

(September 28th, 1936)

## Anglo-Canadian Co-operation

By SIR PATRICK HANNON, M.P.

PRESIDENT, COLONEL MESS:—Guests and members of the Canadian Club, may I welcome some members of the Canadian Manufacturers' Association who are with us to-day. In a few moments you will realize definitely that our announcement of this meeting, mailed you a few days ago, failed utterly in giving you even the faintest picture of our guest speaker today, and even with this opportunity of introducing him, I feel I also will fail. I am sure our guest would wish to be introduced, primarily as an Irishman, then as an agriculturist. We Canadians, when we think of the agricultural problems, go little further than the limits of the Dominion. Not so with our guest. As early as 1896 he started to fight the battles of the Irish farmer, organizing for their cooperation and doing everything possible in their interests. He then was called upon to make special reports on agriculture and farming in Denmark, France, Germany, and afterwards to act as Director of Agriculture in Cape Colony and with special interests in Rhodesia. His business activities are very numerous. Among his directorships are names very familiar to you, in Birmingham: Small Arms, Jessops, H.P., Leon Perrins, Sheffields and Dahmler. His friends wonder where he finds time to lend his judgment to the Boys' Naval Brigade, Navy League and many other associations, some philanthropic. I would not be surprised if even his memory fails him, when he tries to recall the many chairmanships and secretaryships which he has held, in the interests of others. Federation of British Industries, Council of Inland Waterways, Association on Aerial Defence, Governorship of Birmingham University, and many other outside interests have called on his time. He has

just returned from a very arduous trip to Saskatchewan. He is on his way home to England to assume his duties, among others, as member of Parliament for the Mosely Department of Birmingham, occupying the unique position of member, holding the highest majority of any other sitting member in the House.

SIR PATRICK HANNON:—Mr. President and gentlemen, I am deeply indebted indeed to the chairman for his kindly personal references to myself but I venture to assure you, with the greatest humility, that he has given me credit for much more than I really deserve. I am getting on down the other side of the hill now and have been mixed up with a great many activities during a long public life; and all one could have done is exactly what every gentleman here would have done: make his humble but respectful contribution to every activity, which, in smaller or greater degree, helped the cause in which one was immediately interested.

I am particularly grateful to you, Mr. President and members of the club, for the honour you have done me in inviting me, as the President of the National Union of Manufacturers in Great Britain, to be your guest today, and that gratitude is intensified from the fact, you have departed from your usual program in order to enable me to speak to you for a short time this afternoon. I venture to suggest that the subject of my discourse would be Anglo-Canadian Cooperation. It is perhaps open to observation that in view of the very efficient machinery which exists in London to represent the interests of this great Dominion and its respective provinces and the efficient machinery which the old country has in existence in the Dominion that the appeal for further Canadian friendship will be something in the nature of superfluous. But I suppose one can always add some word which may strengthen understanding, vitalize mutual interests, encourage investigation of possibilities, and, one way and another, strengthen this fabric of Empire to which we belong.

My object in coming to Canada this year and spending the last few weeks in the middle west was to examine for myself, on behalf of a large group of members of the House

of Commons, the possibility of extended settlement of British speaking, English, Scotch, Irish, Welsh, in the great open spaces of the middle west. We have, for several months, and particularly since our country began to improve its economic outlook, felt deeply that the encouragement of migration, the distribution of our people within the Empire on carefully considered lines, with the object of relieving economic pressure at home and with the object at the same time of strengthening the protective power in the outer parts of the Empire, must become an essential part of the Imperial policy of the Government of Great Britain in the future. And no less than 300 odd members of parliament form a group in the House of Commons, of which I have the honour to be the honorary secretary, and we have been discussing the propriety of making personal inquiries in various parts of our Dominion and Colonies, with the object of promoting some practical and helpful scheme for the distribution of our population. And, accordingly, having received an invitation from the Premier of Saskatchewan, I went out to that interesting province a fortnight ago. And I have had the opportunity, in the fullest freedom, of observing for myself, unhindered and unhampered, of seeing for myself the circumstances in which settlers live, the quality and character of the people themselves, the facilities for the education of their children, transportation from farm to railway, the public health organization, and, in fact, every element which enters into the preparation of machinery for the settlement of people in new surroundings with every reasonable hope of giving hard work, and with quality of character, which must be always considered in making a settler, giving hard work and character a fair chance of success.

For two or three minutes I will give you a summary of my impressions. I will admit at once that in a huge province like Saskatchewan, it would be quite impossible to deal with any wider area than that which came under my personal inspection. I travelled with a colleague, Mr. Dalglish, of Newcastle, ex-Lord Mayor, head of the Dalglish Steamers, the line which is opening up communications with Fort Churchill, a line of steamers which, I under-

stand, if I may say so here, is not particularly popular in some parts of Eastern Canada, but nevertheless Mr. Dalgleish was my confrere on this journey. We travelled 986 miles by train, 977 miles by car, and if you crush that longitudinal peregrination into eleven or twelve days you will give us the credit of having done our best in the limits of time to see as much of the territory as possible. In that short time we visited forty-six farms. We visited schools, hospitals, cooperative societies, stores, cooperative creameries, and the University of Saskatchewan, and in short every feature of that part of the country through which we travelled which would in some respects be a factor in the success of a policy of settlement. And I will venture to tell you the impression that I brought away.

I believe that if the story were written, as I hope it may be some day written, of the ordeals through which the settlers in that part of Saskatchewan have passed: the struggles of the early settlement, the vigour of character and other qualities which have brought young men and women to these days of triumph and success, it will be the highest tribute that can ever be paid to the stability, fortitude and courage of our British character. Take the settlers at Lloydminster. I see the Hon. Mr. Ferguson, a very kind and generous friend of mine of very long standing. He will know, and perhaps many of you know, the long story attaching to that settlement, three thousand settlers coming up here from the highways and byways, it may almost be said, of Great Britain. They were packed into a ship, the conditions of which from the point of view of their transport, I would not venture to describe. They arrived at St. John; they were sent up to Saskatoon and from there set down in the middle of winter, two hundred miles from the region in which, marked upon a map in an office in London, their destined properties are set. Well, the story of their progress from Saskatoon to Lloydminster is familiar to many. The only point I want to make is that after those thirty-two years there are hundreds of homes in that region, attractive, well kept, cultivated in many instances, as the farms in Mid-Lothian are cultivated, their owners living in circumstances, if not of affluence, certainly of wholesome, stabilized prosperity.

And nobody could visit that region and nobody could come in contact with these people, who came from the very humblest of our race on the other side of the Atlantic, without feeling how much hard work, force of character and courage had entered into the success which was theirs.

It seems to me fundamental that if the race is to enter its heritage in the British Empire, His Majesty's government in Great Britain must take more seriously to heart the question of a migration policy than has been the case since the close of the war. I make no comment; it would be impertinent for me to make any comment over the attitude of the Dominion Governments, or self-governing colonies, and it is quite clear to those of us who are in the British House of Commons and have the opportunity of seeing something of what can be accomplished in our own overseas Dominions, that much grave and serious neglect stands on the debit side of British statesmanship, in not tackling this problem in a constructive way, at a much earlier point of time.

My impression of that great region is this. Vast tracts of first-class land, systems of rotation of crops being operative, modern machinery in full operation, railway system—in the whole of that rich agricultural land of northern Saskatchewan a farmer is rarely more than fifteen miles or sixteen miles from the railway; elevators provided; main highways at every two mile interval; secondary roads every mile interval. And I have retained vivid impressions of speed over most of them. Perhaps I could summarize the whole situation as I saw it in a few words. I say that the work done by the Dominion Government and by the Provincial Government of Saskatchewan in preparation for large schemes of settlement is greater, more comprehensive, more carefully thought out, and reflects greater foresight and statesmanship than has been achieved in any other part of the whole British Empire.

Having said that, and speaking as I am this afternoon, to a great representative body of Canadian manufacturers, I will turn for a few moments to our economic situation in Great Britain. But I leave this thought with you on migration. The Premier of Saskatchewan tells me that in his province 53 per cent of his people are of foreign

nationality and only 47 per cent of British nationality. And in looking down the list prepared for me of the vast variety of origins of the people living in that province, they come from no less than 646 countries. I make no complaint or criticism of any policy that has been adopted with regard to immigration, no criticism of the qualities of the people settled in this great middle west, but I venture to suggest it would be far better from the point of view of our moral influence in the world in the maintenance of a barrier, and the one great barrier today that stands for the preservation of civilization, if our Empire were occupied in greater proportion by the people of our own race.

Let me just say a word about our situation in Great Britain. On July 1st last, we employed in Great Britain more people at work, than at any time in the whole of our economic history! There were eleven million people at work on July 1st last. On July 1st our index of production reached the highest point ever recorded. If you take as the datum line the year 1926 as 100, in 1935 our index figure was 111.5. In 1936 on July 1st, our index figure was 123.6. And if you were to exclude the mines and quarrying because of depression of our coal trade, the index figure for manufacturing industries was 129.5. That is the highest point ever reached in the productive power of Great Britain, and it is, I think, consoling to you, and in making an appeal for your closer cooperation with British trade and industry, it is, I think, of some importance to know that our vitality as a great productive power stands at a higher level to day than it ever has stood in the whole of our island's story. In the last twelve months, ending July 31st, we produced nearly eleven million tons of steel. That was the highest production of steel in Great Britain in any year except and excluding the last year of the war. Of course it is the fact that the economic power of Great Britain has nearly always been measured by its production of steel. And there is the carefully considered policy introduced in giving adequate protection on our own home market.

Our imports in July of this year were seven millions higher than last year and our exports in the course of the

12 months have increased by 13.1 per cent, and in the last twelve months we have lost a less number of days through trade disputes than in any year since 1875. On the financial side we have, on July 1st, the comparatively meager sum of 2,170 millions of pounds on deposit in our joint stock banks. Our bank clearances in that month increased by 78 millions of pounds over the corresponding month of the preceding year. And taking an average of 365 British securities as worked out by the Bankers' Magazine, the actual value of these securities, taking December 21st as the datum line of 100, stood at 129.4. So, therefore, Mr. President, in submitting to you that approaching Canada for closer and more intimate co-operation in trade, on perhaps a more generous spirit of give and take on both sides in the future, we have at least this to offer, we give a good account of our own power in industrial development in Great Britain.

Let me just say this, that there is a real desire for closer understanding with you great Canadian manufacturers. Nobody has done more in that respect than Mr. Ferguson, during the time he served Canada and the Empire in London, so wisely and so well. Moreover, one is particularly proud to observe the situation here in Canada. I read with great care Mr. Dunning's speech in the introduction of his budget and he points out, while in the case of twenty-four leading countries the debt improvement is represented by 4.1 per cent, in Canada it was represented at that time by 11.3 per cent. And you had in your visible balance of trade a favourable \$216,000,000 and adding your tourist traffic and the sale of gold your trade balance was 445,000,000 of pounds. That is not at all an unhealthy situation in Canada as revealed by your Minister of Finance. Great Britain took 45½ per cent of the whole of your exports in the eleven months ending February, 1936; and you bought back from us something like 15½ per cent. Well, I make no comment on the disparity but I humbly suggest, and this is coming, if I may respectfully say so, more rapidly than people think, that while nobody can set mathematical limits to balancing trade between entities, the general trend of the moment is that you ought to buy where you sell and it will be the

economic policy of the buyer so to adjust his international relationships and we should adjust our inter-Imperial relationships so as to secure as near an approach to that objective as possible.

Now your imports had substantial increase. It is very interesting to find how much you have increased in trade with other constituents parts of the Empire. You have increased your trade with us as I have said only 5.4; from Australia you increased 16; New Zealand 21.7; South Africa 41.3; but notwithstanding all that you took 12 per cent of your imports from the United States and they took 37 per cent of your products from you. Well, I know, of course, that in the great world in which we are living it is all subject to economic understandings that the trade should be directed where the greater facility and greater attraction exists. But it ought to be remembered that it is not perhaps entirely satisfactory and cannot be very consoling to people in Great Britain, that the price which they provide for an Imperial commodity is employed for the exporting community to buy goods in a rival country, competing with Great Britain. I put it that way and I hope it is as mild as I can put it without adding any feeling.

I come to how we stand in relation to our trade in Great Britain. As we see it there are three dangers which beset expansion of British export trade. The first is subsidies by foreign governments, of uneconomic competition. That we have in continental Europe with its economic nationalism, which is a sort of midsummer madness in the world of business, in these small communities. I was glad to see in the papers how my right hon. friend Mr. Amery, in a statement yesterday, sees the possibility of some sort of inter-related block in Europe that would prevent that state of affairs, in which some government is trying to maintain a hopelessly uneconomic situation, in order to compete with a highly economic neighbour at the expense of the taxpayers of that state.

The second is the depreciation of foreign currencies. There are in this room no doubt many gentlemen who are giving serious thought to the new financial policy of France and whose judgment will be more mature than

mine. But it is quite clear even at this moment, one can say the action of France is bound to lead to more wholesome relations between nations on the subject of managed currency for false economic purposes in respect of European communities. And there is, of course, increased competition of foreign countries in those regions where British goods are deliberately penalized. British statesmen are taking these conditions into serious consideration and are being forced into this position, that we are not going to allow British products to be deliberately discriminated against in European markets or any other markets, without taking adequate steps to protect ourselves.

We have, and Mr. Ferguson knows this so well, because he was up against it so many times in London—we have in operation in our international trade a most favoured nation treaty. Those of us who have been fighting for protection and Imperial preference have always seen in the operation of most favoured nation treatment a grave defect. And what we will insist on now is that most favoured nation treatment must not operate in favour of a country, unless the trade agreement of that country gives British products a full measure of fair play.

I do not propose to detain you very much longer. We in England through our new policy of protection of our home market since March of 1932 have brought about a transformation in our whole economic outlook. Anybody, who is familiar with the despondency, the black despondency which prevailed in England at the close of 1931 or the beginning of 1932, can recall the misery through which we were passing and who sees today the prestige which we hold in the world, the lead which we give in almost every direction, where industry and commerce are involved, and in the restoring to the City of London that financial prerogative, which was its special tribute for years and years in the past. To that we wish to combine Imperial preference, because, whether we like it or not, even the old free trade school in England admit, our tariff policy has come to stay and our financial policy has come to stay. First the high tariff; our Dominions getting the next tariff with proper preferential treatment; and the lowest tariff, the treatment of our own where special arrange-

ments are made with our own people, where free exchange of commodities can pass from one to the other. And I want to say this, and you will have to face it at the next Imperial conference, (it will take place next year), and before which the Ottawa agreements are bound to come for revision, that while we are most anxious to continue preferential treatment to our Dominions and colonies, we have a very big problem of a domestic nature in England itself, namely, the saving of our British agriculture; and we are bound in the interests of our own farmers, in the interests of our great live stock trade, bound in the interests of our whole rural life. Therefore, in appealing for co-operation, I would ask this great Club, representative of all the interests in this great city, to consider firstly, whether there should not be a more generous spirit of giving as well as taking, in relation to your trade with Great Britain? We make no suggestion at all; nobody coming from Great Britain should make any proposal that may be interpreted as interfering in any way with the responsibilities of the Dominion and your own provinces. But it will give a gesture of kindly understanding, with, let us say, that broader smile indicating that the door might be pushed a little more widely open; it would be received in Great Britain in these days with very great satisfaction and with very great gratitude to Canada. Above all these things I would ask for this expression, whether it be for the settlement of our people in the Dominions, the enlargement of our trade relations, the humanizing of the interests which exist between us, the warmer appreciation of those ties of blood, which bring Canada so close to our doors and, I hope, our people so closely to yours. All those things that are impressed in that indefinable concept of the imperial ideal, we should work for; we should give the feeling to every move we make that it is towards the maintenance of that British power in the direction of the human and uplift forces of civilization to which we have all made so substantial contribution in the past.

I read the other day in the Canadian Geographical Magazine a note by Mr. James Spence, eloquent touching words following upon your pilgrimage to Vimy Ridge.

He said in these words that we see in that great monument a very lasting tribute to the public spirit and devotion of the Canadian people for those who made the supreme sacrifice. He said it would stand there for all time, a torch flung by sacrifice to the generations yet to come. Isn't it possible while we try to realize in its whole magnitude the breadth of that view, the exalted quality of that appeal, that we should think more seriously of the matters that will influence our future. How will it affect this great Dominion, to have constant infiltrations of blood, whose ideals are foreign to ours? You cannot have our great Dominions scattered with races that have nothing in common with ours. This Empire of ours, with all it stands for, associated and coordinated under the Crown, under our king, cannot achieve its high destiny in the march of world affairs, if we do not realize that in co-operation, in charitable understanding, the British blood shall have, the British youth, British enterprise, British constructive thought, shall have respect, mutual consideration, and preferential treatment in every corner of our far-flung Dominions.

COL. MESS:—Sir Patrick, we were particularly fortunate in having you join us on your way from Saskatoon rather than to Saskatoon, as your impressions will remain with us and be much appreciated. Your remarks about the progress and prosperity of Great Britain, though perhaps not surprising, yet the manner of their presentation brings home to us the wonderful strides that have been made by Great Britain in the last year. We thank you so much for coming today, and we wish you happy voyage home.