canadian Manufacturers’ Association, and subsequently its president. He was on the original steering committee of CBE, served as its president in 1978-79, and remained an active Board member for many years.

A common thread among this group (and many of the subsequent CBE executives) has been the continuing support of their organizations for their efforts. This meant providing some time, travel expenses, and administrative support to the employee. In some cases, it also was more direct, with assistance to “bail out” CBE by underwriting unbudgeted costs for mailings, meetings, etc.

Making it Work (1977-88)

The initial choice of a federation or an association of associations was selected as an expedient way to proceed, allowing for a quick start-up and the “adoption” of the individual members of the local associations. CABE focused on activities that were “multi-association” in nature — e.g., the directory, the newsletter, the salary survey, and the journal.

With between 800 and 1,000 members, the member associations kept the federation together. The Montreal Economics Association faded in the early 1980s, with many members re-appearing in Toronto or Ottawa. The CABE Board met several times a year, with most planned activities being undertaken by one or more local associations, since CABE had no resources of its own.

The *CBE* journal was replaced by a quarterly newsletter in 1982, but the directory continues to this day. The salary survey became a regular activity of CABE, and for a while the association ran annual meetings in conjunction with local associations. But behind the scenes all was not well.

Roots of Frustration

In 1982, John Clinkard wrote a “Report on Objectives and Organization,” detailing the frustrations of some chapters, which felt they were carrying an unfair burden. He noted that individual members did not identify with CABE and that the regional associations and the national group had differing objectives. The recommendation was to form a national association with individual members, and to allow for regional chapters that met certain criteria.

Although these recommendations were not acted upon, they did serve to focus CABE’s attention on its core services and forced the regional associations to consider what was valuable about their linkage with CABE.

But frustrations continued, with various associations contemplating withdrawal from CABE or holding back dues. The loss of the Montreal Economics Association led to lower revenue, and the looming potential liabilities associated with the 1987 IFABE conference in Toronto led all of the regional associations and the CABE Board to consider alternative structures.

In late 1986 John Hoicka initiated a further review, and the local associations began an on-going discussion of the future of CABE.

The Transition to a National Group, 1987-89

The New Balance

In May 1987, the CABE Board announced at its annual general meeting in Toronto the formation of a review committee, headed by Mike McCracken, to examine “all aspects of CABE including purpose, finances and direction.” This undertaking involved discussions with all of the regional associations over a number of months. The message that emerged from this review was that “a strong CABE, delivering useful services in a timely fashion, with a national focus is desired by all.”²

The outcome was a recommendation that CABE become an association of individuals rather than a federation of local associations, starting in mid-1988. Local associations were to become chapters of CABE, retaining their local form of organization and revenues from local activities.

Two classes of membership — national and associate — were defined, with local associations including the associate fees implicitly in their local fees and remitting them to CABE. National members became members of the nearest local association, although they were able to join directly. (This enabled some Montreal economists to join CABE again.)

CABE national directors are elected by national members, while chapter directors are selected by each chapter to represent the chapter and the associate members.

National members were to receive the journal, *Business Economics*, from the U.S. National Association of Business Economists and all CABE members were treated as if they were NABE members with respect to U.S. meetings. This served to broaden the benefits to CABE members while responding to the expansionist plans of NABE.

The response from the local associations was quite positive. All provided financial help to CABE, and they adopted the chapter designa-

tion and collected the associate fees from those members who chose not to be national members.

Since the completion of the restructuring in mid-1989, CAFE has added several objectives to its mandate:

- to enhance the professionalism of members;
- to build a strong membership base across Canada;
- to support the formation of new chapters throughout Canada; and
- to represent the views of business economists to the media and national institutions.

Whether the new organizational structure will be sufficiently stable to survive the test of time remains to be seen. As of this writing, it seems to be functioning well, with the rebirth of *CBE* as a refereed journal, the continuation of a very readable newsletter, a directory and salary survey, and an active Board.

Lessons Learned

Need for Continuity and National Focus

CAFE has been successful because of the willingness of a number of people to continue for many years to make it work and to pursue objectives that the local associations cannot aspire to. Each year, over 200 national members and over 600 associate members through their chapters decide to continue their membership in CAFE. New business economists are encouraged to join as they are identified. So far, the "acid test" has been met, with stable membership in an uncertain world. This on-going support is crucial and indicative of continuing value from the stream of services.

Need to Experiment and Accept "Failure"

CAFE has tried a number of new ventures in the past, some of which did not succeed. Future Boards are encouraged to continue experimenting. While differences may exist on what constitutes failure, in our view the following four initiatives have not been successful.

Senior Business Economists Group. Although a group met several times, it was unable to

gain the position of its U.S. counterpart, the Conference of Business Economists, which meets frequently with the Federal Reserve, the Treasury Department, and the Council of Economic Advisers. Finance Canada showed little interest in pursuing the meetings, suggesting that they were consulting through other channels. At the same time, Moneco Econpro continued its annual conference, providing an alternative venue for policy discussions. With its widened list of invitees, it has become an even broader senior economists' meeting place.

Statistics Canada Users Group. A group from CAFE met in 1979 with Statistics Canada, with the express purpose of developing an ongoing relationship. However, Statistics Canada was about to undergo a shake-up and be given a new chief statistician. In the end, Statistics Canada added a "national statistics council" and a number of advisory groups to help improve various parts of the system, but to date, it has adeptly avoided having a group of users banding together. CAFE members do serve on several of the Statistics Canada advisory committees

National Conference. Although CAFE did piggy-back on numerous local conferences, it has not yet undertaken a national conference under its own auspices. This may be an advisable course of action, given its other activities. However, we still seem to suffer from the lack of a gathering equivalent to those which NABE continues to organize every year. Perhaps the answer is to attend the NABE meetings rather than attempt to set up similar conferences here. Since 1989, the Ottawa Policy Conference has served as a venue for the annual general meeting.

Professional Development and Certification. Although several local chapters have tried to develop certification or professional designations, nothing concrete has been achieved. Some see this as free-market economic principles taking precedence over those who seek market power. Others wonder whether the problem may be that it is difficult to decide what makes an effective business economist and to design an appropriate training program. NABE has also experimented with some professional development programs and, even with its larger base, still finds it a challenge.

The Importance of Local Organizations

CABE was founded by local organizations, and most activities were undertaken with local resources. When the national association seemed to be functioning poorly, the local ones “disciplined” it by threatening to withdraw. Yet at the same time they recognized their own inability to do things nationally. The local groups played a critical role in helping to transform CABE into an association of individuals. They suggested many of the ideas that were eventually incorporated into the new organizational structure. They underwrote the initial budget through interest-free loans, some of which were eventually forgiven altogether. And to this day the local associations continue to support CABE through their participation on the Board, the appointment of chapter directors, the co-sponsorship of conferences, and the “delivery” of the associate membership. Through their efforts, CABE’s membership of 800 to 1,000 is much larger than might be expected: given that the

NABE’s membership is about 3,000, the “Rule of 10” would suggest that an equivalent Canadian organization should have only about 300 members.

Volunteer Efforts are the Key

The most important lesson has been that organizations like CABE and the local associations work through the unsung efforts deployed by many people over countless hours. It is this “social capital” that determines the ultimate performance of organizations like the Canadian Association for Business Economics. We have been well served.

Notes

1. Many volunteer members of CABE and the regional organizations might have preferred a different version of events or the inclusion of other facets. All we can do is to encourage them to submit an alternative version to *CBE* as a correction of the historical record.
2. Mike McCracken, “The Future of CABE” (final version, 1 May 1988), p. 2.

Appendix 1 Basic Information on CABE

CABE Chapters

Atlantic Association of Applied Economists (Halifax)
Ottawa Economics Association
Toronto Association for Business and Economics Inc.
Manitoba Association for Business Economics
Economics Society of Calgary
Association of Professional Economists of British Columbia

CABE Presidents, 1976-77 to 1996-98

1976-77	Jim Dunn	Edmonton, Alberta Treasury
1977-78	Judith Maxwell	Montreal, C.D. Howe Research Institute
1978-79	Laurent Thibault	Toronto, Canadian Manufacturers' Assoc.
1979-81	Mike McCracken	Ottawa, Informetrica Limited
1981-83	Sally Pipes	Vancouver, Fraser Institute
1983-85	Maureen Farrow	Toronto, Currie, Coopers & Lybrand
1985-86	Gerry Finn	Sarnia, Petrosar
1986-88	Linda MacKay	Calgary, Norcen Energy
1988-90	Mike McCracken	Ottawa, Informetrica Limited
1990-92	John Hoicka	Toronto, Ontario Ministry of Treasury and Economics
1992-94	Andrew Sharpe	Ottawa, Canadian Labour Market and Productivity Centre
1994-96	George Pedersson	Vancouver, G.A. Pedersson & Associates Ltd.
1996-98	Leo de Bever	Ontario Teachers' Pension Plan Board

CABE Honorary Members

Don Armstrong
Jack Galbraith
Judith Maxwell
Mike McCracken
Don McGillivray
Alex McLeod
Doug Peters
Jack Popkin
Forrest Rogers
David Slater
Arthur Smith
Laurent Thibault

Appendix 2 Key Milestones in CABE's History

Date	Milestone
April 1975	Formative meeting, with a questionnaire being sent to all active economics associations across Canada
late 1975	Agreement by the Montreal Economics Association, the Toronto Association of Business Economists, and the Association of Professional Economists of British Columbia
April 13, 1976	Formal launch of CABE at a meeting of the Montreal Economics Association, with the first directory being produced by James Dunn
September 1976	The Economics Society of Alberta (Edmonton and Calgary chapters), the Ottawa Association for Applied Economics, and the St. Maurice Valley Economists Group join CABE
January 1977	First edition of <i>Canadian Business Economics</i>
January 1978	First CABE salary survey (for 1977)
early 1978	The CABE logo (designed by Ken Finlayson) appears for the first time on the cover of <i>CBE</i> (third issue)
1978	CABE becomes a co-sponsor and member of the editorial board of <i>Canadian Public Policy</i>
January 30, 1979	Formal approval of CABE's constitution and by-laws after many meetings and discussions from 1976 forward
May 1980	First joint meeting with the Canadian Economics Association
early 1982	Clinkard report on the objectives and structure of CABE
1983	CABE becomes a full member of IFABE
April 1983	The Atlantic Association of Applied Economists (AAAE) joins CABE while the Economics Society of Alberta (Edmonton chapter) leaves
1986	Hoicka report on the future of CABE
May 27-29, 1987	IFABE conference in Toronto
1987-88	Review of the CABE organization undertaken by Mike McCracken at request of the Board
1988-89	CABE is restructured as a national organization of individuals
1989	The Manitoba Association of Business Economists becomes a new chapter
May 18, 1989	First CABE/OTTECA Policy Conference
Fall 1992	Re-launch of <i>CBE</i> as refereed journal