

its old-time policy. It may be, as apparently some unwisely believe, that the change at present suggested may afford some temporary relief in her present economic situation. At best, it would be only very ephemeral and, if persisted in, would inevitably result in serious and permanent injury. We know, everybody knows, that English capital has been invested throughout the world, and that her powerful maritime, commercial and financial interests are dependent upon her world trading. We know that England must sell two-thirds of her products outside of the Empire. We know also that the whole of the British population throughout the world is only 65 millions. She must buy in about the same proportion. Since other countries can produce foodstuffs and provide raw materials at least as cheaply as the Dominions, and since Germany, Italy, France and other countries can buy these, Britain must do likewise, or lose in the competition with her rivals in the remaining markets of the world. Of all the nations Great Britain will suffer the most if she resorts to economic warfare.

With reference to our own Dominion, the policy of isolation and high protection appears to me to be a disastrous one. Canada produces an abundance of foodstuffs, the greatest of all being its wheat. Canada has great natural resources, far in excess of its own needs, and it has, with its railways, canals, highways and factories, set up an economic structure altogether disproportionate to its very limited and sparsely settled population. It must depend on selling its products abroad, and it cannot sell them abroad unless it also buys abroad. If we cannot sell abroad, what shall we do with the products of our mines, our forests, our fisheries and our farms, all of which now exceed, and some of which already greatly exceed, our national requirements? What shall we do with the two or three hundred million bushels of wheat which the Prairies are now annually producing—and they can be made to produce tremendously in excess of our needs—if we cannot sell it abroad? A nation like ours, with its stable Government and sound financial institutions, with a virile and wide-awake people, willing and eager to use its brawn and its brain, and filled with hope and faith in the future of the country, cannot practise isolationism without seriously jeopardizing its future. Again I ask, if we close our doors, how can we expect others to open theirs?

Mutual advantages in trade, transportation and distribution must be the principal motive and factor in bringing about with other commercial nations those accords and conventions which, in removing or limiting tariffs and other

barriers, will permit of development and expansion, and restore prosperity. Of course, we must admit that in order to bring about such accords and treaties, persistent goodwill, time and very serious effort and collaboration are necessary. We shall have to be satisfied, for the present at least, with slow progress, as it will take time, probably much time, to learn the lesson of present world economic solidarity and still more to put it into fruitful practice. The task of the world in adjusting world economics is so enormous that only partial successes can be hoped for; and it will be possible to solve the crisis only very slowly.

France and Germany have recently made definite working agreements in some fields of their respective industrial activities, and extensive trade relations have been established under the Franco-German Commercial Treaty of 1927, more especially with relation to the great commodities of iron, ore, coal, textiles, leather, fruit, machinery, pulp, sugar and woods. If France and Germany can forgive, or at least forget for the time being, their old antipathy and quarrels, and trade with one another, surely the rest of the commercial nations can do likewise. In such treaties will be found the real and lasting remedy for the present depression and the establishment of sustained prosperity. Trade treaties are indispensable to efficacious peace treaties. Trade treaties must precede, or at least accompany, treaties of arbitration and conciliation.

Modern science has definitely made the world a composite entity. Any serious setback to civilization, or economic disaster in any one part, however remote geographically, will seriously affect the whole. A policy of selfish isolation on the part of any nation has, for several decades at least, ceased to be justifiable, or even possible without serious danger to all. Goodwill and real collaboration—not uncontrolled greed, whether individual, corporate or national; not harmful restrictions on trade and commerce; not trade war; not noise and speed; not accumulation of gold or armaments—will restore prosperity and peace to the world or to any nation.

Some of the many remedies—oftentimes very conflicting and contradictory—which are now being suggested or attempted by many states, may bring some temporary relief here and there, but the only real and permanent solution of the present situation is a rational and equitable world-wide economic readjustment, a readjustment which must be courageously undertaken at once and perfected as soon and as completely as possible. The ultimate solution will be found not in the