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## London Faces World Crisis

BY MAYOR GERALD GRATTAN McGEER, K.C., M.P.

COLONEL MESS:—Guests and members of the Canadian Club, we are honoured today for the first time by the presence of our Premier, Mitchell Hepburn, to whom we give a very hearty welcome.

Notwithstanding that we live in a world, that perhaps deserves dictatorships and economic cure-alls, we have lost respect for the man who does nothing, but we have respect for the man who has the courage of his opinions, whether we may like them or not. If we approve, we support him and admire his courage. If we disapprove, we fight him and admire his courage. Our guest speaker today is a very staunch admirer of Abraham Lincoln, and it is perhaps from this source that he gained the courage to handle the labour problems of the far west, and to present himself to the financial interests in England, and make no bones about what he wanted and had to say. Probably no Canadian in our late history has had a reception equal to that given our guest speaker. You will remember the visit this summer of Sir Percy Vincent, Lord Mayor of London. Every courtesy that he could extend as Lord Mayor was given our Guest Speaker, whom I shall introduce, though I have not asked his permission to do so, as Jerry McGeer.

MR. McGEER:—Mr. President, Mr. Premier, Your Worship, members of the Canadian Club—and I think I may be privileged to address you, as I have many audiences in the old land, as "Fellow freemen of the British Empire".

In the course of what I have to say, I hope you will appreciate that as yet I have not had time to sit down to consider and revise the great number of impressions I gained, in a very remarkable experience in the heart of the Empire—the City of London. Of course I have something

of a connection with the old land, for my father was born in Wicklow, and from him, I suppose, I inherited all my capacity for raising the devil. My mother was born in Lancashire, so that anything constructive that I have done comes from that source. With that parentage, I feel, when I go to the motherland, that I have the right to speak as one in his own home.

The subject on which I am speaking is London faces the World Crisis, but I hope you will not ask me to define just what that crisis is. It is fairly well known, but one feels in England today a sense of faith and confidence, that is born of a united public opinion. I think that the best indication of what this crisis is, and the nature of the public opinion that is responding to meet it, will be found in a *Times* editorial commenting on the resolution passed by the National Labour Party recently in session in Edinburgh. Let me read it to you.

"It is clear that the conference has made a pronouncement, not for pacifism as it did three years ago, nor for disarmament—although it does not lose sight of disarmament as the desire of peace-loving peoples—but for maintaining a defence force. The armed strength of the countries, loyal to the League of Nations, 'must be conditioned by the armed strength of the potential aggressors', and Britain's armed forces must be consistent with the country's responsibility, as a member of the League of Nations, preservation of the people's rights and liberties, the continuance of democratic institutions and the observance of international law. It is made an obligation of the Labour Party to see that those conditions are fulfilled."

It was in my opinion a remarkable thing to see the Labour Party of Great Britain completely repudiate its program of three years ago and join with the National Government in meeting the situation, that is portrayed in Mr. Chamberlain's speech at the National conference of the Government, which was being held in Margate at the same time as the Labour Party was meeting in Edinburgh. Speaking before that Convention, Mr. Chamberlain said:

"I should surely be the last minister to consent to the provision of larger defences than are necessary. When I took over the Treasury in 1931, it was my ambition to make

each of my budgets a little better than the last. If I have had to sacrifice something to that ambition and to call a halt to progressive remission of taxation, it was only because of my conviction that the state of the world rendered it essential to embark on the largest program of expenditure on defence, that this country has ever undertaken in time of peace.

"When that program is completed we shall once more have a Navy adequate to protect our vital lines of communication. We shall have an army, trifling in numbers beside the vast conscript armies of the continent, but equipped with the most modern weapons and mechanical devices that science can give us; and we shall have an air force which in the speed, range, and power of machines, and quality of personell, will be second to none.

"Let me add this about the Air Force. The development of Aviation has to some extent deprived us of our insular position, and the probabilities of what war would mean to our civilian population are very present to our minds. But let us not forget, that those possibilities are even more present in the minds of other nations. I can imagine no more sobering thought to any ruler who might be contemplating an aggression against his neighbour than the knowledge that within a few hours his actions might be followed by retaliation from a force of such striking power as our new Air Force will possess. I regard our Air Force, when fully developed, as the most formidable deterrent to war that could be devised, and I support its establishment with greater conviction and enthusiasm because everyone knows that it will never be used to make an unprovoked attack on any other country."

There is in that full statement of the Chancellor of the Exchequer, and in the resolution passed by the Labour Party, a very clear statement of the danger that exists today, and I think the world will agree with Mr. Chamberlain when he says that no nation gave more effect than Great Britain to the program of disarmament which was intended to establish a world free from war.

It has only now been recognized that there is more safety for the world in a strong Britain than in a weak Britain, and only because of the national policies that are

tending to develop in Europe, is this armament program recognized as necessary.

There is another challenge that Mr. Chamberlain referred to that we are not clear or free from in this country. He said:

"To this audience, at any rate, it is not necessary to enlarge upon the vast significance that attaches to the maintenance of unity of thought and action amongst the nations of the Empire. We are accustomed to hear of the dangers of fascism and communism, and to speak of the three great countries, the United States, France and ourselves, which stand out as the remaining strongholds of democracy. It is true that in wealth and population those three countries are preeminent today. But are not Canada and Australia, South Africa and New Zealand democratic too? If their population is small today, have they not room for a vast increase so soon as economic conditions justify it? Who can venture to say how far they will have advanced in numbers, resources and power fifty years from now? And who can doubt, if, in fifty years from now we have continued to work together in pursuit of the common ideals which unite us today, we shall together form a fortress of democracy, which need fear no onslaught from without?

Great Britain has met the challenge of Communism and of National Socialism by maintaining through democracy a greater care of its masses of people than has been or is to be found from any source in any other nation. On returning to London one cannot help but see the complete absence of that dejection and poverty that formerly characterized the City's life, and one sees throughout the country a tidiness of well-kept by-ways, an appearance of intensive prosperity in agriculture—more and better cattle, more sheep and more poultry, and one sees everyone everywhere sharing in a stable and progressive prosperity.

I don't want to go into the realms of controversy, as I did when speaking before the Canada Club in London, when I asked those six questions, which started such a row. I did not then mean to infer that we are not doing much that is well worth while throughout the Empire, but in the light of what is taking place, can we not ask ourselves to advantage, what would Japan be doing, if Japan enjoyed

the opportunity to develop the wealth and resources we possess?

It may not be impertinent to ask what would Italy be doing, if she had the great resources the Empire enjoys? Nor would it be out of the way to ask, in view of Germany's expressed ambitions, what would she be doing if she had the opportunities our Empire enjoys? I do not suggest that we should follow the course that any one of them might take, but I do think we can well afford to examine what we are doing, and if we do, we may ascertain that there is much more to be done for our own advantage than we are doing today.

I know that, when one turns to speak of managed currencies and planned economy, there are many features in all these programs on which intelligent men can properly disagree. I have felt that my ideas were largely based on the conclusions of the Macmillan Committee, which were filed with the British Government in 1931, and one of the things I had in mind when I went to England was to discover the extent to which the Government had put into operation the findings of that committee. The first recommendation was for managed currency. That is in operation today without limit or qualification. The pound sterling is now free currency unlinked with gold, but, backed by the power of respect for the British system: the pound, printed on a piece of paper, is acceptable in any country in the world.

At the Lord Mayor's Banquet, the Chancellor of the Exchequer was very careful to make it clear that the program of relief advanced by Walter Elliott was to be established. There is both in the National Union Party, and the Socialist Party, and in a great many walks of life a growing belief that the encouragement of the production of agricultural foodstuffs at home means the development of Great Britain's fourth line of defence. The four lines are the Navy, the Air Force, the Army, and home production, and I predict that Britain will continue a program of assistance to agriculture and further measures of assistance to industry to maintain the ever-growing strength of the new line of defence which is today a vital British reality.

Now in such a short time it is impossible to give you a

picture of all that is being done in Great Britain, but you can see the hand of the Government in everything. Probably the best example is to be found in the aid which is being given to the merchant marine. The *Queen Mary* would never have been built had it not been for Government assistance, and, just before I left, announcement was made that her sister ship—No. 552—was on the ways, that a contract had been let, and that a bigger and better ship was to be produced, which would aid greatly in relieving the unemployment situation in Great Britain.

You can find in the declaration of the Government that assistance will be forthcoming to maintain the unemployed in a position of security. But notwithstanding all that has been done for Agriculture and the revival of industry, the new policy of the British Government is brought to a climax in the extremes to which it is going to carry out its obligations in the matter of the physical fitness of the people of Britain.

Here again I quote from a statement of the Chancellor of the Exchequer. This is what he said on this subject: "We have succeeded in reducing Infant Mortality, and in prolonging the average span of life. Before we can consider ourselves a healthy nation we shall have to raise the general standard of physical fitness, and the development of physical fitness is one of the main factors in health, and health in turn is the very foundation of happiness and contentment. We want our young people to make the most of their lives whether they are at work or at play, and if they are to do that they must come nearer to the natural condition in which the exercise of the limbs is an enjoyment instead of a fatigue, and the vitality of the body sharpens and concentrates the faculties of the mind. We have no desire to exchange our form of government for that of a totalitarian state, but in this matter of attention to physical development we may surely learn something from others. Nothing made a stronger impression on the visitors to the Olympic Games this year than the splendid condition of the German youth, and though our methods are different from theirs, in accordance with our national character and tradition, I see no reason why we should not be equally successful in our results.

"But to achieve success we must make a concerted effort to enlist the cooperation of education authorities, health authorities, and the parents themselves to the fullest extent, especially if in future shorter hours of work leave them longer hours of recreation. Already the Board of Education has issued a carefully considered circular on Physical education, calling attention to the need for better organization of physical training, the appointment of qualified instructors and the provision of Gymnasias, playing fields and swimming pools."

Here then we have in Great Britain today a nation adopting a program of managed currency, adopting a most costly program of national defence and rearmaments, of aid to industry and agriculture, and in addition going the limit in assuming national responsibility for the physical fitness and well-being of the people.

You have heard possibly that we in Vancouver have had something to say about interest rates. We are great believers in Scripture. Mr. Bradshaw knows what we feel about one part of the Scriptures which says "Ask and ye shall receive" and you can imagine the joy I felt, when sitting in the Mansion House, to hear the Chancellor of the Exchequer, Mr. Neville Chamberlain, who introduced me to the Governor of the Bank of England on the same occasion, in describing the cost of recovery make this statement. I quote this to you from the *Times* Newspaper, so that you can be certain that I am not putting anything over. Speaking on whether or not the recovery program was likely to collapse, Mr. Chamberlain said:

"I would suggest to you that there is nothing in that, that might give rise to pessimistic anticipations of the future, and I will explain why. To begin with, although nobody is so foolish as to think that our home trade can go on increasing forever at the rate it has been doing lately, yet there seems no reason to expect that it is likely to return to its old level, because this improvement is principally due to two causes. The first is the system of very moderate protection which we have established, and the second is the maintenance of low rates of long term interest. And, perhaps, I need hardly say to you, that we have not in contemplation any change in either of these two branches of our policy."

Let me say to you as Canadians, that if it has been found necessary to base recovery in Great Britain, where they have had thousands of years—or at least hundreds of years—to establish productive capacity on very low rates of interest on long term loans, how much more necessary must such a policy be here, where we have not had the opportunity to reach such a state of development?

There is a very great deal of enjoyment for everyone in the Pageantry of the Lord Mayor's office, and I want to take this opportunity of thanking your exhibition association, your board of Aldermen, and your Premier, Mitchell Hepburn, for the welcome you gave Sir Percy Vincent, and for the action taken in assuming part of the expenses of the Lord Mayor's trip, and in making that trip not merely a visit to Vancouver but to the whole Dominion, which was, after all the important thing.

I cannot but feel that every Canadian, who had listened to those stories of the glamour and glow of the pageantry of the City of London, must have felt a thrill on seeing the Lord Mayor in person, and while I never had any reason to believe that I could ever emulate Dick Whittington, I do feel that by inviting him to Vancouver, presenting him with the freedom of the City, and receiving from his hands a replica of the Mace of the City of London to be used in Vancouver, I have done just about as much as an ordinary Canadian Milk boy could be expected to do.

Back behind all their Community respect for tradition there is a real strength and dignity in the ceremonial activities of the Lord Mayor's office, and I found that dignity permeating the whole municipal structure of Great Britain, it doesn't matter whether you are in the Guildhall or in King's Lynn, where they bring out for you the Charter granted by Canute, or in the little village of Petersham where Captain Van Couver is buried. Wherever one goes, one can never escape from the dignified confidence that these people have inherited from their forefathers, who built Westminster Abbey and St. Paul's Cathedral.

Yes, we in Canada have much to learn. If Great Britain can do what she is doing today with evident success, cannot we do as much in Canada with all the resources of wealth at our disposal. Today in our Dominion the Provincial

Governments are in a desperate financial plight—perhaps not Ontario—but the provinces, even including Quebec, have not the riches of your great province. Two hundred and fifty-seven municipalities are in default of their obligations. Others are seeking to find new sources of revenue to permit them to meet their's—and not finding it. I often wondered why it was that no such disaster had swept over the Cities of Britain. But the problem is not quite the same over there, where so much responsibility is assumed by the National Government. I found to my surprise that there was no tax on unimproved real estate, no tax on houses that were unoccupied. There is no confiscatory taxation of property, because the taxation is dependent on the revenue from the property.

How, then, in view of this, do the municipalities retain their stability? The Government contributes every cent of the cost of unemployment Relief, all the cost of Old Age pensions, and fifty per cent of the cost of municipal police administration. The last with one qualification. They require that an efficiency standard should be maintained by the local authorities, before a grant is made. You have therefore in England the Government paying half the expenses of the police forces and in addition a guarantee of national supervision of their efficiency. That is a measure of cooperation that we could well afford to have in Canada.

Sixty per cent of the cost of Education is borne by the National Education Board, and it is because of that that the Chancellor of the Exchequer is able to speak of extending educational activity into the realm of health, and speaks with knowledge of what the National Government is assuming. In every way that it is possible for the National Government to cooperate to sustain peace, order and good government, the National Government intervenes, particularly to guarantee that the most important of all branches of our government—municipal administration that cares for the Children's health—shall stay on an efficient basis.

What are we doing in Canada towards putting the unemployed to work? Have we no housing problem? We have all the materials at hand necessary to take care of it, and we are doing little or nothing. Great Britain has to go outside for hers, but she is importing shipload after

shipload to carry out the program of slum clearance, that has done so much toward the relief of the employment situation.

In the matter of Tourist trade England is taking every step to increase this asset. The Coronation and the British Industries Fair next year will draw a greater tourist trade than ever before. Have we no similar opportunities? We are the most favoured nation in that respect. To the south of us is the greatest touring nation in the world; and they do not have to cross the Atlantic ocean to get here. I venture to say that the province of Quebec, still retaining its old-world atmosphere, is one of our greatest tourist assets. Here in Ontario how many people should you not be able to take into the northland to view the production of gold—one of the world's marvels of development? Have you no idle engineers and men who could build highways and airways and railways to get there, with a tourist trade, that would be of more value to Ontario than all her vast mineral production?

Yes, we have much to learn from Great Britain. If we want to, we should be able to bring the national, provincial and municipal governments together to build a new Canada, a twentieth century Dominion, that will fit properly into the scheme of human progress that Great Britain is advancing today. No one is alarmed at the rearmament program of Great Britain, because everyone knows that the British public is actuated by no motives of conquest but by a desire for the advancement of our scheme of Christian Democracy, to bring about a day when the world shall have peace, through the universal acknowledgement of God as the ruler over all and through the universal brotherhood of mankind in the paternity of God, whose son Jesus Christ came to this earth to teach men how to live.