

my attitude to the Ottawa Agreement, but the Ottawa Agreement is there, and obviously, in 1944, after we have been comrades in arms, we should not throw over the principles of that Agreement without discussion or mutual consent.

We cannot leave out of the picture the United States. In this Debate the Lend-Lease Agreement has loomed rather large. On 23rd February, 1942, we signed an agreement with the United States arising out of a policy of Lend-Lease. Clause 7 of that Agreement has been mentioned on several occasions, and I think it is one which should be quoted in full, because there has been some misunderstanding about it. Clause 7 says: "In the final determination of the benefits to be provided to the United States of America by the Government of the United Kingdom in return for aid furnished under Lease-Lend Act, the terms and conditions shall be such as not to burden commerce between the two countries but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations. To this end they shall include provisions for agreed action by the United States of America and the United Kingdom open to participation of all other countries of like mind directed to the expansion by appropriate international and domestic measures of production, employment and the exchange of goods which are the material foundation of the liberty and welfare of all peoples."

These are the important words: "to the elimination of all forms of discriminatory treatment in international commerce and to the reduction of tariffs and other trade barriers; and in general to the attainment of all the economic objectives set forth in the Atlantic Charter."

When we signed the Ottawa Agreement, we thought it was a purely domestic matter not affecting the economic and political problems of other nations. It was interpreted very differently on the continent of Europe and in America. Many felt that if the great British Commonwealth was to be closed to their trade they must devise their own economic policy. It may be that Hitler would have achieved power anyhow, but it was a great stimulus to his rise, this gesture of ours at Ottawa which seemed to point to the closing of one of the greatest markets in the world for their goods. We do not want the public to feel that we have learned no lessons by the happenings of the last 20 years. We do not want it to be suggested that the British Commonwealth is going to be a closed Empire, that the world is going to be divided into economic groups. This is the way to lead to a third great war.

Colonel PONSONBY (Conservative, Sevenoaks): . . . After all, Russia makes its trade arrangements for its own benefit. America does the same, and Portugal has built up its empire during the last few years entirely by preferential arrangements. Before the war, in Morocco, the French barriers were so high that no outsider could look over them. Why we should be in the least diffident about introducing and continuing the same system I cannot understand.

Major STUDHOLME (Conservative, Tavistock): There is nothing immoral or "dog-in-the-manger" about Imperial Preference. The United States, Russia and the French Empire have used it 100 per cent. Our moderate preference guarantees a stable market for the countries of the British Commonwealth, and it is of vital importance not only to this country, but even more so to the other Members of the Commonwealth.

Mr. F. J. BELLENGER (Labour, Bassel-la): It is impossible for us to engage

in trade with the Dominions on the basis of unrestricted private enterprise, as we did in the 19th century. I would say to hon. Members on the Liberal benches that it is impossible to hope that we are ever going to give them back Free Trade, which only made private enterprise possible in the 19th century. Free Trade as we knew it in the 19th century has gone, and with it many of the features of Free Trade—private enterprise. Such matters as dealing with imports by import boards have to be considered. We must have some Government regulation of trade, and that means, as I understand it, that we shall have negotiations, between the Governments of this country and the Dominions in order to settle the volume of imports to be brought into this country. Can we, even from the Dominions, import just what food importers in this country like to import? If we are to look after and to encourage the agricultural industry in this country, we have to restrict some of the food imports coming from our own Dominions.

The PRIME MINISTER (Mr. Churchill): I have no intention of passing my remaining years in explaining or withdrawing anything I have said in the past, still less in apologising for it; but what I am concerned to do is to show to the House, and also to Members of my own Party, how strictly I have, during my stewardship, safeguarded the structure of Imperial Preference, which has arisen out of the controversies and achievements of the last 40 years, against any danger of being swept away in the tumult of this war. At my first meeting with the President of

the United States, at Argenta in Newfoundland, at the time of the so-called Atlantic Charter, I asked for the insertion of the following words which can be read in that document: "With due respect for their existing obligations." Those are the limiting words, and they were inserted for the express purpose of retaining in the House of Commons, and the Dominion Parliaments, the fullest possible rights and liberties over the question of Imperial Preference. Again, in February, 1942, I did not agree to Article 7 of the Mutual Aid Agreement without having previously obtained from the President a definite assurance that we were no more committed to the abolition of Imperial Preference than the American Government were committed to the abolition of their high protective tariffs. The discussions as to how a greater volume of trade and a more harmonious flow of trade can be created in the immediate post-war years in agreement, leaves us in every respect, so far as action is concerned, perfectly free. I am convinced myself that there should be a careful, searching, far-ranging discussion on the economics of the post-war world, and a sincere attempt made to reconcile conflicting interests wherever possible. There must be a wholehearted endeavour, begun in good time, to promote the greatest interchange of goods and services between the various communities of the world, and to strive for that process of betterment of standards of life in every country without which expanding markets are impossible, and without which world prosperity is a dream which might easily turn into a nightmare.

LIBERAL LIBERTY LEAGUE

The economic and political freedom of Liberalism is the keynote of the nationwide appeal that has been despatched to individual Liberals and constituency associations. Three leaflets were enclosed: "The Liberal Assembly and the Uthwatt Report"; extracts from the many letters welcoming the formation of the League; and "Statements on Liberal Policy," quoting declarations of Sir Henry Campbell Bannerman, Richard Cobden, Sir Edward Grey, Winston Churchill, Walter Lippmann, John Stuart Mill, Lord Oxford and Asquith, Sir Robert Peel, Anti-Corn Law League, Lionel Robbins, Lord Samuel, Adam Smith, Herbert Spencer and Alexander Ure, Lord Strathclyde; copies may be had on application to the League's office, 4 Great Smith Street, S.W. 1.

The Liberal Assembly, which should have been held 18th to 20th May, has been postponed with no date given. The League submitted a substantive resolution of its own for the agenda, and amendments to two of the official resolutions.

[The text of the League's resolution appears in another column.—EDITOR L. & L.]

A public meeting was held in the Houldsworth Hall, Manchester, on 28th April, presided over by Councillor Sydney Needoff, B.A. (Com.); other speakers were Ashley Mitchell (Huddersfield), Douglas E. Moore (Sheffield) and A. W. Madsen (London); also in the Exchange Hotel, Liverpool, on 2nd May, when Councillor W. H. Ledson (Secretary of the Liverpool Liberal Federation) presided, supported by Messrs. A. Mitchell and A. W. Madsen. At both these meetings speakers stressed the point that the League had been formed to uphold the conception of a free economy; that the way to better social conditions is not through superimposed controls on the part of the Government or by putting industry under the care or assistance or discipline of the State; the true way is by abolition of

monopoly and special privilege, opening of British ports to the commerce of the world, irrespective of what other countries may do; it is to liberate production and trade and to offer full scope to private enterprise so emancipated; and, most fundamental, to establish a free land system giving every encouragement to occupation and use and securing for the community, as its just revenue, the value of land (apart from building and improvements) that rightfully belongs to it.

A conference on Land and Housing, organised by the Home Counties Liberal Federation on Saturday, 29th April, was attended by members of the League, when Mr. S. Martin, press secretary, was one of the panel of a Brains Trust which concluded the proceedings.

Most Liberals have known that the words "with due respect for existing obligations," in Article IV of the Atlantic Charter, meant a qualification of the ideal of Free Trade which the article gives as the aim of the U.S.A. and Great Britain; therefore, Mr. Churchill's belated admission that freedom to continue Imperial Preference was unaffected did not come as a surprise, but the weak opposition put up by the Liberal representatives in the House has caused much despondency amongst the rank and file in the country. The action that should be taken to present a more uncompromising front will be considered at the next executive meeting of the League on 15th June. One thing is certain: a "fighting front" must be presented at the forthcoming Assembly Conference of the Liberal Party.

Mr. C. GENDALL HAWKINS, recently adopted as prospective Liberal candidate for the Chislehurst Division of Kent, said in his introductory address that he supported the Liberal principle of the Taxation of Land values, that the Uthwatt proposals were a dubious compromise, and as such could not be tolerated, and he was 100 per cent. for the League.