

to the dismay of the Labour Party and to the joy of the empire free trade protectionists, it declared flat-footedly for the new deal. Among other things, the committee made the following pronouncement:

"The maintenance of close relations with the rest of the world does not prevent us from urging the creation of machinery and, if necessary, formal agreements with the dominions for further development of intercommonwealth trade and for the best possible distribution of economic activities within the British commonwealth."

Still more revolutionary, in the light of past Trades Union Congress history, was this clause:

"Every nation and in practice, if not in theory, every party has long since abandoned the notion of complete freedom of trade. In almost every aspect of economic life, regulation and conscious control of economic factors and forces is the accepted policy. It may or may not be desirable to hold up world-wide freedom of trade as an ultimate ideal, but it is not, and cannot be, a working aim in the immediate situation in the world to-day."

The second milepost in the movement for empire free trade was set up in the report of the British Preparatory Committee for the Imperial Conference. The committee was recruited from the Association of British Chambers of Commerce, the Federation of British Industries, and the Chamber of Shipping of the United Kingdom, and thus represented the organized commerce, industry and shipping of Great Britain and Northern Ireland. Its findings were summed up in a sentence which concluded, "that the most urgent necessity exists for increasing to the utmost the trade of the empire." This was based on the following more detailed statement:

"When it is realized that the British Empire has an area of 14,000,000 square miles of territory, occupied by 451,000,000 people, with vast supplies of the food and raw materials required by man and industry, it is clearly essential that, in order to take the fullest advantage of those great resources, some simple, coherent and universally accepted trade policy should be established.

"Such a policy must in the nature of things be designed and developed by people with expert knowledge of the trades and problems involved, and must have stability and continuity in order to maintain that confidence and security which is a vital condition to any form of trade.

"That the British Empire should operate as an economic unit has long been an ideal towards which many efforts have been made. That these efforts have not so far been fully successful is due fundamentally to the lack of proper machinery for the consideration of the many problems that arise, and for enabling proper and suitable action to be taken following the conclusions arrived at."

Perhaps even more significant than those two declarations was a manifesto issued as a result of a meeting of bankers and industrial leaders held at Hambros Bank, one of the greatest of Britain's international financial concerns. It was resolved:

That urgent measures for the promotion of inter-imperial trade are needed to secure and

extend the market for British products both at home and through the export trade.

Bitter experience has taught Great Britain that the hopes expressed four years ago in a plea for the removal of the restrictions upon European trade have failed to be realized. The restrictions have been materially increased, and the sale of surplus foreign products—

Mark the word "foreign."

—in the British market has steadily grown.

While we retain the hope of an ultimate extension of the area of free trade throughout the world, we believe that the immediate step for securing and extending the market for British goods lies in reciprocal trade agreements between the nations constituting the British Empire.

As a condition of securing these agreements, Great Britain must retain her open market for all empire products, while being prepared to impose duties on all imports from all other countries.

What reinforced the historic importance of this declaration was the list of signatories. Heading it was Walter Whigham, director of the Bank of England. Even more epoch making was the inclusion of Reginald McKenna, Britain's foremost banker, chairman of the all-powerful Midland Bank, a giant among the big five joint stock banks and a banking world all its own. McKenna has been for years a die-hard Liberal and therefore an uncompromising free trader. His alliance with this group gave the whole of Britain something to ponder over.

Other signers were Sir Harold Snaggs, director of Barclays Bank; E. R. Peacock, a director of Baring Brothers, and a former director of the Bank of England—

—a Canadian of whom we are all justly proud—

—R. H. Tennant, chairman of the Westminster Bank; Sir Harry Goschen, chairman of the National Provincial and Union Bank; Beaumont Pease, chairman of Lloyds Bank; Vivian Hugh Smith, a partner in the London house of Morgan; Lord Ashfield, director of the Midland Bank and head of the London omnibus and underground system.

Honourable members, I ask you to consider not only the arguments that were so ably presented yesterday on behalf of free trade, but also the other side of the question. What do we see even in to-day's paper? There was held in London a meeting to which were invited the principal citizens, including many of the best known industrialists and financiers of England. The purpose of the meeting was to replace out-of-date party economic theories with practical common sense. I commend that to honourable senators.

Mention has been made of the times of Cobden. Certainly Cobden's thought on trade was all right for the age in which he lived. It was based on the theory that each nation produced the different kinds of goods that it was best able to produce, and that there would be a fair and honourable exchange