

(September 14, 1933)\*

## Great Britain and Canada

BY THE RT. HON. SIR HERBERT SAMUEL, P.C., G.C.B.

PRESIDENT SIFTON:—We have with us today as guest a very great man, an Englishman, a philosopher and a very successful supporter of British politics. Sir Herbert Samuel is also a descendant of a Jewish family. All his life he has been interested in the public service. Twenty odd years ago he got into the House of Commons very highly qualified.

Thirty years ago, Sir Herbert says—I want to be a little delicate—he was put in charge of putting through the Children's Bill and his tact and capacity and skill in shepherding a very difficult bit of legislation through the House of Commons gave him a reputation immediately which resulted in a Cabinet position. He served then in the great Liberal Government continuously and in a variety of offices. When the war was over he went to Palestine, gave up his life at home, his political career, and the natural results which would have come of a distinguished public career in England and spent five years organizing Palestine. Someone said that he was criticized both by the Arabs and by the Jews; he was loved both by the Jews and Arabs and that resulted in the perfect success of his duties as High Commissioner.

When he returned to England the coal dispute was at its very worst. Sir Herbert examined the situation in the industry and made recommendations which were not implemented at the time. He was at the time chairman of the Coal Commission, having an official position investigating the industry. The result of not accepting his recommendation was that the general strike broke out.

\*A joint meeting with the Empire Club.

Sir Herbert hurried home to England and was instrumental in bringing the working people and the capitalists together and he is given credit by all who knew him, by the public at large, for personally, through skill and capacity and the sympathy extended the vast difficulties of both sides, with solving the general strike of England at the time. The coal strike, which was a part of it, continued for some time.

Sir Herbert comes from a family associated with a group of families in London prominent in the public service for generations. They are, of course, members of the Jewish race and it is a great tribute when, generation after generation, several of the members of the family go in for public service. You can find all down the history of Great Britain for the last two and a half centuries the names of prominent public servants who have come from these families and it is a tribute, not only to them, but to the institutions of Great Britain, that they never suffered from any prejudice or unfair treatment. They have served Great Britain. I have great pleasure in introducing Sir Herbert Samuel.

SIR HERBERT SAMUEL:—I have to thank you most warmly, Mr. Chairman, for the very kind observations you have made and you, gentlemen, for the warmth of your welcome. This is not the first occasion when I have had the honor of addressing the Canadian Club of Toronto. Within a few days from now it will be exactly twenty years since I last addressed you but I have pleasant recollections of that occasion and I count it a privilege once more to speak to my fellow-citizens of Toronto.

The title of my address ought to be, "Britain and Canada", particularly in a city such as this, where the Scotch have rendered such great service in the upbuilding of your city and indeed, of the whole of this great Dominion. I was quoting the other day a speech of Lord Moynahan's. He addressed you not long ago and I hope he did not take occasion to make this observation that I am going to quote from him. He was referring to the illustrious service rendered by the Scotch in England and indeed throughout the Empire and the high positions to which many of them had deservedly attained and he con-

cluded by saying he always thought that the text, "The meek shall inherit the earth," had great truth in it, particularly as he believed in this case "*meek*" is the plural of "*Mac*".

I shall speak to you, gentlemen, today of "Britain and Canada". Our relations, of course, are of three kinds—cultural, political, economic. Of cultural relations I shall say very little. Lord MacMillan addressed you two or three days ago and dilated on that subject but we do all speak the English language, the language which is by far the most widely used of any language on the globe. But what matters is not the language that is used, but the ideas that are expressed in it, and there are certain ideas dominant among the English-speaking peoples which are the main features of our connection on the cultural side and which I venture to say are of value to the world. And it is the ideas that in the long run matter most. Ideas are potent, as Hegel said, ideas have hands and feet. They march, they mould, they strike and the action that is taken in politics, or indeed in economics, depends on the underlying fundamental ideas. Therefore when we say that the British Commonwealth of nations stands for certain common ideas of justice and liberty, we are expressing the fundamentals of the union between my country and the Dominions.

Now, Mr. Chairman, having made a kindly reference to the fact of my belonging not only to the Jewish community but to the whole world, events that are now proceeding in Germany are a matter of profound interest and I think almost universally of deep regret and indeed of reprobation. They are contrary to those principles of justice and liberty, religious tolerance, religious equality, which are predominate in the English-speaking world. It has sometimes been said that history shows that those countries which have persecuted the Jews have not prospered. Spain is an illustration and from that some draw a kind of mystical conclusion that there is a Providence which cares for the particular people. But it is not necessary to hold that view in order to find a reason for what I believe is a fact, that where there is persecution of the

Jews there is a decline in national greatness and prosperity. The reason is simple. It is that the same qualities in a nation which lead to intolerance and injustice are qualities which bring their relations down in the moral scale and ultimately in the scale of economic and political success. And the same qualities which are evident in Germany today with respect to the Jewish people are those qualities which are rendering the predominance of the military spirit once more in Germany a feature of the existing situation. And that is the aspect which demands the attention of the whole world even more than the events taking place there in relation to the Jewish people. For from the persecution of the Jews there some half a million people or more suffer, but from the revival of the militarist philosophy in Germany there may follow events in the course of five to ten years which will affect profoundly not that one little racial and religious minority there but all the peoples of the world. This spirit that is reviving in Germany alienates the public opinion of the other nations and in the long run must recoil upon those who stimulate the fundamental philosophy that war is in itself not an evil thing but that the military virtues are the supreme virtues in any people. There is a saying that he who makes many men afraid of him has himself many to fear, and those who adopt that attitude towards the politics of the world and towards the comity of nations, must sooner or later feel the recoil. We of the English-speaking people stand for liberty of thought and equality of religions, supremacy of justice and law; and it is the fact that we do stand for those things that makes us proud of our membership in the British Commonwealth.

Then with respect to the specific political relations between Britain and Canada you will be celebrating next year the four hundredth anniversary of the landing of Jacques Cartier on the shores of Canada. That brought Europe for the first time into relation with this part of the North American continent and you were celebrating yesterday the anniversary of the battle of the Plains of Abraham, another land mark in your history that decided which of the countries of Europe was to be politically predominant

in this land. Since that time you have witnessed a gradual constitutional development always in the direction of broadening the political liberty of the Canadian people and I am very proud to think that in the early generation, the political party of which I have the honor to be a member, and for the moment the leader—in the House of Commons, that that political party did consistently and strenuously, and often in the face of much opposition, succeed in carrying through the enlargement of the constitutional liberties of what we then called the British colonies. The last time I spoke here, twenty years ago, it was then the established practice of the constitution of the Empire that each Dominion should manage its own affairs in its own way. It was not yet the formulated law of the Empire and since then, two years ago, the statute of Westminster was passed and there again I am proud to have been a member of the cabinet which was instrumental in passing that measure into law which made definitely legal and constitutional that equality of political power which had already been the practice. As I said at a previous speech in Montreal, a century ago the British Empire was a solar system with one central sun and a number of satellites revolving around it, but now the British Commonwealth is not a solar system of the central sun and satellites, it is a constellation of stars of, one might say, equal cosmic status though no doubt, of different magnitudes, but a constellation of stars held together only by their mutual attraction. The implication that follows from the enactment of the statute of Westminster in international law is now being studied by a very interesting conference, an unofficial conference of which many of us at this table are members and which is now meeting.

Economic relations of Great Britain and Canada! For some years these relations have fallen a little into abeyance. Previously you used to be a great star attracting capital for the development of the vast territories of your Dominion but of late years, since the war especially, you have, I believe, turned mainly to the sister nation to the south of your border but only a few weeks ago the Canadian government once more came to the city of London for a very

considerable sum which was gladly subscribed in a few minutes and if ever you have again need for more capital there is plenty there waiting to be invested, almost a plethora of capital which we are most pleased to lend especially to our own Dominion and especially to those who can be relied upon to repay, as Canada always can. If it were possible to combine, I don't say at this moment but when conditions improve a little, the transfer of considerable sums of capital from Britain to Canada with the migration of some further British population to your vast territories, that, I believe, would be of mutual advantage. When I first visited Quebec and Montreal in 1888 when very many of those here present had not yet arrived in Canada, or indeed on this earth, I think your population was about five millions. It has doubled since then. There is no reason why it should not double again. You are equipped as a nation for a much larger population than you have. Your great railways are built at such vast expenditure. I may add, your hotels, your towns, your cities, your universities, the Parliament Buildings of your provinces, they all could supply an overhead service for a population double what you have without need of much further overhead expenditure, and if that were done you would find at once a rapid increase in the prosperity of your investment and a great relief to the financial burdens of your cities, provinces and Dominions, while to Great Britain it is obvious such immigration would be of immense advantage. If the rate of immigration from Great Britain in the last ten years had been the same as it was in the ten years before the war there would have gone from our shores seven hundred thousand people who now remain in Great Britain. Seven hundred thousand people would have found a livelihood in countries overseas. The fact that they could not go overseas is an important factor in the great unemployment problem which is the chief social difficulty that we have to face in Great Britain. So if it were possible, when the economic situation is eased, for you in Canada to take deliberate measures, on the one hand, to develop much further the industries and agriculture in your country, to make your agriculture more inten-

sive and extend your various industries and if you could, at the same time, draw from Great Britain the further large supplies of capital that would be necessitated and an additional British population to help fill out the waste spaces or the broad almost empty spaces of your territory, that would be of great mutual service and a great element of value in the economic relations between Britain and Canada.

Is it economically possible? Would it be commercially profitable? I have just a word to say about the policy embodied in resolutions of the Ottawa Conference. That is a highly controversial matter, and if I were to speak my whole mind, you would find certain fulminations in the atmosphere that would not be conducive to political harmony, so I will restrain myself. But I should like to take this opportunity of giving in very few words the reasons that led my colleagues and myself, who represent the Liberal party in the National Government, to resign our offices in the government as the outcome of the Ottawa Conference. We did so with great regret. We were keenly interested in our work. We thought it most desirable to retain national political unity in Great Britain in that government so long as it possibly could be maintained but after having to agree for the sake of our colleagues with things that we did not like we came finally to a point in which there was to be given a definite abnegation, not tentatively to meet the emergency, but for the future, which was giving a definite orientation to a Commonwealth policy with which we found ourselves in profound disagreement. Not that we did not wish for mutual trade in the Empire. We do. We want to develop mere mutual trade. We are eager to do so.

But the reason for our disagreement was this, that in the present state of the world and the Commonwealth what the peoples need above all is greater freedom of mutual interchange of goods, and we see as the greatest cause of world-wide depression the continual restriction of the world's trade by tariffs and quotas; and when the report of the exports drawn together by the League of Nations to prepare for the world's Economic Conference was publish-

ed, all the ablest advisors drawn from all the chief countries of the world, the Bank of International Settlement and other authorities, unanimously agreed that the main cause of the present depression was the restrictions upon international trade. From that followed the currency difficulties and all the other difficulties from which the world has suffered. They also reported that in three years between 1929 and 1932 the value of the whole trade of the world had been reduced by two-thirds. Where there was \$300 worth of trade in the world in 1929 there was \$100 worth in 1932. In volume the reduction had been only twenty-five per cent. The main cause of the trouble was the reduction in value but it makes a profound difference to the prosperity of the great producers and merchants and distributors of goods that the value has fallen by two-thirds in three years, and the main cause of that is the restriction upon the flow of commerce between countries. So when the Ottawa Conference was held we told our colleagues quite clearly that if that conference resulted in a reduction of trade barriers between various parts of the Empire we were all in favor of it and would support it and they said that was their purpose. But when the results of the conference were made public it turned out that, while there were some small reductions here and there and while, so far as the Canadian markets are concerned, there was some small advantage here and there, on a bird's eye view the main result of the Ottawa Conference was the requirement that Great Britain should put on new tariffs against foreign goods in order to give preference to imperial goods and the whole of our colonial empire, all the crown colonies, were required to put on new tariffs restricting their foreign trade in order to give preferences to British and Dominion trade; and we thought that was fundamentally in the wrong direction. It was just the thing that ought not to be done. When we remember that, according to a report of the Imperial Economic Committee, an official body representing the whole of the Commonwealth, the trade of the Empire, the inter-imperial trade, was only one-third in 1929 of the trade of the Empire with the world outside, we saw in our view that this tendency was

wrong, and although it appealed to imperial sentiment and although people were urged to accept it, because it was a means of imperial unity, we thought it was not a means of imperial unity but in the long run would lead to friction and that the Empire would be more likely to grow together in harmony and friendship without bargains of that kind. And so, while we were still in favor of reductions of tariffs within the Empire, we found ourselves in such disagreement on principle with our colleagues that we were, rightly or wrongly, holding that view very definitely, quite clearly and conscientiously bound as men of honor to withdraw from lending any support to that policy.

I have not said a word about Canadian politics. It is not my business and it would be impertinence for me to interfere in your discussion. I have merely stated the position as it appeared to us and the reasons for the action we took. In Great Britain there is now a better state of trade. It is the same in all countries no matter what their fiscal policy. There seems to be a gradual world revival. It is proceeding exceedingly slowly and might proceed very much faster if we could get rid of some of our tariffs and quotas and if we could secure stabilization of currencies.

Now the economic relations between Great Britain! You are watching of course with great interest the financial position of Great Britain and I am sure you will have rejoiced at the way in which our crisis in 1931 was overcome. It was a very grave crisis and at one moment looked very serious. There had been adopted in some quarters a tendency to act on the maxim of the politician who said that his fiscal policy was a very simple one—more from the government and less from the tax payer, and in many places you find democratic parties and parliaments inclined to act on that simple maxim. But the day comes when you have to balance your account and it was found in Great Britain we were borrowing heavily, our budget was unbalanced, there was a flight from the pound and we had to take immediate action and the leaders of the three parties, some of the leaders of the Labor party, all the leaders of the Conservative and Liberal parties formed a strong combined government. We determined to put our

house in order and we did so. The budget was balanced and the credit of the British government was restored and there was no better proof of this fact than the conversion transaction which converted two thousand millions of five per cent. war loan, to a three-and-one-half per cent. basis.

You will also have a moral interest in the administration of territories outside Great Britain and the Dominions, using the Dominions with a capital "D" in the restrictive sense. Where we are able to establish order, justice and liberty in backward territories, you too, are able to take pride in that. Where we are faced with difficulties you, too, feel anxiety and if it sometimes happens we meet with failure, you too, share in our sorrow and regret, and I am sure you have been watching with great interest the events that have been taking place in India. Much the most important political event of recent years that has happened at Westminster has been the gradual development of the new Indian constitution. Slowly, step by step, one round table conference after another, with select committee, with meetings of Indian representatives, slowly but surely the new Indian constitution is taking shape. It meets with some opposition. But the overwhelming mass of British opinion favors in general these proposals. The whole of the Liberal party does so without distinction. The whole of the Labor party does so, although they would wish to go farther and loosen the safeguards that we think are necessary. In the Conservative party the great majority in the House of Commons also favors them and although there is a division of opinion in the Conservative organizations in the country I feel fairly assured that the party will rally to the leadership of Mr. Baldwin, Mr. Neville Chamberlain, Lord Irwin and other members of that way of thinking rather than to the leadership of Mr. Winston Churchill. But I cannot speak for the Conservative party. My parliamentary colleague here, Sir John Powers, would have more right to do so but I do not think he would dissent from that view. The die-hards are vocal but not very influential and most of us only hope that they will get on with their dying. As for Mr. Winston Churchill, he has great qualities. The brilliance of his utterances only makes the errors of his judgment the more conspicuous.

In Palestine also we have had tasks of difficulty and you, Mr. Chairman, were kind enough to make reference to the five years I spent there laying the foundation of a new modern state. On the whole that enterprise has turned out successfully. Economically the country is very prosperous. It is the only country in the world, I think, with no unemployment problem and a considerable surplus in the annual budget. The population has increased by fifty per cent. since the war and great new towns are growing up and new industries and large areas of fertile lands are being turned from almost a wilderness into a garden. The production of oranges and other fruits is being enormously extended. Hydro-Electric power, from the upper waters of the Jordan, is now supplied all over the country and the immensely valuable minerals of the Dead Sea are being exploited. A great new harbor at Haifa, costing five millions, is to be opened in a few months and generally there is immense economic activity and industrial prosperity. It is estimated that about forty million pounds of new capital has come into that country since the war and, as the population is still just over a million and its area only the size of Wales, you can see what an immense impetus it must give for all classes, Jews and Arabs, to have this great stream of fructifying wealth coming into the country. With regard to the friction which has existed and still exists between Jews and Arabs, there were serious disturbances in 1920 and 1921 but for eight years after that the country was peaceful and not a blow was struck. Unhappily disturbances broke out again in 1929 but since then the country once more has returned to tranquillity and there is no racial antipathy between Jews and Arabs. There is political friction and division but by wise, firm, just and progressive stimulating government, sympathy to the Arabs, raising their status, providing them with better education, (I opened schools in two hundred of the Arab villages when I was there), aiding them in matters of sanitation and generally raising their standard of culture, we are achieving results. In the main, we may feel that the historic mission of the British Commonwealth to bring to the backward countries of the world justice and toleration is in progress and being fulfilled.

Lastly, a word with regard to foreign policy. We are always conscious at Westminster that we are acting not only for our own Island but also, after consultations with the Dominions, in their interest also, and there is a constant endeavor to co-ordinate foreign policy so as to make it a real expression of the needs and desire of the Dominions. I was one of the representatives of the government at the disarmament conference at Geneva for a considerable time last year and every day or two there were meetings between whoever was representing the British government (at that time, Sir John Simon and myself), and the representatives of all the Dominions in order that they should be fully informed of all that was being done. We live in very changed times. The world is rapidly developing in an age of transition. We are of course always in an age of transition. Dean Inge, the other day said, when our first parents lived in the garden of Eden, it is believed Adam said to Eve, "My dear, we are living in an age of transition". And it is quite certain we always have been. But never, I think, was the transition so rapid and the problems treading on each other's heels so swiftly as now. There is only one clue by which we can find our way through these tangled problems and our foreign policy in Great Britain follows that clue. It was said by Sir Robert Peel and it may be said of the government, I think, of any party in Great Britain today, they have no foreign policy except peace and goodwill among nations. That is the best policy. That is the purpose of any British government of any party or any combination of parties. The world needs tranquillity, needs stability, and our foreign policy must always pursue that purpose and seek the means to achieve it. If there are two means to that end one is loyal, cordial co-operation in the work of the League of Nations which is the policy of Great Britain and the other is to use every endeavor to enter into the most friendly and harmonious relations of co-operation with the United States of America. These are the two keynotes of British foreign policy. Here on this globe there are some two thousand millions of human beings, their lot may be one of disaster, misery, or it may be one of prosperity, har-

mony, hopefulness. Our task as members of the British Commonwealth is to use a vast influence entrusted to our hands as comprising one-fourth of all mankind within our frontiers to help to lead the world into an ere of stability and progress and peace.

PRESIDENT SIFTON:—I am sure that Sir Herbert will see in your large numbers and appreciative applause the proof of our real gratitude to him for tearing himself away from most important tasks at Hart House to come down and make this address to us. He of course is the head and front of British Liberalism and this has been a great day for the Liberals. We are very pleased that he did speak on matters close to his heart. Our next speaker will be one of rather a different view, Sir John Power, very prominent in Conservative ranks. I thank you.