

(September 16, 1932)

What We Did at Ottawa

BY VISCOUNT HAILSHAM.

PRESIDENT CHALMERS:—My Lord, gentlemen, there is afforded to the members of the Canadian Club of Toronto the opportunity of listening to the only address that will be delivered in Toronto by an official delegate to the Imperial Economic Conference. To this honor and this privilege we attach the significance and importance that it deserves. This is only the first of a number of reasons why we are glad to have the opportunity to-day to welcome to the Club the Rt. Hon. Lord Hailsham, His Majesty's Secretary of State for War. We welcome him not only as a delegate to the Imperial Economic Conference but as one of the greatest advocates and counsels of his day and generation—a man who has sat-in for many of the most important cases coming before the Privy Council. At this point I would like to repeat a story told me yesterday. It seems that a young Ulster boy by the name of Douglas Hogg was going to attend college. A letter written by the Provost to the father of this young man read something like this: "If you will let Douglas go into training for the legal profession I prophesy he will one day be Lord Chancellor of England." As you know, that prophecy did come true. We welcome His Lordship to-day as an eminent Parliamentarian. It is really difficult to believe that it is only about ten years since Lord Hailsham entered the British House of Parliament. We welcome Lord Hailsham to-day with additional appreciation and gratitude because I really believe he would have preferred not to have come at all. After the Imperial Economic Conference sessions closed he went to Calgary. It was his intention to have a short holiday in Canada. I know

when I approached him in Ottawa and invited him to come to Toronto he stated very firmly but very courteously that he did not desire to come. He wanted to stay away from big cities and see something of the mountains and forests primeval in Canada. But later, it seems, more important channels of influence were brought to bear upon him because he has given up a portion of his holiday to come to Toronto. I have the greatest pleasure in introducing Lord Hailsham.

LORD HAILSHAM:—Mr. President and gentlemen, this is in a sense, a farewell address. This time to-morrow, I shall be leaving the shores of Canada although still, in a sense, on Canadian soil because I hope to travel by the Empress of Britain—a ship of which every Canadian and, I think, every member of the Empire, may well be very proud. I believe that with Sir Phillip Cunliffe Lister, I am the last of the delegates to be leaving Canada. And, on that account, I venture, for the first and last time, to speak on behalf of all the visiting delegates as well as myself. There are none of them here to listen to me. What I feel quite sure everyone of every visiting delegation would desire to say through me is that of all the impressions that we retained of our labors at Ottawa, whatever its successes or shortcomings, whatever its realizations or disillusionments, one lasting impression we shall all take away and that is an abiding memory of the amazing hospitality of the Canadian people. From the highest to the lowest, from the Governor-General and the Prime Minister down to the merest passer-by, we have received, each of us from everyone of you, nothing but the greatest courtesy and kindness and hospitality. Every preparation was made beforehand to ensure our comfort. No expense had been spared to add to the enjoyment of our visit and no trouble was too great if it did anything to smooth away difficulties or to make us feel more at home. I should like, on behalf of the visiting delegates, to say to you and, if I may, to the Canadian people, how profoundly grateful we are for the welcome which we have received and what a lasting memory that welcome is going to be in all our lives.

Now, gentlemen, I have referred to the deliberations at

Ottawa, and I have thought that perhaps the most interesting topic about which I could speak to you this afternoon would be, "What We Did at Ottawa." It has one or two disadvantages. In the first place, the week before last, I was speaking at the Canadian Bar meeting at Calgary and I chose this same subject for my address. I know at least one of my present audience was there and he will hear the same speech twice. But, fortunately Mr. Newton Rowell is a very tolerant gentleman as well as a very old friend and therefore he need not listen any more than he chooses. The other objection is this. Since my fellow delegates left Canada on the 20th August, I have not seen an English paper of a later date than that and I have not had any communication from my colleagues. Although I have no reason to doubt that my views are their views it would not be fair to saddle them with the responsibility of expressions of opinion which they have had no opportunity of checking. I want you, therefore, to please understand what I am saying is my own personal view and no one has the responsibility but myself.

When we met at Ottawa, as it seems to me, there were two main problems with which we had to deal. The first problem was the need for closer economic union within the Empire and the second was the world-wide problem of the world's economic depression. The first problem goes back a little way into history. Two years ago at the last Imperial Conference held in London in 1930 as a culmination to a series of previous conferences about questions of Dominion status and the constitutional position of the British Commonwealth of Nations, the Conference unanimously agreed upon what we now know as the Statute of Westminster which, as you are aware, swept away every legal tie that unites the Empire saving only, in the preamble of the Statute, our common allegiance to His Majesty the King. I have read criticisms of what I have said, suggesting that I belittled or minimized that tie. Gentlemen, it is not true. I am, as your chairman has said, of Ulster descent. I am speaking to an audience which comprises many members who share that privilege with myself and, whatever may be

the shortcomings or failings of Ulster men, at least, it has never been said of them that we were lacking in loyalty to the Crown or in keenness of our appreciation of the unity of the Empire. But what I have felt, what I believe that many loyal subjects of the Crown have felt, in the Dominions as well as in the United Kingdom, is that for more than a decade past we have been devoting our common endeavors to dissolving the legal ties which bind the Empire together and since we have left only that one link, powerful though it may be, it is not statesmanlike or wise not to try and find some other bonds to reinforce what must necessarily be the core in the link that binds us to His Majesty the King. So it was that in 1930 at the instance of your Prime Minister, Mr. Bennett, all the Dominions agreed with the suggestion that closer economic union within the Empire was desirable. Unfortunately, the British Government of that day did not see its way clear to accept that view. I have said before and I should like to repeat that the Empire as a whole owes a real debt of gratitude to the Canadian Prime Minister because he refused to accept "No" for an answer and because he had the courage, the determination and the vision to suggest a postponement of the economic side of the Conference until this year at Ottawa so that we might all join with a fresh opportunity of seeing whether we could not solve the problem which, in 1930, proved beyond solution.

It was not an easy problem. The difficulties were much greater, when one came to close grips with them, than one had foreseen. But we have solved these difficulties and I believe we have achieved success in our first objective at Ottawa.

I do not want, I have not the time in the space of this afternoon, to deal with all the problems which kept cropping up, of hindrances which kept arising, some of which taxed the ingenuity and the courage of even the stoutest-hearted among us. I would like to say then, in my own opinion, it would not have been possible for us to reach agreements at Ottawa unless we were able to say, as I am able to say this afternoon, that no one delegation but every delegation

brought to bear on these problems and these difficulties, the spirit of mutual tolerance and goodwill, a spirit of infinite patience and an earnest desire to see every man's point of view and to give effect to it if it were possible—a determination by mutual co-operation to succeed in achieving an end which would not benefit one part of the Empire at the expense of another but in benefiting the Empire as a whole, would bring prosperity to all its parts. It has been something of a disappointment to me that we were unable at Ottawa to frame a series of resolutions which should embody the principles to be found in the agreements of which we approved. But the important thing, after all, gentlemen, is not whether we reached resolutions but whether the agreements do embody the principles which will make for success.

What are the principles which are to be found in the agreements reached at Ottawa? First and foremost, we all agreed that in order to recreate the links of Empire and to develop trade relations between our several peoples, the principle of Imperial Preference shall be accepted by each constituent part. Imperial Preference has been given unilaterally by one part of the Empire to another for some thirty-three years. That again was through the initiative of a Canadian Prime Minister—Sir Wilfred Laurier. It has come in every case as a matter of grace and goodwill for the recognition of services rendered or of sentiment felt by one part for another. But for the first time in our common history, we have laid it down as a matter of common acceptance and as a matter of expressed agreement that the principle of Imperial Preference forms the fundamental basis of the tariff policy of each one of us.

Secondly, we have not rested content with the mere adoption of a general principle but we have gone on to create the machinery for giving it effect and we have laid down the rules by which it is to be governed and guided. And, therefore, the next principle which I find is that in carrying out the principle of Imperial Preference artificial barriers should, as far as possible, be swept away and tariff preferences should be given by reducing the tariffs on

Empire goods rather than by raising the tariffs on foreign goods. I believe that to be a principle of far-reaching import and an example, if it were followed by the world at large, which is going to go a very long way towards that world recovery in trade to which we are all so eagerly looking forward. We have made it plain that we regard excessive restrictions on international trade as an international evil and we have made it plain that we, in the Empire, are going to set an example in trading to get rid of that evil so far as we may.

Thirdly, in carrying out that principle, provision is made in the agreements for the certainty in reduction in delay and friction, for the provision of machinery for promoting the imperial settlement of disputes so that a trader who brings goods, let us say from England to Canada, shall be able to know with reasonable assurance what is the duty he will have to pay and will know that, in the event of difficulty or dispute, he has an impartial tribunal to which he can appeal. Many of you can speak with far greater authority than I can on matters of business, but I believe that there is no one factor which has done more to create irritation and to arouse difficulties in the minds of the individual industrialist than the feeling of uncertainty as to what fate awaits him when he gets to the customs' barrier of another country. Nothing can do more to restore trade and encourage and stimulate its development than the knowledge by a trader that he can tell for certain what he will have to allow for customs' commissions and the knowledge that in the event of any dispute he can go to an impartial tribunal and get a decision according to justice and not according to the will of any administration. And, gentlemen, once again have we not set an example to the world at large? Is there anything which we could do which would help more to restore the flow of trade between foreign countries and our own than the removal of these often arbitrary restrictions, filed under a variety of names, quotas, exchange duties, dumping restrictions, taxes and all kinds of regulations, the effect of which is to make it possible for an administration of any country so desiring, to prevent goods from entering

the country? We have set an example which, if it is followed, will do more to stimulate world trade than any one step which I can think of at the present time. In applying the principle of protection only those industries should be protected which are reasonably assured on sound principles for success. I do not suppose that many protectionists would dispute that. It is an elementary principle but it is one which has, unfortunately, been lost sight of. I won't say in Canada because I cannot speak with authority, but in some countries at least when there is a powerful influence which desires a particular trade to be protected for its own financial benefit, these people bring such weight and influence to bear upon members of the administration that applications are not adjudicated upon their merits but upon the influence which the particular applicant can bring into force. The next need in applying protection—the underlying principle should be, as far as possible, to put Empire producers on an equality with domestic producers. That is to say, that in the case of established industries, no more protection should be given than is necessary to counterveil the extra cost of the efficient production of the domestic producer. Now, that is a very great concession on the part of some of the countries which have gone in for high tariffs and it is a concession which, more than any other, makes the principle of closer economic unity of the Empire a reality in practice as well as in theory. It gives fair protection not only to the producer in any one Empire country but gives a fair chance to the producer in any other Empire country by bringing them in on level terms, at the same time, it affords to the consumers in each of our countries that assurance that they won't be unduly exploited for the benefit of any particular interest.

Next, in the United Kingdom the principle should, so far as possible, be extended to the granting of free entry of Dominion products. I do not think I need stress the value to the Dominions of that concession made by our people. It means, in every case where there is a protective duty imposed in the United Kingdom, we are willing—without nicely calculating what countervailing duty be justified—

we are willing to let the Dominion producer be on level terms with our own home producer. I have said in the case where there is a protective tariff. Of course, there are revenue tariffs where different considerations apply. But in case of revenue tariffs, we are giving very substantial preferences in every case but maintaining something like 33-1/3 to the Dominion importer as against his foreign competitor.

Next, in the Dominions, a tariff tribunal shall determine what is necessary to afford protection in accordance with these principles and the government shall take the necessary steps to give effect to these findings. It is not going so far as we are able to go but going as far as we can fairly ask any Dominion to go. You are not going to leave it to the arbitrary will of any person outside what protection shall be afforded; you are giving this power to your own independent tribunal, set up in your own Dominion—of course, chosen by your own Dominion government but chosen to act with fairness and impartiality as their tribunals. You are giving to that tribunal the responsibility of ascertaining the facts and you are leaving, as you are bound constitutionally to do, you are leaving the responsibility of giving effect to these findings to the government of the day. Every British producer will know in future that he has an impartial tribunal which is prepared to adjudicate upon his application if he thinks these principles are being unfairly applied. Although he may not be satisfied with the decision because having been a lawyer and being a judge I know that it is very seldom that both sides are satisfied with the decisions that are given, still he will be satisfied his case has been fairly heard and disposed of on its merits.

Lastly, perhaps I should add that in making these arrangements for reciprocal preference, although the arrangements are pro-British they are in no sense anti-foreign. In helping to stimulate trade within the Empire we are encouraging and not retarding trade throughout the world. But since the arrangements which we, the members of the British Commonwealth of Nations, chose to make among ourselves are made for ourselves alone and since we do not

intend that foreign countries shall unfairly interfere with them, provision is also made that, if any of these preference agreements are unfairly approached by the state action, of a foreign state, then an embargo will be put upon articles from that state.

Well, those, I think, are the main principles which are embodied in the Ottawa agreements. I believe that they do go a long way to creating that closer economic union which it was the avowed objective to achieve. I am satisfied that in doing it we have laid down principles which, if they are followed outside the Empire will go a long way to alleviating and ultimately overcoming the economic depression from which the whole world is suffering to-day. What are the two principal causes of the depression? One, I suppose, is the unduly low price of primary products and the other is the constant interference with the flow of international trade by those methods to which I have referred: by prohibitive tariffs, by quotas, restrictions and so on, under which you and I can see the whole trade of the world drying up before our eyes. If the world economic conference, when it meets, can carry out arrangements—the sort of agreements which we have been able to make—if they are prepared to arrange for the reasonable regulation of supply, to arrange for reduction, alleviation and ultimate removal of these undue fetters on the flow of trade, then indeed the world may once again feel that England, which had saved Europe by her exertions in time of war, has saved Europe by her example in time of peace. But we have a wider vision to-day. It is the Empire whose exertions saved the world in time of war and it is the Empire whose example is going to save the world in time of peace.

You may have observed that in my statement of the principles of the Ottawa agreements, I have made no reference to the details of the trade agreements entered into. I have not referred to the amount of duty which is to be imposed on this article or the amount of reduction to be afforded on the other. I have done that with deliberate intent because, believe me, gentlemen, you will never assess the value of Ottawa by trying meticulously to weigh whe-

ther one Dominion has got more than another—whether the United Kingdom is giving more than she receives or getting more. That is not the spirit in which we met and it is not on that basis that we claim to be judged. We have gone on the principle that perhaps the most vital interest of any part of the Empire is the prosperity of the Empire as a whole. And we claim to be judged by seeing whether what we have done is calculated to improve the prosperity of the Empire as a whole. And, do not forget, even if you try to weigh up the advantages and sacrifices, one against the other, do not forget that if you improve the prosperity of the producers of any one of the Empire countries you improve the consuming power of that country; you increase its demand for goods from outside, for, as we intend and believe, the effect of these agreements is to turn the channels of trade to flow from one Empire country to the other. Then, by increasing the consumption of any one part of the Empire, you are increasing the demand for the goods of the rest of the Empire so that, in very truth and sincerity by helping each other we are helping ourselves.

I was asked this morning whether it was not true that there would be misunderstandings and difficulties and friction in the working out of these agreements. No doubt, there will be. Where you have free and independent democracies scattered over the whole face of the globe, each with its own traditions, each with its own setting and each with its own peculiar desires and ambitions, there is bound to be misunderstanding and difficulty. But misunderstandings can be cleared up, friction can be smoothed away and difficulties can be got rid of, if only on each side each party is determined to approach the problem with the desire to understand the difficulty which the other feels and find a solution which will be just and fair to both sides. No doubt it is true, as has been said, these agreements depend upon the good faith of the individual governments concerned. In each case we have left it to the governments to apply the principles which they have accepted. But this is true of every treaty. And do you believe, gentlemen, that in the British Empire, in this great British Commonwealth of

Nations, we are less able to trust one another than we are in dealing with the world outside? I am satisfied that if I come to the Canadian Government or before a Canadian tribunal I shall get the same fair play and the same fair hearing which I shall expect from my own government or tribunal at home. It is said that some government might reverse all its predecessor had done. That is true of all governments. But my hope and belief is, when the principles underlying these Ottawa agreements are explained to our own respective peoples and as our peoples come to understand the advantages which are afforded to us by making them, no government and no party will dare to suggest a reversal of that policy and any parliament that did would be swept out of existence by the voice of the people themselves.

I do not suppose that we have done more than make a beginning in our Empire policy. But, none the less, as I go back to England, I go back profoundly satisfied with the achievements which Ottawa has succeeded in making. I go back very grateful to the Canadian people for the warmth of their welcome and for their unfailing kindness. I go back proud to have been allowed to take a part, however humble, in making these agreements, confident that in doing so we have been, in truth, builders of Empire, and sanguine enough to hope that the building which we have done is worthy of the countries which we severally represent and worthy even of the Empire which is the common heritage of us all.

PRESIDENT CHALMERS:—Your Lordship, after that torrent of applause it would seem that it is hardly necessary for me to say anything and, indeed, anything I say will be more to be transcribed in our printed record. There are one or two little comments I would like to make. Before I address myself to that purpose I would like to state that I did not make them before because I did not wish to interfere with His Lordship's time. I did not want him to feel that he was rushed.

I have much pleasure in welcoming to-day Bishop Renison, the new Rector of St. Paul's who will be with

us shortly—also Dr. Manion, Minister of Railways, Mr. Justice Kingston, the newest member of the judiciary in Toronto and the Hon. G. Howard Ferguson. I would also congratulate Mr. Newton Rowell upon his election as President of the Canadian Bar Association. Also, it is my pleasant duty to express to Your Lordship on behalf of the members of the Club what they themselves expressed, their appreciation and gratitude for your address. We wish you *bon voyage* and thank you for coming.