

(*March 6, 1933*)

## The Political Situation in Great Britain

BY THE RIGHT HONORABLE LORD MARLEY.

PRESIDENT CHALMERS:—Lord Marley, Mr. Speaker, gentlemen, my task to-day has been greatly simplified by the fact that newspapers have told a great deal about Lord Marley who is the guest of honor who will to-day speak to us and tell us something about the present political situation in Great Britain. You have all read in the newspapers that Lord Marley was formerly a navyman, and had an excellent record in the artillery. During the war he was wounded, won the Distinguished Service Cross and gained, during the war, some idea of the results of the actions of the Labor and other political parties in the world. After the war he decided to go into politics himself and see if he could not make some contribution, in a small way, towards solving the problems following the Great War and correcting some of the evils he believed to be present in the political, economic and social structure of the world.

Lord Marley came into the House of Lords in 1930 as a Socialist Lord. He went there to strengthen the Party's representation in that body. He was appointed by the King as one of the Deputy Speakers. When the Lord Chancellor is not there Lord Marley attempts to keep the House of Lords in order. Since his arrival in Toronto, we have all been impressed with his personal charm and his essentially human traits which are demonstrated by the fact that he is on this continent giving a great deal of his time to purely philanthropic work. The Ort, the organization whose interests brought him to North America, is an organization

of Jewish people who are aiding their Jewish compatriots in Eastern Europe. He has been very successful in raising money for the Order. His winning smile, which we will see, has been one of his greatest assets as a salesman of charity. You may gather from what I have said that Lord Marley is something of an idealist. While it is all right to say that he is an idealist I must say he has followed more practical lines than other idealists I have met. I have great pleasure in introducing to you Lord Marley.

LORD MARLEY:—Mr. Chairman and members of the Canadian Club, I am really grateful for the privilege of meeting you to-day and, while I am sorry for you in that you have to listen to my remarks, nevertheless I do feel that I have gained a very great deal by the opportunity of meeting some of the prominent citizens of this great City. In my opinion, no one is really fully qualified to speak on world affairs unless after deep study accompanied by intelligent travel. I do not mean the type of travel we sometimes hear about over the border, when Americans go to Europe with a list of cities which they tick off as the train goes through them, and finally return to the United States and remind one another of the cities they have visited, not by the people they have met but by the objects they have purchased. It reminds me of that story of the little girl who said, "Mama, did we visit Rome?" "Yes dear, that was where we bought the pink corsets." Nor do I consider, though I had some nineteen years in the British Navy, that the naval officer's view is necessarily the right one, when he reminds his brother officer that, for example, Athens was a place where the billiard tables were good but the beer was bad.

The most important areas in the world to visit to-day, in my opinion, are that aggregate of nations at present known as the Soviet Union of Russia and the North American Continent, containing, as it does, the most highly industrialized area in the whole world. Until those two great areas in the world have been visited, I do feel that one should speak with considerable diffidence on world affairs. It has been my good fortune within the last six months to spend three months in Russia and two months

on the North American Continent and I can only say I feel humble at the immense amount there is to learn about the world and grateful for the kindness which has been extended to me during my visits in the United States and in Canada.

I have been asked to tell you something about the political situation and economic conditions in Great Britain—a task which would, unfortunately, cause me to exceed the twenty minutes or so allocated to me. When I was speaking in New York, I was fourth speaker at a certain banquet and my subject, which only began five minutes before the end, was "The World Depression and the Way Out." I may say I solved the depression in the five minutes available—at least at that banquet.

Now, the story of Great Britain, not in the history books, is well worth a few moments detached study. I was, as the chairman pointed out, a minister of the late Labor and Socialist Government. We were, of course, very few in the House of Lords and each of us had a number of tasks to fulfil there. I take it, for example, that with a Conservative Government in power in Great Britain, some thirty or forty Peers have positions in the government of one kind or another. This, of course, is not comparable to the ninety thousand positions that change hands when the United States change administrations. Nevertheless, these positions have to be filled. I may say very few are paid positions, and it fell to me to have four positions in the last government. I was not only Secretary of State for War but I was Chief Government Whip in charge of the whole organization in the House of Lords. I was Lord-in-Waiting to the King and I was Deputy Speaker. So that one did not have very much time to waste on other matters. Consequently, it was not until the fortunate fall of that Government—fortunate in many respects—that I had the privilege of thus travelling.

That government, of course, was a minority government—a point which has been made an excuse for its many imperfections. It is important to remember that the Labor vote in Great Britain was grossly

over-represented in the House of Commons. That is to say, it took considerably fewer Labor votes to send one Labor member to the House of Commons than it did Liberal or Conservative votes in that particular parliament. Out of the six hundred and fifteen members two hundred and eighty-seven were Labor, but, according to the Labor votes there should not have been more than about two hundred. Now, one of the factors which arise in parliament is that members tend to get into a closed box and be separated from public opinion. That is why all parliamentarians are always surprised when they are defeated at a general election. The Labor members thought they were really representing the largest single group of voters in the country—a state of affairs which was, of course, not true. Now, parliament is never representative. That is to say, the day after a general election it may be considered fairly representative but, thereafter, day by day, it becomes less representative until the people become angry at its failure and kick it out at the next election.

At the last general election in Great Britain, the people, broadly speaking, were sick to death of the Labor Government and kicked it out mainly because of its inefficiency. This is very simple to understand when one realizes that the Labor Government, the Government of the Socialist Party, made no attempt to establish Socialism. They merely ran the Capitalist system and did it less well than the Capitalists themselves. We heard a lot about the Gold Standard, about the financial blizzard, about world depression, but believe me, the real reason for the failure of the Labor Government at the election was, the people were heartily sick of it and, on that occasion in Great Britain, Liberals and Conservatives united, and with their immense superiority of votes, were able to score an outstanding election success. Here again we have the boot on the other leg and the Socialists are, at present, grossly under-represented in the House of Commons.

According to their votes, they should have and I am speaking from memory, perhaps some one hundred and twenty seats in the House of Commons instead of only

fifty. But it is the fortune of elections and it will right itself on some future occasion.

The present position arising out of that is, of course, that the National Government is no more National than my hat. It is a Conservative Government with a sprinkling of renegade Socialists and non-Liberal Liberals. And nothing angers the Conservatives more than to have the policy which they have constantly supported for the last fifty years suddenly sat upon by the non-Conservative members of the Conservative cabinet.

In consequence, there have been considerable changes in that cabinet, and at the present moment, it is presided over by that political genius, Mr. James Ramsay Macdonald. It is very doubtful how long he will succeed in maintaining his somewhat unbalanced position.

My own impression is that the next election will see the Conservative Government safely installed and while, of course, the people of Britain are somewhat naively considered by Canadians to have good political judgment, in point of fact, they are just about as intelligent as Canadian electors, neither more nor less so, but they have the good fortune to inherit a political environment under which it is very difficult either to make a failure or a success.

You will find, I venture to predict, (and I realize that prophets are almost invariably wrong, nevertheless, I make the prediction in all humility), you will find a Conservative Government with about a majority of one hundred in charge of the affairs of Great Britain towards the end of next year. Whether they will make any difference to the policy of Great Britain, I am not in a position to say. Government departments are singularly well-staffed. Usually ministers have little or no effect on the work of their departments. Occasionally, you will find a minister who makes a few ineffectual struggles to escape from the net, but, broadly speaking, civil servants are more capable of running the departments over which the alleged ministers are alleged to preside. It is, perhaps, not a bad thing. It makes for continuity, but it does have unfortunate repercussions when you have matters arising such as the financial situation

towards the end of 1931, because it then had the Treasury which is the worst of all British departments, going about the country, wringing its hands, saying, if we are forced off the Gold Standard, the British pound will be worthless, and nobody will receive any wages or income. Of course, the opposite was the effect. It did everybody a great deal of good when Great Britain went off the Gold Standard. Everybody was at once very much better off. And if the capitalists really had the intelligence to run their own system effectively, they would then realize that the greatest trouble of the capitalist system at the present moment is in the relationship between one country and another. As regards their currency, it really makes no difference whether the Canadian dollar is up three cents or down five cents in relation to the American dollar. What is really behind the matter at the present moment, though no treasuries, few capitalists and few non-political persons realize it—the problem is, of course, internal debt.

What has happened is this. One of the advantages that the Socialists have over Conservatives and the enormous advantage that Communists have over both is that they are able to take a dispassionate view of the world as it is. Of course, the trouble is that owing to the fall in the price level we are constantly handing over to those creditors who have a lien on the future by the holding of land, rent and debentures over fixed interest-bearing securities—we are constantly handing over to these estimably fortunate people an increasing share of the national wealth. That, of course, means that the remainder of the employers of labor, poor ordinary shareholders, the people who hold bonds and stock in railways, silver mines and business generally, and the workers have a constantly decreasing amount of national wealth available for distribution among them. So, of course, they are unable to buy the products of their industry, and you get unemployment and they you have the state of affairs you have in the United States at the present moment. That, of course, is only really seen by the Communists. For that reason the Communists are entirely and absolutely right in their examination of the present system.

It is unfortunate that any country denies itself the opportunity and the privilege of having its affairs investigated by impartial observers such as Communists and the left wing Socialists.

I do not know what the position is with regard to Canada, and if I did, I would not venture, after a brief visit, to give any opinion. Canada is perfectly capable of looking after itself and is the envy of the United States, at least as regards its banking system. The difficulty—I only speak from the point of view of Great Britain—I can only say in Great Britain, like so many other countries, we have a very great deal to learn. Notwithstanding Labor and Socialist Party, Great Britain is tending to move to the left—a fact which has even become known in Toronto, in accordance with a cutting which I extracted from a large number of colored supplements, (I read the colored supplements first—the adventures of Little Annie and the other strip-pictures interested me profoundly as a student of the mental development of the people of the North American Continent).

The facts that the Socialist Party has learned from the recent conditions are worth mentioning because it might even be of some use to political observers in Canada. That is the extreme advisability of trusting our political future to no one man or men. All men are liable to error. All men are liable to temptation and it is, therefore, extremely necessary that if any political movement is to be really successful it should be based upon philosophy, upon ideals, upon principles, rather than surrender itself into the keeping of any one man. It is the lesson that the British Labor-Socialist movement learned from the extremely interesting gyrations of the present British Prime Minister. In future, we Socialists are not going to entrust our political future to any individual. We are going to hold fast to principles and I believe we are right.

The present nominal leader of the British Labor Party is that fine, old veteran, George Lansbury. George Lansbury is doing his utmost in extremely difficult circumstances. Arthur Henderson, in my opinion, made a serious mistake

when, after his dropping of the Foreign Secretaryship, he undertook the Chairmanship of the Disarmament Conference, because, of course, it was clear, that if that Conference were a success, the National Government would claim all the benefit and, if it were a failure, the burden of that failure would fall upon Mr. Henderson. However, Mr. Henderson, with pressure as I happen to know, from the highest quarters, continued as Chairman of the Conference and we see now the result in its almost complete failure. I see no chance of anything serious resulting from the Disarmament Conference, for the very simple reason that no nations participating in that Conference really want disarmament. The only real example of the possibilities of real disarmament is Canada which, with a frontier—and I speak with diffidence—of some 3,000 miles, is able to guard that frontier with none other than those interesting relics of past ages—custom guards.

It is, of course, clear to anybody who is engaged in the amusing occupation of fighting that it is absurd to go into a war unless a country is as heavily armed as modern genius permits. When I go into another war—if we have one and God forbid—I want to have the finest arms available. I want to be able to use poison gas, bacteriological warfare and the largest guns. It is just as unpleasant to be killed with a twelve-inch gun as it is with a six-inch, and yet the Disarmament Conference is amusing itself, cutting down the caliber of guns, talking of the use of bacteriological warfare, aerial bombs and other pastimes which are occupying its members. Of course, the Disarmament Conference is only going on as long as the money lasts. As soon as the nations paying the expenses find themselves without money to send delegates to the Conference, it will come to an inglorious end, and we shall come back to maintaining the largest armies, navies and air forces that our taxpayers can be induced to pay for. That is the real position.

The chairman said I was an idealist; well I am a realist-idealist. I do try to face the facts as they really are. Here, let me talk of the economic position for two minutes. We

have inaugurated a new piece of world warfare—the British Empire against the rest. The only reason why in the past the British Empire developed was because it made available for the whole of the rest of the world, the enormous advantages of that organization from the point of view of trade and exchange of goods and services. When you surround yourself with a tariff wall against the whole of the rest of the world, you begin to build up an anti-British Empire complex in other nations.

Now, I am not a Free Trader, but tariffs are plainly no way to deal with falling world trade and a lowering standard of living in all nations. Here, I know I am up against large numbers who disagree with me. My eloquence in the House of Lords has never succeeded in converting any of the members who are opponents of Socialism, so I realize no danger will result from my remarks. But, of course, facts are facts. Take the present position between the United States and Great Britain—it is interesting to note that the British exports in the past two years have fallen in value from £28,000,000 to £18,000,000. They have dropped £10,000,000 bringing unemployment to 80,000 British workmen. These are, I may say, facts and figures from the Board of Trade of Great Britain. In the same period the United States exports to Great Britain have dropped from £153,000,000 to £83,000,000 or a drop of £70,000,000, meaning unemployment to 500,000 unfortunate United States workmen. They may like unemployment for all I know. If they put two and two together they might see that nations are dependent upon one another and that the prosperity of the United States means the prosperity of Canada and the prosperity of Great Britain. And poverty of the United States means that other nations are dragged down to the pit of poverty at the same time. One of the most interesting factors which have resulted from the depression is the statement made by President Roosevelt. May I suggest nobody in Canada reads Mr. Roosevelt's addresses but perhaps on this occasion there is something to be learned. What he said terminated the opening speech at the inauguration ceremony, that now the

United States had learned they were dependent upon other nations. If a similar lesson is learned by the other nations we have made a step forward towards ending the depression.

I need hardly deal with the banking situation for Canada is the envy of the United States. The papers point out daily that Canada has no bank failures, while in the United States, it is quite difficult to get dollars from any banker at the present moment. I need not go into the question of branch banking. One last point in connection with the economic situation in which Canada and the United States are vitally interested. I said in my opening remarks that the two most important areas in the world were the areas comprising, on the one hand, the Soviet Union and, on the other hand, the North American Continent. I say North American Continent, because, in my opinion, and here I am quite certain, there will be a storm of silent disagreement, in my opinion the United States and Canada are vitally bound up economically. I would not dream of saying more on that point.

Russia with a population of 165,000,000, increasing each year at a rate of over 3,500,000—nearly half the population of Canada added every year—it would be advisable to consider the possibilities and potentialities of that rising market for our products such as the Russian nation must offer. Of course, we may neglect that nation. We may say we do not like the Russian form of government and, therefore, we won't trade with such a wicked people. Great Britain might say that we do not like the Republican government of the United States and, therefore, we won't trade with the wicked Republicans. But it does not seem to me that the form of government is really what matters but the interdependence of nations. If so, would they not be well advised to understand one another and inter-exchange their products? At a recent session of the Legislative Assembly of Manitoba a resolution was passed unanimously with the keen support of the Conservative Government, demanding that the Canadian Federal Government should carry on trade with Russia on the lines indicated in the recent barter proposals. There is, therefore, hope for the Conservatives.

It is possible that the Conservatives might even reconstruct their system and carry on for a few more years. At the present time, the United States, through non-recognition of the Soviet Union, has dropped its sales of exports to Russia from \$146,000,000 to \$4,000,000 each year. Our foreign trade has increased by millions of pounds each year and the unemployment in the United States is being directly converted into employment in Great Britain. I am not a Nationalist. Frankly, I am not prepared to say that I want to see unemployment in the United States, even though it means employment for Great Britain because I carry right through to its logical conclusion my belief that the nations are inter-dependent. Therefore, it makes for trade and for prosperity when each nation can be prosperous rather than that one should gain at the expense of another. Therefore, I hope very much that the barter proposals will be carried into effect and that the Middle West in Canada will benefit by better prices for cattle they are engaged in producing. At the present moment they are receiving little or no return.

For my final point, in that connection, let me say that the monetary system at present in operation in so many nations of the world is acting not as a means to facilitate trade and exchange, but as an obstacle to such trade and exchange. Money is an extremely interesting study. It is very interesting also from a collector's point of view. It is a fact that during the time of the great inflation in Germany which ended about the middle of 1923 when it took—well, I remember quite well paying twenty-three million pounds in German money to have my boots blacked in Berlin. It is a fact that the German National Bank or Reichstag claims, right to the very end, that their issue of notes had no effect whatever on the price level. We know better.

My last point is an interesting point—this question of unemployment insurance. I am merely going to say, if anybody in Canada makes the mistake of referring to that system as a dole—if they imagine that in Britain the workman may lie in bed in the morning and say to his wife, "I'm tired this morning, bob around to the exchange and

collect my money,"—I wish to say they are wrong. Unemployment Insurance is contributed to, in equal thirds, by the workman, the employer and the government, and when a man becomes unemployed through no fault of his own, he is able to receive a small weekly payment. I venture to suggest that such a system is worthy of the study of the great Canadian nation. Canada has far surpassed the United States in its banking system. The United States, to my knowledge, has been studying unemployment insurance. I met Miss Frances Parkins, that shining light of the Roosevelt administration, when she was in London enquiring into the system of unemployment insurance. I believe there are developments in this direction in the United States.

I venture to suggest that such a system is worthy of the study of the great Canadian nation, and I hope, once more, that you will be ahead of the United States in the consideration of a system which tends so much towards stabilizing humanitarian principles among workers who are suffering from unemployment through no fault of their own.

PRESIDENT CHALMERS:—Lord Marley, you have held the interest of this audience with your very fine address. It is perhaps just as well that I occupy the neutral position of chairman because there are those seated at the head table who are in such complete agreement with what you have said, that if I gave one of them the opportunity to speak the meeting would go on for hours. There are also seated at the head table those who are in such disagreement with what you have said that we would be held here all afternoon. I can speak for them all when I say we appreciate your address and thank you.