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Empire Free Trade and the Anglo-Saxon World

BY PROFESSOR G. E. G. CATLIN

PRESIDENT SMITH introduced the speaker as well qualified to discuss his subject, since he was lecturing in economics both in London, England, and at Cornell University in New York state.

PROFESSOR CATLIN:—Mr. Chairman and gentlemen, since the speaker has the misfortune to be only nine years older than William Pitt when he became Prime Minister of England and three years older than the late Administrator of the Transvaal, it is with some hesitation that he puts these observations before so distinguished a gathering here at Toronto. Were my topic Education I might be encouraged by a trifling advantage which I have in seniority to the President of Chicago, but unfortunately I have committed myself to a more ambitious subject and must make the best of it. My excuse is that for many years now I have been spending part of my year in England, part in the United States, not without visits to Canada, and that I may perhaps claim to be capable, more than most of my compatriots, of an understanding of the New World as well as of the Old. If I am neither wholly of the one nor of the other, that, gentlemen, is also the peculiar position and distinction of Canada in the world's history. Canada is the frontier land or rather the bridge-head between two national civilizations, if not between two kinds of culture.

At the present time two of the most popular papers in England, one of them owned by a Canadian, are attempting to direct attention to a policy which is called Empire Free Trade, which also, we are told, involves as its complement the policy of Empire Protection. On this happy

slogan, each satisfied with his half-loaf, Cobdenite and Tariff Reformer are invited to agree. It is true that the startling contrast between the immense circulation and the actual influence over electoral voting of these two papers is almost a stock rejoinder to the frequent allegation that public opinion is 'made' by the press. The policy, nevertheless, requires examination on its merits and these merits appear to me very far from negligible.

We live in an age when the race is to the swift and success to those who organize well. There may be method in the madness of 'muddling through', but that method is in the capacity of the British for co-operation in time of stress. In the competition of the modern economic world that stress is now so far always with us, that little hope can be entertained for the prosperity of the political body which, with an easy confidence that 'Providence will see to it,' takes no forethought about its business organization, not as a collection of individual factories or farms, but as an integral whole. No victories are to be won by luck or without plans of campaign. With such a plan Lord Beaverbrook has provided us. Reduced to its simplest terms it amounts to a proposal that the Dominions should buy industrial goods and raw materials such as coal and iron from Great Britain, while still safeguarding their own key industries and that, in return, Britain should admit Canadian wheat and Australian meat free of all duties while imposing a tariff on all non-Empire products. Hence the Dominion farmer would have the immense advantage of something approaching a guaranteed market. Instead of old-fashioned Free Trade there is Empire Free Trade (always excluding key industries and protected new industries); and instead of old-fashioned Tariff Reform there is Empire Protection.

When economic doctrines become the patented monopolies of parties a double evil befalls them. Scientific criticism of the doctrine, as theory, is regarded as political disloyalty and sacrilege and, when the doctrine has long since become ill-suited to the actual situation, the party is tempted to cling to its ancient standard, despite the requirements of practice. Thus the merest suspicion of a doubt about the immediate removal of the McKenna duties entertained by the Liberal *Nation* exposed their London journal

to the full fury of the orthodox Free Trade press. There seems to me little doubt that Free Trade doctrine, however well, in the last century, it may have suited the ticket of the cotton merchants of Manchester and the shippers of Liverpool, is due for revision. As a member of the Labour Party I do not question that, despite the rigid financial orthodoxy of Mr. Snowden, the Labour Party is prepared to look with a friendly eye upon protection for the worker against indiscriminate immigration or against unfair competition from lands paying low wages and having an inferior standard of living. This does not, of course, mean that the unhealthy pampering of industries which have not the enterprise to reorganize themselves with a view to developing the low-price large-scale home industry is sound. The policy of the Free Traders who have opposed to Lord Beaverbrook the refusal of the British electorate to tolerate taxes on food and the refusal of the Dominions to abandon high protective tariffs seems to me disingenuous. It is an appeal to immediate pecuniary selfishness, as a final consideration, coupled with a repudiation of belief in the converting power of their own Free Trade doctrines. The argument may be true but, if true, it is the suicide of Free Trade as a principle; it stands revealed as a policy for the advantage of Englishmen only, and a penny-wise policy at that.

I submit that whether the imposition of a tax on foreign corn and meat, in view of the concurrent encouragement given to English agriculture and to the Dominion imports, would raise food prices, and how great the real rise in prices would be, allowance being made for the encouragement to British industry by the removal of Dominion tariffs in fields where English and native Dominion industries did not compete, are matters of fact. Such matters require, not partisan condemnation, but impartial and very serious investigation. It remains to be explored whether adequate guarantees cannot be given to some sections of Dominion industry, if a scheme can be put forward to the great advantage of Dominion agriculture and to other sections of industry (I refer to industrial materials not found in Great Britain). It remains to be explored whether adequate guarantees cannot be given to some sections of English

agriculture and to the English housewife, if a scheme can be put forward to the great advantage of English industry and of English dairying and garden produce. There is no question here of the revival of the eighteenth century Colonial Policy or even of aiding British Industry. It stands forth as a constructive policy of positive economic advantage to all on a basis of give and take.

The decades pass and the epoch when it was best to arrange economic policy for the benefit of the big shippers and cotton men may pass also. No section of the community is entitled to oppose its traditional advantage to the good of the whole, and an argument from tradition about what men will not do is an argument more entitled to earn contempt for its timidity than respect for its principles. The fundamental question is: were it to be shown, after such an investigation by experts as has not yet been made, that such an economic rearrangement would be to the net advantage of Great Britain, of Canada, of the other Dominions, do we want it? Do we want it on political grounds? No merely traditional policy in the world is strong enough to stand against an appeal at once economically sound and patriotically convincing. It merely becomes a question of time, pertinacity and 'de l'audace, de l'audace et encore de l'audace'. But, first, economically sound or not, is it politically satisfactory?—for the British Commonwealth, scattered disconnectedly over the surface of this globe, is so constituted that we might as well keep our breath to cool our porridge as spend time talking about an economic policy of which the political repercussions are unsatisfactory.

I take it to be an objective statement of fact, for which I make no apology, that there are differences between human civilizations. And some civilizations, whether tested by their material progress or by their evidence of moral sense, are superior to others. I need not wander as far as Africa or as near as Haiti to get evidence which I feel would win your concurrence with this remark. We can keep to Europe. It is sufficient to recall the fact that there are persons responsible for the erection of a monument in honour of assassination—an assassination which involved, before its last consequence had been spent, the death of thousands, of ten thousands of our kinsmen, of so many

that their ghosts can move past day and night for a six months before the last salutes and is gone by—a monument in honour of an abominable assassination at Serajevo, to make it clear to you that in Europe itself there are, clearly remarked, inferior and superior civilizations. It is open to anybody to hold that the higher is the lower and conversely. It is sufficient to say that they are different and that all our sense of values is confounded if we, at least, admit that the one civilization is higher than or even equal to the others. I add, as an obvious economic fact, that there are differences in the standards of living obtaining in the world and that, unless protected, the higher tends to be undercut by the lower. The best protection indeed of the higher is its superior intelligence but, in days when work is done rather by the machine than by master craftsmen, profits, at a certain stage of development, tend to flow to the cheap machine and to the employer of human riff-raff. I say deliberately 'at a certain stage of development'. I know that a far-sighted employer does not cut wages, but that is perhaps because he has the social sense to see the machine as the tool not of his purse but of the community. Anyhow I do not observe that Henry Ford believes that employers should come out against the tariff. A high standard of civilization and a high economic standard must be protected.

Lest my remarks be thought to be touched with Jingoism, to be marked by more than a savour of that peculiar English complacency which is not one of the nation's most lovable characteristics, may I hasten to add that I view these things from the angle of an internationalist, that I would not willingly fight again in any war except in accord with the decision of an international tribunal which I hope to see accepted as the final seat of sovereignty, that I can imagine fights so fratricidal, so abominable, that the only place for any decent man to view them would be from behind the walls of a prison—a shooting matter, that last, I agree, but then *c'est egal*: war itself is a shooting matter. Unlike Senator Robinson, I frankly believe in 'interference with sovereignty'. I willingly agree that there is a residue of true doctrine in Free Trade and that this residue is the desirability, moreover, for the reduction and

removal of tariff barriers as civilizations are equalized up in their wage-rates and subject to the guarantee of international conventions, such as the Washington 8-hours Convention, for the protection of the worker. I agree that this is the goal towards which we have to work and that every policy which conduces to it is to be encouraged. But, for the moment, I am concerned with an interim ethic, pending the coming into effective force of such equality of labour conditions the world over—not by depressing the high-grade worker but, as the mechanism of civilization improves, by raising the standard of cooley and peon and sweated worker. The American and British workers, in brief, must recognize that they are a privileged people and must protect themselves, pending equitable international organization, against a very definite threat.

It may, however, very reasonably be asked whether imperialism (even without any military smack to it), whether regionalism in any form, is indeed a step forward such as is likely to augment the prosperity of the world or the ultimate prosperity of any of its peoples. Granted, as Lord Beaverbrook says, that the resources of the Commonwealth are woefully unorganized, woefully underdeveloped, would it be profitable to develop them along Imperial lines as an economic unit or along quite other lines. International methods or, on the other hand, strictly national methods alike suggest themselves. Why risk reprisals elsewhere on our agriculture in order to secure the English market, risk even small inconvenience to industry, if we can perfectly well develop by balancing our own agriculture in its development against our own industry? I suggest that the answer is that the Balkanization of the world is not an ideal politically to be welcomed and that the day of a mercantilist policy of economic self-sufficiency has long gone by. The broader the area of economic organization, granted any homogeneity of standard of living, any sense of community, the greater the gain to all and to each. The conclusion to be drawn from this however, is not cosmopolitanism—the abandonment of all loyalties save, for the stronger, to their own pocket—but international organization step by step so far as this proves consistent with respect for the sentiment of homogeneous areas and for their standard of

living. I hesitate for a moment whether not to commend to you loyalty and affection for Canada, for Ontario, for Toronto, within the network of international organization and of world peace. But, in this transitional stage of the world when, whatever may be the case with the mechanism of world organization, the sentiment for world organization, the sense of loyalty, shall we say, to Geneva is too weak, especially in this Western hemisphere, to be an absolute moral power to build up public spirit and mould the characters of men—in this transitional period, I ask whether there is not some sentimental loyalty, broader than Toronto, Ontario and Canada and more able to mould men to the arts of good citizenship than mere considerations of a trade in 'pepper or calico or some other such low concern.'

If it be so, then we have an answer perhaps to our question of whether there are political reasons for commending a scheme of imperial organization, were this scheme to be commended to us by our probing friends, the economists, as sound in terms of dollars and sterling, of bushels and of tons of pig-iron. But, frankly, I am not entirely satisfied. Mr. H. G. Wells, in a recent article in a magazine in which I also have been interested, the *Realist*, has maintained that any scheme of imperial organization is that of a Mr. Worldly Wiseman who seeks to lead us astray, into the swamps of imperial rivalries and the blood-stained plains of war, from the road which leads to a recognition of ourselves as world-citizens. I have a high respect, I should not even hesitate to say a sentiment akin to veneration for Mr. Wells, the man who civilized the English middle-classes, but I have already given my reasons—it may be that I am the traitor to civilization—in putting reservations to his confident internationalism as a popular force today. I ask, not what material for loyalty we ought to have, but what material we have. And my answer is: sense of common race or (far better) sense of common civilization. I have as little patience as Mr. Wells with those peddling souls who believe that the elector can never see beyond the half-penny on the price of his loaf or the political factions which dictate his tariff. The final source of revenue is in prosperity, not in tariff rates. There is no objection to an extra half-penny on the loaf for the sake

of security if it is in lieu of an extra penny for armaments or if there is an extra penny on the wages. But—for there is a 'but'—what, frankly, I am worried about is whether there may not be both an extra half-penny on the bread *and* a penny for armaments. What I am worried about is whether, to put a fine point on it, there is not a very definite desire to build up a rival economic organization to the United States behind Lord Beaverbrook's policy, cutting transversely across the sense of common race and civilization. Certainly phrases such as 'foreign countries like the United States' are backed in the pamphlet by Sir Hugo Cunliff Owen by references to 'the United States gradually ousting Britain from her rightful place,' 'the United States is benefiting at our expense,' 'his competitors in the United States.' These occur with a frequency which leaves a very definite impression of a campaign to meet a threat from the United States. Certainly the *Daily Express* gave publicity to the perturbation alleged to have been felt in that country when the news was received of the launching of the empire free trade crusade. It is perhaps not malicious to point out that Sir Hugo concludes his pamphlet by stating that with faith 'we can create a new era of political prosperity for Britain.' This was probably an inadvertence and should, I do not doubt have read 'for Britain and the Dominions,' or even 'for his Majesty's Dominions, that is, Britain and the others.'

Those of you who have suffered under the Fordney-Macomber tariff will be aware that the United States can allege no precedent why Canada should not pursue a thorough tariff policy of imperial protection. Nor do I know any reason why a rather harshly self-interested policy, if always permissible to the United States, should never be permissible to Canada. But a policy of economic organization with a view to closing the ranks against the United States, although obviously to be expected from debtor countries, is playing with fire. There is not a man in this room, not a man who has given two minutes thought to the question, who does not know that. I understand from Englishmen who have some claim to be regarded as experts in naval strategy that any clash could have only one issue. I take it that, when we come down to 'brass tacks,' that is the

fundamental fact of the situation. There is some temptation to evade this conclusion by coquetting with plans of European understandings. M. André Siegfried peculiarly appears to have become alarmed by the Westward drift of British policy, the tendency to attach more importance to the Dominions and less to the European situation and to the Mediterranean route to India. While admitting more frankly than many people the essential kinship of Anglo-Saxon civilizations the world over, M. Siegfried's whole endeavour is to represent to England that (whatever the Dominions may be) she is essentially part of Europe. I leave it to a Canadian audience to reach its own conclusions about a policy which could identify Great Britain and, *pro tanto*, the Dominions with the interests of that western peninsula of the Eurasian continent called Europe. Equally I leave it to a Canadian audience to pass its own judgment on any scheme which might embroil this country with the United States. My own opinion would be: better the narrowest Balkanized nationalism than that.

I do not believe, however, that any vital gospel is to be got from the airing of defeatism. I do not believe that any sound policy can be merely negative. I will go further. I do not believe that the English-speaking peoples are prepared, or should be prepared at this stage of the world's movement, to abandon a leadership naval, commercial and political which they have held for five hundred years. Nor do I see any reason why they should abandon it. I do not believe that the peace of the world depends, as an ideal condition, upon the perpetual maintenance of—an ever-vacillating balance of power. I believe that it rests upon the will of those whose interest lies, not in local animosities, but in world peace, just as the ancient domestic peace of France was built up by the dominant interest of the House of Capet and that of England by the dominant interest of the House of Plantagenet. And, in such a vision, I am comforted by my inability to believe that the political traditions of the United States or of the British Commonwealth would ever harmonize with a world organization based, not on discussion, but on tyranny or, not on organization for peace, but on the dictatorial mailed fist. Coming from the university of Goldwin Smith, I want to put before you a

proposal very other than that of Goldwin Smith, a positive proposal. I am aware that there are many quarters in which it is likely to find no favour at all, any more than the sentiment which united Germany found peculiar favour either at the Ballplatz at Vienna or in the Chancellery of Prussian Berlin. To you, however, who are not of Downing Street and still less are of the Capitol at Washington, it may have some interest.

I do not put forward this proposal as one of Anglo-Saxon racialism. Most Nordicism is anthropologically nonsense and politically pernicious. The Irishman, the Welshman, have made their contribution to the Commonwealth. The French-Canadian, the German of St. Louis, the Swede in Wisconsin have made their contribution to this civilization in the New World. As General Smuts has recently reminded you, Brother Boer also makes his contribution to that Empire which counts among its Kings members of the House of Orange as well as descendants of St. Louis. The genius of Anglo-Saxonism is not a peculiarly racial genius. The genius rather lies in a peculiar traditional civilization and a peculiar outlook on civilization. As has been happily said by a Swiss, it is characterized not so much by patriotism as by public spirit. It is characterized by a distinctive attitude to liberty, duty and law. I have indeed heard a distinguished statesman claim that the Empire is held together by the Crown, the Spirit—a cultural spirit—and the Empire Marketing Board. I am left a little unhappy by this claim.

So soon as we leave behind—so, at least, it seems to me—the firm ground of the patriotism of the soil, of England, or of Scotland, or of Canada, I see no stopping place until we come to a new kind of appeal to legitimate nationalism, an appeal to the sense of common civilization of the English-speaking peoples, of what is, in core, Anglo-Saxonism. By loyalty we mean loyalty to this, to the part it has played and to the part which we are determined that it shall play in the world. Of this Anglo-Saxon *bloc* the United States is obviously part. The most cursory examination of the map will show that the Anglo-Saxon world is essentially a New World power. The British Dominions lie round the United States like a half-moon. Granted

misunderstanding, these two parts of the Anglo-Saxon world can wreck each other's prosperity and the future greatness of their common civilization. Granted mutual understanding they can secure, maintain and increase it. I am well aware that nothing can be viewed with more alarm by certain European nations than such an understanding, but I am not under the impression that their activities would be any more vigorous, pernicious or to be feared were the understanding an accomplished fact than were it merely a possibility. For the present, in this Anglo-Saxon group the United States is certain to play an outstanding rôle and I rejoice that an outstanding rôle in the world should still be played by one of these peoples of this civilization. I can, however, foresee a time when the growth of the wheat-fields of Canada and the mines of Rhodesia may change the balance.

Mr. Lloyd George has accused Lord Beaverbrook of having no less than five policies and Lord Rothermere has yet another. The approval of Mr. Baldwin still seems to be wanting for any of these six, while Lord Melchett, as apostle in foreign parts, has at least denied that he has ever talked of Empire Free Trade. Certainly it astounds me, when a member in the House of Commons praises Lord d'Abernon's Argentinian mission, that he is hailed for his favourable attitude to the Beaverbrook scheme which would involve a restrictive tariff on Argentinian wheat. A scheme, however, for the organization of the economic resources and purchasing power of the whole Commonwealth, for a species of business merger, even for a carefully planned *Zoll-verein* for the benefit of the whole, is something which deserves most minute consideration. It seems to be in accordance with the economic tendencies of our day towards deliberate organization and with the best needs of our civilization. It cannot be accomplished over night. It requires an educative process. And, on geographical, on economic, on psychological grounds, I wish to urge that such a confederation of practical understanding, such an *entente intégrale*, can never be complete—or even desirable—unless it includes the United States. The practical difficulties in the way are, like the advantages, immense. For that matter the difficulties in the way of modifying Dom-

union tariffs or British free trade for the sake of better organization are immense and to many must appear unsurmountable. M. Briand has a pipe-dream, of a United States of Europe. Frankly, I think nothing can come out of it—perhaps a measure of Customs collaboration. An Anglo-Saxon Confederation should be able at least to get as far as that.

You may feel inclined to say 'What do we need more than a sentiment of local patriotism and for the rest, to be good internationalists?' I respect such an ideal, but I ask you what in practice it can amount to and how far, thereby, you can consolidate the advantages which are historically yours? Yet, once a man quits this ground,—the ideal, as it were, of a contented Norway in the League of Nations—I cannot see that he can be satisfied with anything less than the organization of, and a sentiment and loyalty for, our common civilization as embodied in the whole Anglo-Saxon world. I do not believe that this broad understanding is impossible or that patriotic citizens of this special world should be content with anything less. At least any scheme which threatens to frustrate it and to produce disunion, and which can commend itself neither as to the interest of the nation nor as furthering internationalism of outlook, is one which should, I submit, be treated as vehemently suspect. On the contrary, of whatever party you may be, I want to propose to you as something to work for—something worthy of the glory of our common past and of the spirit of vision and of practical accommodation which has made that tradition what it has been—I want to propose to you the notion and the ideal of Anglo-Saxon organic union. I do not mean anything changing constitutional or dynastic loyalties or ancient settlements. I do not mean any change of a legal nature. I mean something at once psychological and practical. I propose that as our ideal and nothing less.