"THE TARIFF REFORM MOVEMENT IN GREAT BRITAIN, 1895 - 1914"

by

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A Thesis submitted in Partial Fulfilment of the Requirements for the Degree of

MASTERS OF ARTS

in the Department of

HISTORY

Accepted April 26, 1952

The University of British Columbia
Vancouver, Canada
April, 1952
Abstract

The Tariff Reform Movement in Great Britain, 1895-1914.

Joseph Chamberlain and the Tariff Reform Movement in Great Britain are inseparable. Free Trade had triumphed in 1846 and remained the dominant politico-economic theory in the United Kingdom until the closing years of the nineteenth century. After 1870 serious challenges to Britain's industrial and commercial supremacy came from Germany and the United States.

Attempts at Tariff Reform were made in the early 1880's by Lord Randolph Churchill and others, but they came to nothing. Joseph Chamberlain was at this period a radical reformer, but in 1886 he became a Liberal Unionist in opposition to Home Rule. He was not yet a Tariff Reformer. In 1895 Chamberlain became Secretary of State for the Colonies, and also an ardent Imperialist. Although still nominally a Free Trader he began to interest himself in imperial preference. The Unionist party, however, was still staunchly Free Trade in sentiment.

By 1902 the combined issues of protection and imperial preference were raised in Parliament. The Education Bill of that year, sponsored by Lord Salisbury's government, was most unpopular and the Unionists were looking for a new issue. Lord Salisbury retired, and Arthur Balfour became Prime Minister. Chamberlain, still at the Colonial Office, was now veering towards Tariff Reform. It was his visit to South Africa in 1902-03 which clarified his views on this all important subject. In 1903 he launched his Tariff Reform campaign and resigned from the cabinet. A rift in the Unionist ranks soon became apparent. Even the Prime Minister was unable to heal the breach.

From 1904 to 1906 Chamberlain campaigned hard for Tariff Reform. He was successful in capturing the Liberal Unionist "machine"
and also obtained a strong following among the Conservative Unionists. But the Liberal party, hitherto split, closed ranks on the Free Trade issue, and secured the support of Labour. Balfour attempted, unsuccessfully, to hold the various sections of the Unionist party together, but, at length he tendered his resignation on December 4, 1905. The Liberals, under Campbell-Bannerman were triumphantly returned to power in January 1906. In the same year Joseph Chamberlain suffered a stroke and was never, thereafter, able publicly to lead the Tariff Reform campaign.

The campaign, however, continued with varying success. Balfour, as usual, would not declare himself, but Tariff Reform sentiment was growing. In 1908 the tide seemed to be turning towards Tariff Reform and in the next year it reached its height. But Lloyd George in 1909 introduced the People's Budget, and in the controversy which ensued and which culminated in the Parliament Act of 1911, the Tariff Reform issue was sidetracked. The 1910 elections showed the strength of Free Trade. Balfour was forced to resign as Leader of the Opposition in 1911. Bonar Law, the new leader, was not enthusiastic over Tariff Reform and did not favour Balfour's proposed referendum on that subject. The international situation after 1911 went from bad to worse and 1914 witnessed not only the outbreak of the First World War, but the death of Joseph Chamberlain.

Chamberlain had accomplished much with his Tariff Reform League and his research schemes, but he was not able to overthrow Free Trade. It was not until the early 1930's that Great Britain changed her tariff policy.
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ACKNOWLEDGMENT

This study was designed to supplement Benjamin H. Brown's "The Tariff Reform Movement in Great Britain 1881 - 1895, (New York, Columbia University Press, 1943). With the exception of the addition of a rather lengthy introductory chapter, the same general arrangement of material has been followed.
CHAPTER 1.

An Introductory Survey to 1895

"In every country it always is and must be the interest of the great body of the people to buy whatever they want of those who sell it cheapest." 1

The Wealth of Nations

Few issues in the history of modern industrial Britain have excited more active popular debate and political argument than the rival merits of Free Trade and Protection. Few more clearly illustrate the traditional process of government in Britain—for in both cases lengthy discussion preceded radical change, and in both the unexpected or chance development played a not inconsiderable role. In few may evidence be more clearly found, on the one hand to augment the claims of the supporters of long range planning, and on the other to justify Lord Grey of Falloden's contention that "... in great affairs there is much more in the minds of events (if such an expression may be used) than in the minds of the chief actors." 2

One of the most notable characteristics of the popular agitation which led to the events of 1846 was the extent to which it was based on a theoretical case which had been created by the economic philosophers, and which had found widespread approval amongst leading statesmen, some time before it entered the field of political controversy. The foundations of the case were laid as far back as 1750 in the writings of David Hume in England, and Turgot, Quesnay and the Physiocratic School in France. They were developed and expanded a quarter century later by the celebrated genius of Adam Smith, who assailed the way in which for centuries "Each nation has been made to look with an invidious eye upon the prosperity of all the nations with which it trades, and to consider their gain as its own loss," and who put forward instead the revolutionary concept of the division of labour on an international scale. Smith's heresy soon became orthodoxy—as it found widespread acceptance amongst those thinking along economic lines.

For a short while in the 1780's, indeed, it appeared that theory might almost immediately be converted into practice, as Pitt reduced the tea duties, consolidated the various sections of the Customs and Excise Departments, and negotiated his famous treaty with France (26 September 1786)

The onset of war in 1793, however, forced Pitt and his successors to so completely reverse this policy, to raise and multiply revenue tariffs and excise duties on a vast scale, that the year 1815 found Britain with an economy far more rigidly protected and controlled than it had been in 1789. Furthermore, this year found one half of the country still essentially agricultural, and rural representation still predominant in parliament. As a consequence, the only important change in the nation's fiscal system in 1815 was a protectionist victory—namely the passage of the famous Corn Law Bill. Designed to ease the suffering in farming areas which had followed a drastic collapse in the price of grain, this measure banned the importation of all corn, flour and meal until the domestic price of wheat had reached 80s. a quarter, allowed it free entry thereafter and extended a preferential level to British North America of 67s. in wheat, and correspondingly lower figures for rye and oats.

The debates in both Houses of Parliament which preceded the passage of this bill were bitter and lengthy. They were noteworthy for the extent to which Whig spokesmen at this time were prepared to put forward Free Trade as an

economic panacea. They were remarkable also for the extent to which they aroused public interest, eventually resulting in a flood of petitions demanding repeal from all sections of the country, but particularly from the manufacturing districts. The significance of this opposition to the Corn Law Bill can hardly be overemphasized, for it marks one of the first steps in the process of making the taxation of food a predominant question, as it was for over a century, whenever Britain's fiscal position was seriously considered.

It was not until the early days of the reign of George IV that the government proceeded to recast the nation's tariff structure. By this time the prime minister, Lord Liverpool, was himself a convinced Free Trader, and his chief lieutenants, Wallace, Robinson and Huskisson were well known as champions of the principle. As the new reign opened, petitions calling for a drastic reduction in the nation's tariffs were forwarded to Westminster by the merchants of London, Huddersfield, Manchester and Glasgow. Undoubtedly the most important of these requests was that from the capital city itself—drawn up by Thomas Tooke, and presented to parliament by Alexander Baring. Parliamentary inquiries

8. Ibid. XXIX February 17, 1815, c. 815-818.
   XXXV, March 13, 1817, c. 1004-1044
9. Ibid. XXX, March 6, 1815, c. 1, 2, 3, 6, 8.
10. Brock, W. R., Lord Liverpool and Liberal Toryism, 1820-
    1827, Cambridge, At the University Press, 1941, p. 189.
11. eg. Hansard (New Series), I, May 8, 1820, c. 165-182
    May 15, 1820, c. 424.
were launched, and a Commons' Committee reported in favour of "...the abolition of many of the existing restrictions on trade, and of all monopolies."  

Swift action followed, especially during the years 1822-1825 with Robinson at the Exchequer and Huskisson at the Board of Trade. The budget of 1824, for instance, "... the first to contain proposals of avowed free trade...." used a surplus to reduce some tariffs and eliminate some bounties. In the following year, the whole customs system was overhauled; great consolidation was effected as a new statute replaced some three hundred earlier laws. The 1825 budget went further, reduced the tariff on a large number of items, and set the maximum level of the protective duties on foreign manufactures at thirty percent.

Meanwhile, in 1822, Robinson and Wallace had produced the first great relaxation in the Navigation Acts. Huskisson continued their work, particularly in a statute of 1823 which offered complete equality of treatment in the British import-export trade to the ships of those nations providing reciprocal concessions. At the same time, the trade of the colonies was almost entirely freed. Indeed, this liberal trend was challenged at the time in one direc-

14. Statute 3 George IV, cap. 41-3
15. Statute 4 George IV, cap. 77.
tion only, when Parliament refused to accept a fixed duty on imported corn (as recommended by Huskisson and Peel), and adopted instead a sliding scale.

This general process of fiscal reform by instalments was severely checked by the financial crisis of November 1825 and the succeeding depression (as it was to be both accelerated and delayed after similar developments in the future). Indeed, while parliamentary attention during the next fifteen years was centered on the more pressing issues of political reform and sound legislation, comparatively little progress was made in this sphere. Free Trade views certainly continued to spread, but on the other hand there certainly was "... not much dogmatic objection to interference (i.e., on the part of the state in matters economic) in the mind of the average legislator." Both economists and members of parliament were quite prepared to modify the application of such an abstract principle as Free Trade if circumstances warranted it. They remembered clearly Adam Smith's reservations in such a vein; for example, his preference of defence to opulence. Thus Malthus and Ricardo never dropped their belief in the necessity of a duty on imported grain. It was not until a later and more enlightened age that economic doctrines were regarded as infallible dogmas.

Two developments in the 1830's warrant consideration in this brief survey. The first was the publication in 1830 of Sir Henry Parnell's "On Fiscal Reform." In this book Parnell called for an end to all preferential and discriminatory duties, all levies on imported raw materials, and for the elimination, not only of many excise taxes, but also of at least the preferential side of the imposts on coal and timber. Even though Parnell was slightly ahead of his time, and Poulelett Thompson at the Board of Trade was unable to produce more than a few minor tariff reductions during the next decade, his arguments had a telling effect in later years.

The second important development during this period was the beginning of the final assault on the Corn Laws. As early as 1836 an Anti-Corn Law Association had been formed in London under the domination of such parliamentary radicals as Molesworth, Hume and Roebuck, but a dearth of practical organization soon wrecked it, and a number of its successors. It was not until October of 1838 that the foundations of the famous Anti-Corn Law League were laid in Manchester, and the way was prepared for those propagandist geniuses, Cobden and Bright.

At least six outstanding characteristics of the ensuing attack on the Corn Laws and protection in general should be noted. Perhaps the first and most important was

the way in which the popular agitation succeeded in relating the distress of the "Hungry Forties" to the general system of protection, privilege and reaction in the mind of the average Englishman. A second, was the extent to which the final or decisive change was made in the face of a severe internal economic crisis. It is at least open to doubt whether Peel would have adopted completely his final approach to imported grain had not the situation required urgent and drastic action. The material prosperity of the nation was to play a similarly key role in the later history of the Free Trade experiment.

A third characteristic was the skilful way in which the Anti-Corn Law League handled the issue of prices and wages. It had been inferred by Charles Villiers, the Benthamite M. P. who was the leading parliamentary spokesman of the Anti-Corn Law movement until 1841, and by others, that as a result of appeal there could be expected a decline in prices (and consequently, in wages). Undoubtedly, a considerable portion of the openly displayed mill-owning support to the League was based on just such an assumption; Cobden himself recognized the owners' "pecuniary interests," but he and Bright stoutly denied this claim, and argued instead that with the resulting expansion in trade just the reverse would happen. "Whilst the inhuman law exists, proclaimed

Bright, "your wages must decline. When it is abolished, and not till then, they will rise." 22 It was on the basis of arguments such as this, of course, that the League won over not only the urban workingman, but, remarkably, a large section of the rural population. Naturally, other approaches as well were made to the tenant farmer and agricultural labourer. Cobden, for instance, saw the shortage of capital in rural areas as a major cause of distress, 23 and prophesied a rapid easing of this difficulty after repeal. Both Cobden and Bright made liberal use of the iniquities of the Game Laws. This two-fold approach to the country as well as to the city must also be remembered—for it had a rather parallel in the Land Reform schemes of both major parties in the years 1906-1913.

A further characteristic of the League's campaign was the extent to which it was superbly organized, utilized all of the media of influencing public opinion, and gave evidence of very considerable financial resources. In many respects the Tariff Reform campaign of this century was based on the breadth and magnitude of the appeal made in those earlier days.

Not to be overlooked, finally, was the extent to which Cobden and Bright aroused, beyond pure self interest, an appreciation of moral values. Both men foresaw a new

day, when the spirit of Free Trade would "... pervade all
the nations of the earth, because it is the spirit of truth
and justice, and because it is the spirit of peace and good
will among men." The idealism and internationalism of
Cobden, particularly, made a strong impression upon the na­
tional conscience. Sixty years later it was still a not in­
considerable factor in British political life.

Paralleling the assault on the Corn Laws was a
series of bold moves made against the general protective
system by Parliament itself. A Parliamentary Committee set
up in 1840 led off by sharply attacking the complexity of
the tariff, the high and protective duties, and the prin­
25
ciple of discrimination in favour of the colonies. Peel's
Government reflected these views in a series of outstanding
budgets in the years 1842, 1844, and especially in 1845,
when 430 out of 813 items on the tariff list were completely
freed.

Protection itself as a policy completely disappear­
ed between the years 1846 and 1849, when the Whigs under
Lord John Russell continued Peel's work--for example, by ex­
tending complete commercial freedom to the colonies, and,

24. Hobson, J. A., Richard Cobden, The International Man,
26. August 28, 1846. By a statute passed in 1850, the col­
onies were forbidden to grant any preference to British
goods, and, incidentally, to set up a system of inter­
colonial preference.
in 1849, by sweeping away the last of the Navigation Acts. As a practice, however, it was to continue on an increasingly modest scale for another twenty years. Some doubts existed for a short while as to the practical position of the Tory party, but they were set at rest when Derby and Disraeli made no move to rescind the earlier legislation during their short stay in power in 1852. Disraeli, indeed, made it very clear that he no longer subscribed to his 1846 views, and sought to remove any protectionist tinge from his party's platform. "The spirit of the age tends to free intercourse," he declared in the party's election manifesto, "and no statesman can regard with impunity the genius of the epoch in which he lives." 27

It remained to Gladstone, however, to finish off the work of Huskisson and Peel: first, in his budget of 1853, when the tariff was reduced on some 133 items and eliminated on 123 others; and later in the budget of 1860, when the number of articles still subject to duty was reduced to a mere twenty-eight. He was then able to boast:

There will be on the British tariff, after the adoption of these changes, nothing whatever in the nature of protective or differential duties, unless we apply that name to the small charges which will be levied on timber and corn, .... With that limited exception, you have a final disappearance of all protective and differential duties, so that the customer will know that every shilling he pays will go to revenue, and not to the domestic as against the foreign producer. You will have a great extension and increase of trade,...." 28

The prosperity of the early 'sixties enabled him to go still farther in reducing or abolishing a number of the revenue tariffs. The levy on timber was ended in 1866, but that on corn had to wait another three years, until Robert Lowe finally removed the famous 2s. registration duty. Lowe obviously felt that he had sealed the tomb of Protection forever when, in describing this levy he declared, "It is impossible to imagine any tax which combines more of the qualities which make a tax odious—that is, it is a duty on an article that is produced in England with no countervailing Excise duty upon it; it is therefore effective as a protective duty...." Little did he realize as he thus expressed the official Free Trade position how vital this small duty was to be in British political life thirty-four years later.

The third quarter of the Nineteenth Century was, for Britain, a period of unparalleled prosperity in agriculture, industry and commerce. There were interruptions in the trend, of course, but it can be safely said that in this period Britain's economy suffered "...no really serious setback; and even the years of the cotton famine in Lancashire were a time of prosperity over the greater part of the country." Her exports, for instance, soared from

29. Ibid. CLCV, April 8, 1869, c. 387.
£53,000,000 in 1848 to £250,000,000 in 1872-3—a tremendous increase, even when allowance is made for a concurrent forty per cent rise in the general price level. Her imports jumped from £152,000,000 in 1854 to over £370,000,000 in 1873. Huge exports of capital, the interest on overseas investments, and returns from such services as shipping and insurance, more than made up the increasingly adverse balance of trade. The National Debt was lower in 1875 than it had been in 1850; during the same period, the income tax was cut from 7d. to 2d. in the pound. It was a grateful land which had raised £75—£80,000 as a National Testimonial, and presented it to Cobden after Repeal in 1846. It was a much more prosperous one in 1860, when not more than one hundred people contributed privately some £40,000 to the same cause.

Is it any wonder, therefore, that the commercial policy which ushered in this era should have become so closely associated with it that large numbers of the populace in all social strata regarded it as the major, and often as the only cause of the great increase in national and indivi-

31. Ibid., p. 62
32. Loc. cit.,
33. Loc. cit.
dual wealth? Not until a later day (much later in the case of the ardent Free Traders) was it realized that other factors—such as the stimulating effect of improvements in transportation, the marked increase in the gold supply, Britain's vast lead in the industrial process, and the great worldwide advance in productivity—had contributed mightily to the new prosperity.

The unanimity with which the nation accepted Free Trade was remarkable. Perhaps John Stuart Mill, the economist of the age, rather overstated the case when he named Mr. H. C. Carey, an American, as the "...only writer of any reputation as a political economist, who now adheres to the Protectionist doctrine....," but there was general agreement in England with his rejoicing that few laws of a protectionist nature "...still help to deform the statute-book. To many, indeed, Free Trade was more than a theory in practice; it was a principle, a faith, "... an article of religious conviction."

Comparatively few remained aggressively Protectionist—like the Tory M. P's. C. N. Newdegate and A. S. Hill, and landlords like the Duke of Rutland. The Prince

36. Cole, op. cit., p. 70
38. Ibid., p. 417.
Consort remained doubtful; and Lord Robert Cecil (later Lord Salisbury) was never more than "... a sceptical Free Trader,—accepting the arguments upon which the case of Free Trade was based, but very dubious as to the actual advantages which it had secured.... (He) would never consent to treat fiscal questions on either side as questions of principle."  

Disraeli also regarded Free Trade as an expedient; but it was a happy one, and he dismissed protection with his famous phrase, 'dead and dammed.'  

It has already been noted that Cobden prophesied both a new day for British agriculture and the world-wide adoption of Free Trade principles. He certainly lived to see the for\(\text{m}er\) prediction come true. In the 'fifties, the wheat prices were almost on the same high level as those in the roaring 'forties; the price of land and agricultural rents—both key indices of rural prosperity—rose steadily; and agricultural wages showed continuous improvement. Little did the Free Trader realize that this happy situation was only temporary—that war in Russia and America, and the still undeveloped nature of overseas farm lands had put an effective limit on the amount of foreign grain available.

43. Morley, op. cit., p. 332.
Actually, the amount of wheat imported into Britain rose quite slowly until the 'seventies—from 4,830,000 quarters in 1850 to 8,611,000 in 1870. It was not until after 1870 that grain from abroad began to inundate the British market, and to drive the home farmer to the verge of ruin.

Cobden's second prediction, the dream of a Free Trade World never approached reality. Admittedly for a short time in the 'fifties it seemed to be a possibility: Holland, Switzerland and Portugal had no protective barriers; Spain, Russia, Austria, Belgium and the Zollerein States all made gestures towards lowering tariffs; and France under Napoleon III seemed to be working towards this goal. The Anglo-French Commercial Treaty of January 23, 1860, which Cobden did so much to negotiate, appeared to further the trend. It was no surprise to him, however, that the agreement met strong opposition in France, and that Free Trade made no further progress in that State. In 1861 the United States adopted the Morrill Tariff, which was raised in succeeding years until in 1864 it reached the general level of forty-seven per cent. In the next decade France reversed its earlier stand; Germany likewise adopted the high tariff programme advocated thirty years earlier by Frederick List.

46. Morley, op. cit., p. 710.  
No encouragement was to be found in the colonies overseas, where, led by Canada, revenue tariffs came to have an increasing protectionist flavour.

These, however, were all remote considerations to the average Englishman, who, as long as the general prosperity continued, seldom if ever thought of questioning the nation's trading position. It was not until a short sharp recession beginning in 1867 appeared, that some doubts were apparently expressed. In 1868 a number of pamphlets were produced calling for the adoption of a retaliatory tariff programme—whereby Britain could force other states into reciprocal Free Trade. In the next year appeared the Association of the 'Revivers' of British Industry, with its headquarters in Manchester, of all places. Although it carefully renounced any desire to tax imported corn, and claimed, as did so many of its successors, that it simply wished to use protection as a means to creating a Free Trade World, it failed to win a following, and died within a year. A Fiscal Reform League in 1870, and a Reciprocity Free Trade Association in 1871 had similarly brief careers, as the business cycle once again resumed its upward surge.

It was not until 1874 that the tide of prosperity gave signs of having turned, and the nation entered on the twenty-one year period in which prices, interest and often employment moved steadily downward. The early years of the 'Great Depression' appear to have been amongst the worst. "What employment statistics are available for the 'seventies certainly confirm all the other evidence which suggests a long dreary industrial ebb from 1874 to 1879, that black year both for manufactures and agriculture in which so far as we know there was more unemployment than in any year during the second half of the nineteenth century except 1858." So widespread and severe was the distress that even Mr. Punch was calling, in January 1879, for a "... cessation of party strife to drive the wolf from the door," and was recommend- ing "... a voluntary curtailment of the luxuries of the rich!"

After 1879 economic conditions oscillated, with particular trades enjoying, on occasions, relatively good years. A definite revival set in in 1887; exports of United Kingdom produce, for instance, rose from £212,000,000 in 1886 to £263,000,000 in 1890. Unfortunately it was short lived, and when the increased activity of the above years tapered off in 1891, the downward plunge was again resumed. Most

52. Ibid., p. 6.
prices reached 'rock bottom' in 1896, and then rebounded rapidly; it was not until 1899, however, that exports again reached the 1890 level.

It was natural that under such circumstances, concern, though often quite unfounded, should be felt about the nation's international trading position, and particularly about the competitive strength of the new industrial states in both home and overseas markets. Germany's economic progress had come as no surprise, for it had been carefully watched in Britain, where indeed, until the 'nineties, German exports were the object of concern rather than of alarm. It was, rather, the tremendous rise in America's exports of manufactured goods which was "...to most Englishmen surprising..." and disquieting. Statesmen, business men, and particularly men who were both, became increasingly aware of vital changes in world trade as the economic stagnation at home continued. Not, however, until Joseph Chamberlain reached the Colonial Office were detailed steps taken to assess the implications of this new factor.

Internal economic distress produced a much quicker reaction in another direction. As early as 1877, the seriousness of the situation was carefully described in a letter to *The Economist* by a Liverpool Free Trader, William Rath-

55. *Loc. cit.*
bone. He argued that "...the country, as a whole, has been extravagant, and has overspent to an extent which is reducing its capital and eating into its savings." Retrenchment on a national and individual basis was his suggested remedy—tariffs were not mentioned. A much more daring observer, however, was Lord Bateman, who, in the same month in a letter to The Times, laid the blame for Britain's economic ills squarely at the door of "...free imports." This letter "...let the floodgates down....," the topic was almost immediately revived in a host of publications. "After 1877 protection was part of England's table talk."

During the next four years a veritable host of small protectionist societies appeared. Such cities as Bradford, the home of the depressed worsted industry, became centres of the agitation. Numerous farmers' organizations became openly protectionist. The movement received a definite impetus from colonial protectionists—notably Galt, Tilley, Tupper and Macdonald—who made no secret of their conviction that Free Trade in Britain had failed, and that the Mother Land should adopt Imperial Preferential arrangements. By far the most effective support for the tariff re-

59. Clapham agrees that this was so for the years 1875-77, and possibly until 1879. cf. Clapham, op. cit.vol.3,p.23.
60. The Economist, November 24, 1877, p. 1396.
63. Ibid., p. 9.
64. Ibid., p. 13; Skelton, op. cit., p. 534.
form agitation, however, came from the manufacturers in the export trades; and it was from their ranks, in 1881, that the leadership appeared for the newly organized National Fair Trade League. So vigorous was the campaign of this association during its ten year life, that 'Fair Trade' and various forms of protection suggested at this time became almost synonymous. This was the case, in spite of the fact that large numbers of active Protectionists never joined its ranks, and of those who did many eventually left it. The Fair Trade League's programme was concrete, and, in the light of later proposals, worth quoting at some length.

'I.... no renewal of Commercial Treaties, unless terminable at a year's notice, so that no entanglements of this kind may stand in the way of our adopting such a fiscal policy as the interests of the Empire--and the action of foreign nations--may render useful.

II. Imports of Raw Materials for Home Industries Free, from every quarter,....

III. Adequate Import Duties to be levied upon the Manufactures of Foreign States refusing to receive our manufactures in fair exchange, to be removed in the case of any nation agreeing to take British Manufactures duty free.

IV. 'A very Moderate Duty to be levied upon all Articles of Food from Foreign Countries, the same being admitted free from all parts of our own Empire, prepared to take our manufactures in reasonably free interchange.' 65.

The reaction of the Liberal Party to these suggestions, were, of course, an unqualified 'No.' Galt

records that he found its electoral victory in 1880 generally interpreted as a popular re-endorsement of Free Trade principles, and amongst Liberal ranks, only Sir Charles Dilke at all inclined to the 'Reciprocity Heresy.' Galt added that Dilke "... quite laughed, however, at the idea of Gladstone's consenting to anything of the kind...." John Bright took up the issue again, and re-asserted his conviction that "...the best defence we can have against the evil of foreign tariffs is to have no tariff of our own."

The Conservative Party, on the other hand, was in a somewhat different position. It is true that general prosperity and the popular appeal of the 'cheap loaf' had almost completely silenced protectionist sentiment in its ranks for nearly thirty years. It is also true that numbers of Conservatives had become as enthusiastically Cobdenite as any of the followers of Gladstone. Nevertheless, the average supporter of Disraeli, and later of Salisbury, was much less rigid in his adherence to Free Trade than was his Liberal counterpart. When Disraeli himself, for instance, faced Lord Bateman on the issue of Reciprocity in the House of Lords in 1879, although he described it as a 'phantom' and 'dead'--because the practical means of obtaining it (ie. tariffs with which to bargain) had been given up--he refused to disown it as a principle. "I hold myself free

67. Trevelyan, op. cit. p. 441.
68. Hansard, (3rd Series), CCXLV, April 29, 1879, c.192-5.
on that part of the subject," he declared. Furthermore, he went so far as to admit that some of the depression in rural England was probably the direct result of action taken in 1846. Thus it was that for "...protectionists, Fair Traders, and tariff reformers of every description, every road led directly to the Conservative Party."

As a result, the stage was set for numerous Tories to embrace Tariff Reform in the early 'eighties—none with more enthusiasm than Lord Randolph Churchill, who espoused the cause in 1881 "... with characteristic vigour and happy irresponsibility." Conservative, Lord Dunraven, became president of the Fair Trade League. Another, Mr. W. Farrer Ecroyd, the head of a great firm of worsted spinners, and one of the organizers of the Fair Trade League, was elected to Parliament in May of 1881 on a straight Protectionist programme. Lord Salisbury, who was to dominate Conservative Party action and much of its thought on this issue for twenty years, soon made his position clear—by 1883, "... an 'open-minded' reconsideration of the principles and results of Free-trade" was one of his publicly avowed objectives. The Cobdenite Economist, in reporting this observation, was able to add rather sourly that Sir Stafford Northcote, the Conservative leader in the Commons, had gone at least as far

69. Ibid., c. 193.
71. This footnote omitted.
72. The Economist, April 14, 1883, p. 427.
as this as early as 1881. During the next two years Lord Salisbury went still farther: first, by speaking "...regretfully of our inability to combat hostile tariffs by the imposition of countervailing duties upon imports into this country..." and later, by asking "...why should we not impose differential duties in favour of our colonies..."

Nevertheless, he retorted to Liberal charges that these sentiments endangered the cheap loaf with "It's a thumping lie," and reaffirmed his adherence to "Free Trade as it issued from the hands of original teachers." This Cecilian dialectic was a personal characteristic, of course, but it also reflected his refusal to adopt prematurely a stand which he well knew would mean political suicide.

Protectionist hopes must have risen in June, 1885, when the newly formed Conservative Government included six cabinet ministers known to be favourable to the cause. Possibly, only the dependence on Parnell and the Irish vote delayed a bold move on their part. Gladstone himself wrote to Goschen at this time: "... in my opinion the relative prosperity of Toryism in the English Boroughs has been due in the main to the two Bogies of the Church and Fair Trade, and chiefly to the last which is the worst and in every way despicable." The Government did go so far as to appoint

73. Loc. cit.
74. The Economist, April 19, 1884, p. 476.
75. Ibid., November 7, 1885, p. 1347.
77. The Economist, November 7, 1885, p. 1347.
a Royal Commission to inquire into the state of the nation's trade and industry—in the face of strong opposition from the Liberals, who feared a protectionist plot. But while the actual formation of this body led to a series of partisan battles, its report, issued in 1887 aroused very few. It acknowledged the existence of a depression, and described its causes as falling prices, foreign competition, and overproduction. It made no mention of tariff retaliation, however, and the disappointed Fair Traders had to be content with a minority report stating their case.

In 1886 the Protectionists had the bad luck of finding their cause sadly complicated by the Home Rule issue, and the resulting Liberal Party schism. The Unionist Government which came to power that year was entirely dependent upon the continued adherence of the Liberal wing under Hartington and Chamberlain—both, at this time, outstanding Free Trade champions. During the next year and a half, however, in spite of this deterrent, there was a steady drift to fiscal reform as a policy in Conservative ranks.

Further set-backs appeared in 1887—notably when Lord Randolph Churchill changed his position, and openly

80. Fuchs, op. cit., p. 199.
81. The signatories of the minority report were all well known Fair Traders: Farrer Ecroyd; P. A. Muntz; N. Lubbock; Lord Dunraven. See Clapham, op. cit., vol. 2, p. 260.
declared, in October of that year:

The main reason why I do not join myself with the Protectionists is that I believe that low prices in the necessaries of life and political stability in a democratic constitution are practically inseparable, and that high prices in the necessaries of life and political instability in a democratic constitution are practically inescapable. 82

In short, says his son, Lord Randolph had come to the conclusion "... that as a financial expedient a complicated tariff would not work, and he was sure that as a party manoeuvre it would not pay."

Almost simultaneously, however, a new Fair Trade champion appeared in the person of Col. Howard Vincent, a Sheffield M. P., and an ex-Free Trader, army officer, lawyer, and Scotland Yard official. With a vigour for which he was noted, Vincent introduced a resolution on the opening day of the Annual Conservative Party Conference at Oxford, in November, 1887, calling for "...speedy reform in the policy of the United Kingdom as regards foreign imports...." He did this in spite of the well known insistence of Lord Salisbury that the subject be not raised, and was delighted to see the meeting approve it by a vote of one thousand to twelve.

The Prime Minister well knew that the gathering "... served chiefly as an opportunity for the more ardent young men to

83. Ibid., p. 695.
84. Cited in Brown, op. cit., p. 69.
to blow off steam...," and "...wisely enough, refrained from sitting on the safety valve." When addressing the convention himself, however, and praising the two chief elements in the Unionist ranks for their cooperation and abstention from contentious issues, he added this qualification—"...On all present questions." He then continued: "I lay enormous emphasis on that adjective. If you go to the questions which are in the far past or the questions which are in the future, you may find grave differences of opinion."

A month later, while publicly emphasizing his own lack of "...enthusiasm for the extreme simplicity of fiscal arrangements which is due to Mr. Gladstone's introduction," he went further, and openly chided Fair Traders for their lack either of precision or agreement.

What had happened? Basically the explanation is simple. Lord Salisbury had recognized that, while opposition to the established fiscal policy was widespread in the ranks of his followers, if it was allowed to become a demand for action the coalition would disappear. Thus, he had called a halt, and the Conservatives, as a party, followed him loyally. It was no wonder that in December, 1887, the Economist could rejoice:

"A\'word from Lord Salisbury, and the mighty edifice compounded of fallacies and rhetoric that Mr. Howard Vincent has been busy blowing for the last two months has melted into thin air." 90.

86. Ibid., pp. 215-216
89. Ibid., vol. 4, p. 181.
90. The Economist, December 24, 1887, pp. 1622-3.
Only Vincent and a few die hards remained unconvinced, and little was heard of any variety of tariff reform during the next two years.

Not until 1890 was the 'unofficial ban' somewhat eased by the weakening of the opposition forces after the Gladstone-Parnell split, and by the gradual mellowing of the Liberal Unionists in their new association. Furthermore, the impact of the McKinley Tariff, the shock of which "...did more than ten years of Free Trade agitation to bring discredit to the Cobdenite school," strengthened the Protectionists' case. Their fervor rose until in 1892 Lord Salisbury openly endorsed the concept of retaliation as a means of obtaining a Free Trade World. Fiscal reform thus played some part in the election of that year, but to what extent it actually influenced voters faced with such questions as Home Rule and Disestablishment it is impossible to say. Certainly, the unexpectedly narrow Liberal victory did have the effect of convincing many a Tory that Protection was no longer the 'poisoned chalice' of days gone by. The party's annual conference in December thus once more approved by a large majority a resolution calling for tariff reform.

91. Clapham points out that its effect on Britain was probably exaggerated at the time. The trend which it accentuated already existed. Clapham, op. cit. vol. 3, p. 8.
92. Ibid., p. 30.
93. Ibid., p. 31.
It is somewhat paradoxical, to have to refer, finally, to an almost complete eclipse in tariff reform agitation amongst the Conservative rank-and-file during the years between 1892 and 1895. A number of explanations can be offered: the necessity for compromise during the continuing fusion of Unionist ranks; the great concern in the Britain of the 'nineties with imperial expansion rather than imperial preference; the pre-occupation of Parliament and the country with such domestic issues as Home Rule; and the apparent reversal of the pendulum in the United States with Cleveland's re-election. Whatever the cause, during this period the protectionist movement fell largely into agricultural hands; bi-metallism was proposed by many as a solution to the country's ills; and Mr. Vincent was reduced to harassing the government on its purchases of foreign made supplies, and on its allowing the importation of the manufactures of foreign prisons.

A significant feature of British life during the last quarter of the Nineteenth Century was the widespread repudiation, in all walks of life, of the pessimistic view of the future of colonies so long preached by the Manchester School. Early Fair Traders, such as Ecroyd, Galt, and Sir

95. Brown, _op. cit._, p. 95.
96. _Hansard_, (4th Series) XXV, June 15, 1894, col. 112-13
XXVII, July 30, 1894, " 1240
XXVIII, August 16, 1894, col. 1221
Frederick Young of the Royal Colonial Institute, were amongst the most enthusiastic supporters of the new imperial consciousness and frankly sought to associate their economic proposals with this rapidly growing sentiment. It will be remembered that the ideal of an Imperial Preference had been adopted by the Fair Trade League in 1881, with the proposal that all colonial food be admitted duty free. When, therefore, the Imperial Federation League was formed in 1884, it was no accident that Young, Sir Charles Tupper and Lord Dunraven became three of its most active members.

The attempt to associate these two movements, however, was none too successful. Not only was the new imperialism non-protectionist in its inception, but, although it came close to it for a while in the 'seventies, it was the exclusive monopoly of neither political party. W. E. Forster, Chamberlain and Dilke—all noted Liberal Free Traders at the time—were amongst its strongest supporters. Thus, the Imperial Federation League refused to become embroiled in the fiscal question, and with characteristic stubbornness, maintained this position until its demise. There was a further reason for the failure of these early attempts to combine Protection with the new interest in Empire. It was the widely, and correctly, held suspicion in England that "...Fair Traders were, as a group, protectionists first and imperialists afterwards." Many observers had the impression that

97. See page 21.
adherents of the Fair Trade League "... were merely stowaways on the good ship Empire," as Brown puts it, "because their own protectionist ship had little prospect of making port."

The fiscal reformers, nevertheless, persisted in this avenue of approach to their goal. Numerous attempts were made to have the Imperial Federation League define or plan in detail its objectives. The Protectionists strongly urged, for instance, that the concept of a Zollverein was complementary to that of the widely advocated Kriegsverein, or "... combination for defence." All failed. Similarly unsuccessful were the attempts made in 1886 to win the First Congress of the Chambers of Commerce of the British Empire to an endorsement of fiscal reform.

Much more encouraging, however, from a protectionist point of view was the First Colonial Conference of 1887. Here the issue was raised, in spite of the declared wish of Lord Salisbury that discussions on Imperial Federation and an Imperial Customs Union be put aside—in favour of the Kriegsverein idea, which he believed to be "... the real and most important business...." upon which the delegates were engaged. The culprits on this occasion were Jan Hoffmeyr of Cape Colony and Sir Samuel Griffith of New Zealand, who pre-

sented the case for 'differential duties' in able speeches. These efforts, and Hoffmeyr's adroitness in suggesting that revenue thus raised be used for Imperial Defence notwithstanding, the Home Government quickly 'sat on' the idea, and for reasons already discussed, cut off any discussion of it both at the Conference and amongst its own supporters in the United Kingdom. During the next three years, consequently, it was in the Colonies rather than at Home that the cause of Imperial Preference was most actively promoted

With the revival of Protectionist sentiment amongst British Conservatives between 1890 and 1892, a final attempt was made to win over the Imperial Federation League. To the disgust of such 'colonial' enthusiasts as Sir George Denison, and such local stalwarts as Howard Vincent, it also failed. The latter, therefore, took the lead in 1891 in organizing a new body, the United Empire Trade League, to promote the cause. Amongst its earliest members were those ardent Protectionists S. Cunliffe Lister, J. Lowther, and D. MacIver; Sir J. Milner was prominent in its early deliberations, and Sir A. T. Gait was a vice-president. Soon after its inception the Fair Trade League passed quietly out of existence.

104. Cunliffe Lister and MacIver, mill-owning and shipping magnates respectively, were charter members of the Fair Trade League. Lowther was a noted parliamentary advocate of protection for agriculture.
For a while the United Empire Trade League seemed to be having considerable success. The National Conference of the Conservative Party in 1891 endorsed the principle of Imperial Preference. Vincent made a rapid tour of Canadian cities and found widespread enthusiasm for such an arrangement. To some extent, apparently, Salisbury had given him the 'go ahead' signal to solidify public opinion. However, the second Congress of Chambers of Commerce of the Empire, meeting in 1892, again refused to endorse Protection—even of the Imperial variety. Furthermore, when in 1891, the Canadian Parliament in a joint address called for an end to the Belgian and German Commercial Treaties, and later followed this request with an offer of preferential treatment in the Canadian market if Britain would reciprocate, the Unionist government made it clear that it was still not prepared to take any definite action in this direction. Sir Michael Hicks Beach, the Colonial Secretary, made it clear that the government was unhappy about the situation, but unwilling to drop agreements which brought real benefits to the Mother Land. Lord Salisbury took a similar stand when

receiving a deputation from the United Empire Trade League.

Another jolt to the dreams of the League was the rising appreciation in England of a fundamental difference between Imperial Preference as it was advocated there, and as it was almost always propounded overseas. In other words, it was gradually realized that the Colonies' goal of "freer trade within the British Empire...," as Tupper put it, meant anything but free trade under the Union Jack. Tariff Reformers thus had to acknowledge that an Imperial Zollverein was an impossibility—because of the extent to which customs and excise duties provided colonial revenue. But Free Traders were quick to point out that the issue was much deeper, and became, ultimately, one of continued colonial adherence to protection. Thus the Economist remarked that all United Empire Trade League members

"concurred in recommending us to tax the people of this country for the benefit of colonial producers.... And while we are to tax ourselves for their benefit, the Colonies are to continue to raise revenue by the taxation of our products. They may reduce the duty on them to some extent, but not one of them proposes even to accord to us what we already accord to them—a free entry into the home markets...."

Any uncertainty about the attitude of the Home Government during the last three years of the period under

110. Speech at Epsom, 1892. Hythe, op. cit., p. 18. Hythe, though a Free Trader, was prepared to accept Imperial Preference if the colonies were thereby induced "... to bear their fair share of the cost of Imperial defence." p. 17.
111. The Economist, April 15, 1893, p. 441; Tyler, op. cit., p. 203.
review disappeared with the Liberal triumph of 1892. Gladstone was as adamant as ever; in 1893, for instance, he flatly refused to meet a delegation from the United Empire Trade League. For reasons already noted, the Protectionist movement was dormant in Conservative circles. It is not surprising, therefore, that the movement for Imperial Preference passed once more largely into the hands of its colonial supporters. The idea was clearly endorsed at Ottawa in 1894, when the Intercolonial Conference recorded "...its belief in the advisability in a customs arrangement between Great Britain and her Colonies by which trade within the Empire may be placed on a more favourable footing than that which is carried on with foreign countries." But Lord Rosebery, the new British Prime Minister, was as enthusiastic a Free Trader as his predecessor. Thus the year 1895 opened with a famous circular dispatch from Lord Ripon, the Colonial Secretary, in which all Colonial Governors were informed that the Home Government would not adopt differential duties favouring the Overseas Empire, and that it was very dubious about the merits of reciprocal preference among the Colonies themselves.

Reference has already been made to the fact the new protectionist campaign was first of all industrial in its

112. Jebb, op. cit. vol. 1, p. 188.
inception—that manufacturing interests dominated the majority of the Protectionist societies, and particularly the Fair Trade League. It was hardly an accident, consequently, that as a general rule the activities of such bodies flourished when the disruption of trade was at its height, and were inclined to fall off when a revival appeared. It was consequently understandable that the leading industrial centers supporting Fair Trade—for example, Sheffield and Birmingham—were those producing goods which were particularly susceptible to swings in the business cycle, which were often the targets of foreign tariffs, which were often specialties of the new industrial states, and which had already found extensive markets in the Colonies overseas. Exactly how widespread the desire to modify the nation's fiscal system was in industrial circles, it is impossible to say. Apparently it was on the increase; it certainly existed to the extent that sharp differences of opinion within the ranks of many Chambers of Commerce were reflected in the general terms in which the Chambers submitted their views to the Royal Commission on the Depression in Trade and Industry in 1886.

It is somewhat easier to assess the reaction of organized labour to the new heresies, for the attempts in the 'eighties to enlist it on the protectionist side make a brief and rather sorry tale. It is clear that some trade

116. Ibid., p. 141.
unionists had begun to question the wisdom of Free Trade in the 'seventies; indeed, a few holding such views had attended the Trade Union Congress Convention at Bristol, in 1878, and had "...made a serious disturbance." Early in the new decade, however, the approach to unionized labour was complicated by a rather fantastic decision on the part of some Fair Trade League leaders to obtain the support of the working man--if necessary, at any cost. Thus a National League was formed to screen the manufacturers' support, and the direct financial subsidization of trade union leaders with protectionist views began. The upshot of this move was two fold; it attracted a group of bizarre and disreputable advocates; and it led to an uproar in the Trade Union Congress in 1881, which found it necessary to expel those delegates whose "...expenses were not paid by the Trade Union organizations which they nominally represented. Even this debacle, and the rapid collapse of the National League, did not convince the Fair Traders of the ineffectiveness of their policy, and the support to the 'mercenaries' continued. The movement, however, rapidly degenerated, and when an attempt was made to question the integrity of the Trade Union Congress leaders in 1882, the Fair Trade Unionists were completely discredited. Those left by 1886 had become rabble rousers,--aptly described by Punch as "sedition spouters," and

118. Ibid., p. 395.
"...cowardly Cattlines of the gutter."

Somewhat greater success met the efforts of the British sugar refiners and the West Indian plantation owners to enlist the workingman's support in their campaign against the importation of bounty-produced sugar. It is significant that the sugar interests disclaimed not only Protectionist aims (as did practically all other tariff reformers at this time), but also any connection with the Fair Trade movement. The widespread unemployment amongst refinery workers undoubt-edly aroused considerable sympathy in the ranks of labour, but the extent of it, and the degree to which in the trade unionist's eyes it justified 'countervailing duties'--one of the suggested remedies--remain unknown.

Briefly, it is clear that by 1890 "...Fair Trade, in so far as it aimed to rally the labouring masses, had missed the boat." When the German economic historian, Carl Fuchs, questioned John Burns on the issue, he was informed that the labouring classes would support Free Trade "...so long as it seems to further their interests," and that they would adopt "...Protection or Fair Trade, without dogmatic or theoretic scruples, should they at any time see any advantage in it." But this, of course, was an over-

119. Graves, op. cit., P. 7. The description was intended to apply equally to the followers of John Burns.
120. Brown, op. cit., p. 52.
121. Ibid., p. 56.
122. Fuchs, op. cit., p. 204.
simplification of the case; the sentimental adherence to Free Trade amongst his own followers was still immensely strong. Furthermore, the Socialism which he and Kier Hardie were at that time so effectively planting was to make any future attempt to rationally associate the interests of the working men with those of the manufacturers a tough proposition indeed.

The nation's farmers, on the other hand, were much more receptive to the protectionist cry; for the twenty years following 1875 were, to them, a period of complete disaster. It would be far from correct, however, to assume that even here economic distress meant either a rapid or a unanimous repudiation of Free Trade. In fact, during the late 'seventies, when declining prices and crop failures were reducing the countryside to a pitiful state, the basic cause of the difficulty was largely overlooked, and, instead, was assumed to be, in the words of an investigating Royal Commission, "...primarily a matter of weather, of a quite abnormal cycle of dripping years."

Nevertheless, it was only natural that the thoughts of farmers in Britain, and in Western Europe generally, should turn to Protection as a cure for their ills.

By 1881 considerable Protectionist sentiment was evident in British agricultural circles—although at this time it was largely restricted to the large land owners. The tenant farmers as a whole were still unconvinced, and rather inclined to look for a solution in improved weather conditions, or in a change in the system of land tenure. By the time, however, that ten years of ever-mounting distress had followed one another with no signs of improvement, it was obvious that other explanations for the trouble had to be found; thus the importance of the tremendous increases in the consumption of foreign grain was gradually realized. By 1887 the rural support to tariff reform had reached considerable proportions, and an observer at Cambridge was writing:

The half-ruined farmers and landlords are complaining of the unequal competition with Indian wheat, and probably nothing but the character of our land system has prevented the imposition of a moderate duty on corn. 127

A distinctive characteristic of the rural cry for Protection, however, was an acute realization that the obstacles in the way of its success were much more complex than the one mentioned above, and were, indeed at this time

126. Imports of wheat into Great Britain (quarters)
    1870 - 8,611,000
    1875 - 13,994,000
    1880 - 15,974,000
    1885 - 19,211,000
    1890 - 19,222,000
    1895 - 25,028,000 Page, op. cit., vol. 2, pp. 140-141
well-nigh insuperable. The farmers' defeatism may have been partly the reflection of their innate conservatism; but it was certainly also the product of shrewd analysis. They were well aware that Mr. Ecroyd's Fair Trade involved a re-endorsement of the cheap loaf. They were equally cognizant of the fact that the leading Parliamentary advocates of agricultural protection were Unionists first, and Protectionists after. It was, consequently, no surprise to them that in neither Unionist nor Liberal ranks was there any considerable move to ease their position when, in 1894, wheat hit an all-time low of 22s. 10d. Well indeed might Punch show the English farmers as "...Buridan's Ass between two piles of sapless chaff—Tory and Liberal...." Well might a modern historian bewail that, when successive governments failed to heed the cry of rural Britain, "...the whole of that once flourishing society went down into the pit."

128. Mr. James Lowther, and Mr. Henry Chaplin, the Unionist Minister of Agriculture in 1892.
130. Graves, op. cit., vol. 4, p. 113.
CHAPTER II.

Tariff Reform and the Unionist Party
1895 - 1906

"And Joseph dreamed a dream, and he told it his brethren, and they hated him yet the more."

Genesis, 37:5.

In view of the prominent role played by fiscal reform in the life of the Unionist Party after 1903, the extent to which it was publicly ignored during the years 1895 -1901 can only be described as remarkable. It seldom appeared as a subject of debate in parliament, and was even less frequently mentioned in the learned journals, or in the press. On this topic, discreet silence was the approach of Conservative and Liberal Unionist alike.

For this there were a number of definite explanations. In the first place, although the second Salisbury government was a strong one (indeed, one of the strongest in British history) it was still a coalition, and the Prime Minister undoubtedly wished to keep potentially disruptive issues under cover. In the second place, the failure of the

1. During the years 1895-1901, for instance, The Nineteenth Century ran three articles on bi-metallism, but none expressly on the fiscal problem.
Fair Traders to make any appreciable dent in the armour of the nation's economy during the preceding decade seemed to have left the Free Trade position stronger than ever. Certainly in the last years of the century no outstanding statesman launched or openly supported a direct attack on it. Other issues crowded the agenda of parliament—measures of social reform, a new land policy for Ireland, educational changes, friction with Germany, with France, and with Russia, concern over the nation's isolation, and the rising spectre of war in South Africa. A further explanation was the decided improvement in the domestic economy and the export trade which set in after 1896, and which seemed to strengthen the case of the Unionist Free Traders. Finally, and perhaps the most important of all considerations was the fact that at this time the heart of Conservative strength was in the boroughs, in the large towns. Thus, although the Conservative-Unionist M.P. was traditionally the representative of agrarian interests, the broad industrial urban electorate was of necessity his first concern. The Economist rather shrewdly analyzed the Conservative position as follows:

"If a Conservative Government ever adopts a policy of protection, the trade which they will most desire to protect will be agriculture. Their Protectionist schemes must begin with a duty on corn. But it is a matter beyond dispute that no tax on bread will ever again be tolerated in this country. And who can believe that the friends of agriculture will set up a system of protection from which they will be rigidly and permanently excluded." 3

3. The Economist, August 24, 1895, p. 1106.
This journal erred, of course, in the extent to which it failed to appreciate the potential ramifications of the leading factor in the Unionist electoral triumph, the rising enthusiasm for things imperial.

That some expressions of protectionist sentiment continued was only to be expected, and, as in previous years, they came primarily from those Unionist rebels James Lowther and Howard Vincent. Lowther, for a while, was particularly aggressive. On April 6, 1897, for instance, he proposed in the House of Commons the levying of a 5s. duty on imported corn; on May 20 in the same year, he went farther while moving an amendment advocating a broadening of the basis of taxation. On this latter occasion he not only suggested the 5s. levy on corn, but added a tariff on imported manufactured goods—accompanied by a preferential, but not a free rate, on colonial produce. The House of Commons greeted this effort with a rather good-natured tolerance, and the short debate which ensued was monopolized by back benchers, until Sir Michael Hicks Beach, the Chancellor of the Exchequer, and Sir William Harcourt, his predecessor, arose to dismiss his nonsense. Lowther eventually withdrew the amendment. Several years elapsed before such a debate again

4. Hansard, (4th Series), April 6, 1897, vol. 48, col. 662-3. Lowther proposed simultaneously the abolition of duties on such produce as coffee, tea and cocoa. He calculated that the net cost of his scheme to the adult Briton would be ls. 7d. per year—a small price, he argued, for restoring British agriculture.

Vincent pursued the same objective in a more cautious manner, and maintained his parliamentary fight against the importation of goods manufactured in foreign prisons until rewarded with the passing of an act embodying his views in 1897. As, however, the value of the goods concerned was infinitesimal, the degree of protection actually involved was correspondingly minute. Furthermore, when he sought the passage of an amendment to the Merchandise Marks Act of 1887 with the avowed intention of more effectively labelling, and indirectly restricting the importation of foreign manufactures, the House turned him down. In the next year Vincent moved an amendment to the Queen's Speech welcoming the government's awakening to the artificial stimulation of sugar produced abroad, and its effects on the British West Indies, and calling for a similar approach to "...the artificial stimulus given to foreign competition with the staple trades of the United Kingdom by foreign tariffs, bounties, and other fiscal means...." This motion was rejected without a discussion or a division.

Of far more importance than these comparatively

Ibid., February 18, 1898, vol. 53, c. 1044.
7. The 1887 Act simply required that the container in which goods were packed carry the name of the place of origin. Vincent wished to extend this requirement to each article.
feeble efforts were the changes taking place in the fertile brain of the new Colonial Secretary, Mr. Joseph Chamberlain. In 1885 he had been the idol of the Free Traders as the most scathing opponent of the Tory protectionists—although the bitterness of his attacks had troubled not a few members of his own party. It is very clear that during the following ten years his outlook underwent a fundamental change. Less than six months after his arrival at the Colonial Office he addressed a notable despatch to the "Governors of Colonies on the Question of Trade with the United Kingdom," (November 28, 1895), in which he declared:

"I am impressed with the extreme importance of securing as large a share as possible of the mutual trade of the United Kingdom and the Colonies for British producers and manufacturers, whether located in the Colonies or in the United Kingdom.... I wish to investigate thoroughly the extent to which in each of the Colonies, foreign imports of any kind have displaced, or are displacing, similar British goods, and the causes of such displacement." 10

Here, of course, was to be seen Chamberlain the businessman, the proponent of the view that "commerce is the greatest of all political interests," already displaying a certain anxiety as to the strength of foreign industrial competition. He was not yet, however, the 'prophet of gloom' who in later years sounded the death knell of British industry and commerce; in fact he specifically rejected such views while

addressing the Birmingham Chamber of Commerce as late as November 13, 1896.

Mr. Garvin points out that this despatch also foreshadowed the dream of Imperial unity which was to occupy so much of the later years of Chamberlain's life. It was on this issue that his convictions hardened most rapidly, and yet it is significant that his first approach to it was through the medium of trade—in this case on the basis of an Empire-wide free trade system. It is significant, also, however, that when espousing such views in 1896, and while describing himself "in the abstract" as a convinced supporter of Free Trade, he added: "I have not such a pedantic admiration for it that, if sufficient advantage were offered to me, I would not consider a deviation from strict doctrine."

In the years 1896-7 he was not yet convinced that 'sufficient advantage' did exist to warrant Britain's adoption of tariffs on raw materials and food stuffs, which he rightly saw colonial requests for reciprocal preference implied, and which he openly described as a poor bargain economically. And, indeed, for some years after the rejection of Imperial Free Trade by the Imperial Conference of 1897 "... he not only held to the principle but saw no practicable alternative."

12. Loc. Cit.
15. Loc. cit..
Yet his views on the wisdom of the nation's commercial policy were obviously undergoing a gradual change; when he was next heard from on this subject—after almost five years of public silence—he was well on his way to the position which so startled the nation in 1903.

It would be erroneous to infer from this, however, that fiscal reform was in the interim quite out of the minds of Unionist leaders. Their silence should not be misinterpreted—as it often was at the time, especially by Liberal thought. Indeed, during the whole of this period there appears to have been a steady Unionist drift away from Free Trade, usually to a 'neutral position,' but often to its direct antithesis. Thus the Gladstonian Hicks-Beach wrote to Lady Londonderry in 1900:

... I feel myself becoming every year less in harmony with many opinions especially in fiscal questions, which are spreading in our party, but which I must fight, because I think them wrong, if I remain in active political life. 18

Arthur Balfour described the situation even more clearly some years later when he wrote of protection, and referred to "... what it has long been, a doctrine largely held in the Party, but with no place in its official creed." 19

17. See, for example, The Economist, January 6, 1896, p.724; and Crewe, op. cit., vol. 2, p. 541.
Illustrative of this new mood in Conservative circles was the editorial policy of The Times. In November of 1901 it printed a letter from Sir Bernhard Samuelson, an old Liberal Free Trader, who reasoned that in view of the nation's existing financial condition he could see much merit in the imposition of a revenue tariff. On the suggestion it commented as follows:

"... the figures which Sir Bernhard Samuelson has brought forward are very striking.... In this country we could not tolerate any system which would appreciably increase the cost of the necessaries of life for the great mass of the people. But the reimposition, for instance, of the shilling duty on corn, which Mr. Lowe threw away, in a fit of economic pedantry, would not be felt, and there are articles of general consumption that would bear a small impost" 20

The Times agreed that such a scheme would make it easier to effect "compacts and concessions in dealing with British colonies as well as foreign countries," and would act as a check to the trusts which were flooding the British market with goods sold below cost to keep a profitable trade in their own domestic markets. It was careful to express its own uncertainty, and hesitantly closed with this observation:

"The question is, however, how far this imposition of new restrictions, on any large scale, would tend to diminish or cripple the world-wide commerce that has grown up under the Free Trade system. 21

Not until the spring of 1902, however, was the issue of protection and imperial preference projected into

the arena of political discussion, and there is not a little irony in the fact that the first move came from Hicks-Beach at the Exchequer. His naturally was the primary responsibility for facing the financial difficulties which arose out of the South African war effort, and which even he and his dogmatic belief in the virtue of retrenchment was unable to check. By September of 1901 he was pointing out to Lord Salisbury the inescapable necessity of increased revenues for several years to offset mounting expenditures, and listed a small duty on corn, in spite of the political objections—which he recognized—as one possible source of income.

Mr. W.A.S. Hewins asserts that Hicks-Beach went so far as to consider a duty on imported manufactured goods, that Balfour liked the scheme; and that it was only dropped as impractical—but this is open to some doubt. Certainly, if it be entirely correct, some of the actions of Hicks-Beach in later years are hardly to his credit.

A very strong case, on the other hand, can be made in favour of Hewins’ strictures on the inopportune nature of a duty on corn. The Chancellor admittedly had to raise additional revenue; he was faced with a potential deficit of over £45,000,000, and even a suspension of the sinking fund, a rise in the income tax, a stamp duty on cheques and divi-

dend warrants, and a £30,000,000 loan did not completely meet it. But his proposal, the re-introduction of the registration duty on imported corn (which he set at the modest level of 3d. per cwt. on imported grain, and 5d. per cwt. on imported meal) was only designed to raise an additional £2,650,000. To offset this was the certainty, which he well appreciated, that the tax would be challenged on Cobdenite lines, and the further consideration that it would almost immediately become the basis of Colonial requests for preferential treatment. From the point of view of the protectionist and the imperial unionist it was certainly a real misfortune that the cost of domestic food was to be the very heart of so much of the debate which followed—as it was not a topic on which the Briton of the day was inclined to do his most logical thinking.

If Hicks-Beach had any doubts about the variety of interpretations which could be placed on his measure, they were soon set at rest. Sir William Harcourt, Mr. Sidney Buxton, Mr. Broadhurst and Mr. Robson attacked it on the first evening of the budget debate in the Commons (April 14), as did Mr. Seeley, a Unionist. Harcourt set the key-note of the opposition with his declaration: "... sugar is a comfort, but corn is a thing of first necessity, and therefore a tax upon corn falls upon the poorest of the poor."

26. Ibid, c. 190.
The Liberals seized on it at once, and set out to unite their badly shattered ranks by re-appearing as the champions of the oppressed working man. Both in and out of parliament they were extremely active. Later in April the Cobden Club denounced the measure; in the next month the Co-operative Congress dropped its usually non-partisan attitude to take a similar stand. On May 14 the National Liberal Federation similarly protested against the tax, and approved a resolution suggesting as an alternative source of revenue the taxation of the mineral wealth of the Transvaal.

In parliament itself, the opposition attacks were directed mainly at the 'protective aspect' of the new impost, and were, on the whole, effectively answered from all sections of the Unionist Party. Hicks-Beach himself had made it very clear that while he regarded Mr. Lowe's famous action as a mistake, his reversal of it was a revenue measure, and nothing more. In view of later developments, the support given to him by the leading Unionist Free Traders, particularly Arthur Elliot, Lord Hugh Cecil, and Winston Churchill, was noteworthy. To Elliot the budget was "...perfectly straightforward and honest." Churchill supported it in an ironic speech, arguing "...it is absurd to call the

27. The Times, April 15, 1902, p. 10.
28. April 18, Annual Register, 1902, p. 128
29. Ibid., p. 150.
30. The Times, May 15, 1902, p. 10. To the latter suggestion there were seven dissentients.
tax Protective....the essence of Protection is Protection. Now this tax in no way facilitates the growing of wheat in England, and nobody would wish to do anything so wicked as that."

What particularly aroused Liberal suspicions was the extent to which the protectionist trio, Lowther, Vincent and Chaplin so openly greeted the corn duty with delight. Vincent, for instance, could hardly restrain his enthusiastic approval during the Budget Speech. Nor were they alone. The great commercial weekly, The Financial News, was equally approving in its reception of the duties, which it saw as an indirect form of taxation, as a widening of the customs area, and as an alteration of the foundations of the customs system—by no longer restricting it to goods not produced in the United Kingdom. It went farther, however, and affirmed:

"But the great outstanding reasons for welcoming the new duties are that they are the beginning of protection, and they open the way for an Imperial tariff. It is deplorable that the duties are not now, in fact, regulated so as to give Colonial produce a preference.... Now, at last, we have a set of import duties upon commodities which enter into competition with home production, and no countervailing excise is imposed upon the


34. The Westminster Gazette of June 18, 1902 showed in a cartoon, these three dressed as members of the "Protection Army" happily escorting Sir Michael under a banner "Protection is Salvation." cf. Jeyes and How, op. cit., p. 226.
equivalent home-produced article. By no jugglery with words can you twist that fact into anything but Protection. Of course, the duties are totally inadequate, but the affording of adequate protection is only a matter of increasing the rate of the existing duties: the revolution itself has been accomplished." 35

Probably more significant in Opposition eyes was the reception given to the duty in overseas quarters. This was accurately reported by The Times and other organs of the Press. Most German and many American papers regarded it as a direct move towards protection. It was interpreted in a similar way in Canada, particularly in the House of Commons, and The Times of April 16 quoted Sir Wilfrid Laurier as saying:

"England's new policy is protection, but not a large measure of protection; and I do not complain, but rather rejoice in it, for now the field is clear for arranging in June a system of larger trade between all parts of the British Empire which will meet the views of the great majority of the people of Canada." 37

On succeeding days the Press despatches from Ottawa continued to deal with the Canadian reaction to the duty, and particularly with the Opposition attempts there to have the Canadian delegates to the forthcoming Colonial Conference press for the free entry of Colonial food into the British market. Eventually, on May 13 the statements of Canadian spokesmen were brought to the attention of the House of Commons by Mr. Channing and Sir Henry Campbell-Bannerman.

36. eg. The Times, April 16, 1905, p. 5, The New York Times, though a Free Trade journal at the time, fairly interpreted the duty as intended by Hicks-Beach.
37. Loc. Cit.
Sir Henry, particularly, scored effectively on two points: first, by quoting the British Minister of Agriculture in a decidedly protectionist reference to the effect of the corn duty; and secondly, by reading a press despatch from Ottawa quoting Sir Wilfrid Laurier's inference that the forthcoming Colonial Conference would see a discussion of Imperial preferential arrangements based on the British proposition—presumably a reference to the new duty. This brought forth an extremely sharp denial from Mr. Balfour, who, after rejecting any protectionist description of the duty on the ground that it did not protect, added bluntly: "...Sir Wilfrid Laurier's mission to this country has absolutely nothing, direct or indirect, to do with this tax." Thus the 'build up' to a preferential arrangement which was largely the result of 'fishing' overseas rudely collapsed.

It was no time, however, before the bubble was again partially inflated—on this occasion by the Colonial

38. The despatch from Ottawa read in part as follows: "As to commercial relations, the Premier said that he was going to England on the invitation of the Imperial Government, and he could not conceive that Mr. Chamberlain would invite the Colonial representatives to discuss the subject unless the British Government had something to propose. There was now a duty on wheat and flour which placed Canada in a position to make offers which she could not make in 1897. A step had been taken which would make it possible to obtain preference for Canadian goods."


39. Ibid., c. 154.
Secretary who had remained strangely silent on these issues in the House of Commons itself. On May 16, 1902, before the annual meeting of the Liberal Unionist Party at Birmingham, he delivered what in later years was realized to be a prophetic address. In it, he criticized the opposition to the new budget proposals, and then went on to declare:

The position of this country is not one without anxiety to statesmen and careful observers. The political jealousy of which I have spoken, the commercial rivalry more serious than any we have yet had, the pressure of hostile tariffs, the pressure of bounties, the pressure of subsidies, it is all becoming more weighty and more apparent.... We are face to face with great combinations, with enormous trusts, having behind them gigantic wealth. Even the industries and commerce which are thought to be peculiarly our own, even those are in danger. It is quite impossible that all these new methods of competition can be met by old and antiquated methods which were perfectly right at the time they were developed. At the present moment the empire is being attacked on all sides, and in our isolation we must look to ourselves. We must draw closer our international relations, the ties of sentiment, the ties of sympathy, yes the ties of interest. If, by adherence to economic pedantry, to old shibboleths, we are to lose opportunities of closer union which are offered to us by our colonies, if we are to put aside occasions now within our grasp, if we do not take every chance in our power to keep British Trade in British hands, I am certain that we shall deserve the disasters which will infallibly fall upon us.

It was only natural that these words should have attracted considerable attention, but the surprising thing is that they were soon forgotten. Some of the responsibility for this fact rests with Chamberlain himself, for he


(Underlining mine).
dealt with a host of other topics as well in his speech, and actually described education as "...the greatest problem of our time." Another explanation is to be found in the extent to which the Corn Tax debate failed to create any undue impression in the public mind. Certainly, remarkably few letters on the budget appeared in the columns of *The Times*, and most of these were directed against the duty on cheques. Furthermore, the budget debate dragged on over two months, and although Sir Henry Campbell-Bannerman eventually made a very able reply to the Colonial Secretary in the House, two new issues pushed the budget and related subjects into the background—peace in South Africa, and Mr. Balfour's Education Bill. Balfour's proposals were particularly important in this connection, for they provoked months of acrimonious debate throughout the country, and had an important effect on the domestic political situation.

More than any other outstanding Unionist leader, certainly more than Balfour, Chamberlain had foreseen the dangers inherent in this measure, and had warned of them—even though once it was introduced he had loyally supported it. In no time, however, his fears were realized. The Education Bill not only alienated much of the Non-conformist support behind Unionism (and particularly behind Liberal Unionism) but it also had the effect of helping to heal the schism which had plagued Liberal ranks for years. By mid-summer

40 *The Times*, May 7, 1902, p. 12.

41 *The Annual Register*, 1902, p. 128.
it was already costing the Unionists dearly in by-elections, and it was undoubtedly evident to astute observers on the government side that there was great need for some popular cry which would divert the attention and recapture the loyalty of many of the rank and file. To what extent this consideration influenced Chamberlain in the making of his great decision it is impossible to say; undoubtedly, his primary motivation lay in his great dream of uniting the Empire. Nevertheless, as Julian Amery points out in his recent work on Chamberlain, the tactical factor arising out of this turn of events was important, and as such it has to be recognized.

During the summer months, events of another order stole the limelight—Lord Salisbury finally retired, and Hicks-Beach did likewise. Arthur Balfour replaced the former, and, as Joseph Chamberlain elected to stay where he was, C. T. Ritchie was elevated to the Exchequer. Yet even in these moves the behind-the-scenes forces advocating fiscal change were not forgotten. Balfour wrote of "...admitted but not irreconciliable differences of opinion...." when asking Hicks-Beach to stay on and Morley wrote to Hicks-Beach from the Liberal bench, regretting his departure, and citing as one of his reasons: "...anybody can see in what danger from silly experiments free trade stands."


43 Hicks-Beach, op. cit., p. 173.

44 Ibid. p. 176.
After Balfour's pronouncement on May 13 on Prime Minister Laurier's visit, it was hardly to be expected that the Colonial Conference would see any British initiative in the commercial field, and, indeed, as far as the public could tell—for its sessions were held in camera—Chamberlain confined his efforts primarily to his proposed Imperial Council. Actually, as will be shown in Chapter 5, Chamberlain's views at this time were in a state of transition, and the proceedings of the conference did much to harden them on the stand which he was soon to publicly espouse. Meanwhile, the Dominion and Colonial prime ministers were enthusiastic and aggressive on the subject of closer economic ties, and adopted a resolution urging on the Government of the United Kingdom the granting of preferential treatment for the produce of the Overseas Empire. In so doing, of course, they undoubtedly hastened the onset of Tariff Reform, for their resolution definitely pointed to the duty on corn, it implied a request for action, and, as Mrs. Dugdale points out, this request had to be answered one way or another by the time of the introduction of the 1903 budget. Furthermore, it is clear that the conclusion of peace in South Africa, and the Colonial Secretary's determination to examine the situation there in person, meant that the broad outline of the reply had to be drafted in the Fall—as Chamberlain planned to leave home in November, and not to return until the spring of the following year.

Had this trip not come up,

it is probable that the Cabinet would have delayed its decision somewhat; it is nevertheless difficult to see how the end result could have been different.

On October 21, 1902 the Prime Minister allowed Chamberlain to raise before the Cabinet the question of granting free entry to colonial food, that is, the use of the corn duty preferentially. It met with considerable opposition--particularly, from the new Chancellor, who was an ardent Free Trader. Balfour was well aware of the import of the proposal, and wrote to the King in the traditional formal style:

"...the Government which embarks upon it provokes a big fight. On the whole, Mr. Balfour leans towards it; but it behooves us to walk warily." For this reason he refused to allow any premature decision, and shelved the issue for almost a month. It did not re-appear again until November 19—just before Chamberlain's departure—at what must have been an interesting Cabinet. Unfortunately, as no Cabinet minutes were kept in those days, the story will probably never be more completely told than it is in Mrs. Dugdale's work. She was given access to the Royal Archives, to the only records which do exist--the Prime Minister's letters to the King.

In Balfour's own laconic words, "...the discussion was long and elaborate." Mr. Ritchie apparently enlivened things by circulating a memorandum of his own listing

46. Loc. cit.
his objections to the policy proposed, but eventually, it appears, a decision was reached. Chamberlain had won his point, and the Prime Minister informed the King: "The Cabinet finally resolved that, as at present advised, they would maintain the Corn - Tax, but that a preferential remission of it should be made in favour of the British Empire." Here, of course, was the basis for much later acrimony, as the Free Trade wing of the Cabinet apparently failed to understand that a decision had been reached (Halevy guesses that the Duke of Devonshire slept), and left assuming the issue to be still open. It is important to note that Mr. Ritchie was apparently under no uncertainty, for he wrote six months later to Hicks-Beach: "The Cabinet decided affirmatively to both propositions (retention of the Corn Duty, and preference), the minority consisting only of myself and one other. On this I entered my protest."

Certainly Joseph Chamberlain left for South Africa quite convinced that the Cabinet had approved his request. There he discussed the scheme with Sir Alfred Milner, who entirely concurred in it, and "...it was settled between them that, if possible, any customs union arranged at Bloemfontein (where a general conference of all South African colonies was

47. Loc. Cit.
48. Halevy, op. cit., p. 323
49. Hicks-Beach, op. cit. p. 188.
to be held in March, 1903), should include a preference for British goods." Chamberlain undoubtedly hoped that the almost simultaneous announcement of South African and British preference would stimulate the acceptance of the latter in Britain.

It is worth noting at this point that there was a minor departure in Britain from complete Free Trade towards the end of 1902. In March of that year the Great Powers, with the exception of Russia, finally signed a Sugar Bounties Convention, and on November 24 Mr. Gerald Balfour, the President of the Board of Trade, asked the House of Commons to signify by resolution its approval of the policy, and its willingness to endorse the pledges involved when the required ratification had been obtained. The debate which followed was short—lasting only one day—and generally on partisan lines. Sir William Harcourt opposed the measure, for instance, as an arbitrary interference with the Open Door; Chamberlain cleverly replied, by delivering, as an opposition speaker put it, "... a Free Trade speech in the cause of Protection...." The Unionists still quoted with approval various dicta of Cobden, but their position since

52. (a) To levy a special duty on sugar from bounty retaining lands.
   (b) The Contracting Powers reserved the right to ban altogether the importation of bounty-produced sugar.
   (c) If protective states, the Contracting Powers agreed to admit at the lowest rate sugar from other Contracting non-bounty producing countries.
   (d) Britain promised to grant no bounties or preference to Crown Colony sugar, and to give the Dominions a chance to adhere to the Convention.
Mr. Chamberlain's outburst on outworn shibboleths was somewhat less dogmatic, and many undoubtedly welcomed the Sugar Convention as did one Andrew Bonar Law, who saw therein "... a departure from that fiscal policy whose obsolescence he had begun to suspect." The resolution passed by a vote of 223 to 119.

It was during the winter of 1902-3, while the Colonial Secretary was in South Africa, that the decision was taken which eventually shattered the Unionist Party. Once again the Chancellor of the Exchequer played the key role. Unfortunately it is difficult to recount Mr. Ritchie's part in this drama without concluding that his actions did much to inflame passions. In the first place, quite on his own authority he came to the conclusion that the Cabinet decision of the previous November must be reversed. That was serious enough, although not unique. But failing to inform the Prime Minister of his determination until early in March, by accompanying it with a threat of resignation if it was not accepted, and by pressing for an immediate cabinet meeting on it--before Mr. Chamberlain's return--he certainly placed his chief in a very difficult position. In the words of Mrs. Dugdale "Deliberately or not, the Chancellor of the Exchequer had sprung a mine under the feet of the

56. cf. Ritchie's memo to Hicks-Beach, Hicks-Beach, op. cit., p. 188.
Prime Minister." Balfour wisely refused to agree to a snap decision, and instead, sent a message to the Colonial Secretary through Austen Chamberlain forewarning him of impending trouble. Balfour also considered removing Ritchie, but the proximity of Budget-day deterred him from action.

It was this same factor, together with a memo in Ritchie's hands from the Chief Party Whip (attributing certain by-election difficulties to the Corn Duty), and an agreement to regard the issue as still open, and to conduct an investigation on it during the summer—which induced Chamberlain to give way and provided Ritchie with his victory when the Cabinet finally did meet on March 15. Such was the background to those two famous developments of April 23 and May 15, 1903, which touched off a dispute probably only exceeded in length and in bitterness, in modern political history, by the controversy over Home Rule.

There were two items of interest in Ritchie's April 23 budget: one, a 4d. reduction in the income tax, and the other, the repeal of the Corn Duty. The former, naturally, was generally approved, but the latter puzzled everyone. It should be remembered that no hint of any Cabinet differences had reached the public. Furthermore, as The Times hastened to point out, not only had public opposi-

58. Rather typically, Balfour informed Ritchie of this action. Hicks-Beach, op. cit., p. 188.
tion to the Duty largely passed away, but no Liberal M. P. expected its repeal. Equally astonishing, after the strong government stand on this measure just twelve months previously, was the way in which Ritchie justified his action to the House. In part he declared:

"... corn is in a greater degree a necessary of life than any other article. It is a raw material, it is the food of the people...; and moreover, the duty has a certain disadvantage inasmuch as it is inelastic, and what is much worse, it lends itself very readily to misrepresentation. I do not think it can remain permanently an integral portion of our fiscal system, unless there is some radical change in our economic circumstances, or it is connected with some boom much desired by the working classes.... In my opinion, being as it is, a tax on a prime necessity of life, it has the first claim to be associated with the large remission of the Income Tax of which I have spoken." 61.

Little yet did anyone outside the Cabinet realize the degree to which Ritchie, by trying to outdo Mr. Lowe, and to make any later revival of the duty an extremely difficult task, was actually 'playing with fire.'

Once again Sir William Harcourt led off for the Opposition, and, as was to be expected, taunted the Government on its reversal of policy, and twitted Balfour on his new political economics—describing him as a "...convert in consequence of by-elections." But far more important was a speech delivered from the Unionist side of the House by

60. The Times, May 16, 1903, p. 11.
Mr. Chaplin. The veteran protectionist soundly denounced the Chancellor and asserted that the budget would gain only "...the ridicule of their opponents, and, unless I am very much mistaken, they will arouse the resentment—I do not like to say contempt—of thousands of their friends in all parts of the country." He referred to the way in which the tax had raised additional revenue and had broadened the basis of taxation without hurting anyone. Now, he roared, the Chancellor was making "absolute fools" of those who supported the tax a year ago. "I confess," he declared, "that it has seemed to me sometimes lately that the government were going through the operation known as riding for a fall, and I must say of this last act of theirs, that if that fall should thereby be precipitated, I, for one, should consider that they most heartily deserve it."

In spite of such violent protests as this, the Budget Debate soon quietened down. Some disputes broke out in Unionist organizations, for instance in Sheffield, and a group of irreconciliable agriculturalists prepared to join Mr. Chaplin in a deputation to the Prime Minister. But the public as a whole remained apathetic. Unknown to it of course, an important Cabinet meeting on the fiscal question was held on May 12, at which the Prime Minister outlined his proposed answer to Mr. Chaplin's deputation,

64. Ibid., c. 277.
and received unanimous Cabinet approval. It was at this gathering also that Mr. Chamberlain referred to his intention of speaking on similar lines some three days later. Thus the setting was laid for May 15, when the "... great waterspout of Tariff Reform whirled up out of the ocean of practical politics."

Chamberlain's famous address before the Liberal Unionists at Birmingham dealt with the fiscal question almost exclusively from an Imperial point of view. He saw two alternatives before the citizens of the Empire:

"They may maintain if they like in all its severity the interpretation—which has been placed on the doctrines of Free Trade by a small remnant of Little Englanders of the Manchester school who now profess to be the sole repositories of the doctrines of Mr. Cobden and Mr. Bright .... The second alternative is that we should insist that we will not be bound by any purely technical definition of free trade, that, while we seek as one chief object free interchange of trade and commerce between ourselves and all the nations of the world, we will nevertheless recover our freedom, resume that power of negotiation, and if necessary, retaliation, whenever our own interests or our relations between our colonies and ourselves are threatened by other people."

Great stress was laid on the importance of choosing the right course:

"Make a mistake in legislation. It can be corrected. Make a mistake in your Imperial Policy. It is irretrievable."

On the same day, the Prime Minister was rejecting the pleas of the Unionist delegation. He propounded four reasons for supporting Mr. Ritchie: the tax was not designed

68. The Times, May 16, 1903, p. 8.
to have a protective effect, and Chaplin had claimed not to regard it so; it was in fact a burden on farmers by taxing feeding stuffs; public opposition made it impossible to regard it as a permanent part of the nation's tax structure; finally, the political union of the Colonies was not yet possible; and when it was, the support for it must come not from isolated interests but from "... the heart and the conscience and intellect of the great body and mass of the people".

It was the contradiction between the whole-hearted endorsement of imperial preference and tariff retaliation on the part of the Colonial Secretary, and the apparent repudiation of such in the Prime Minister's statement that produced in the public mind "... a condition of astonishment and perplexity bordering on stupefaction."

Almost at once Chamberlain's speech prompted a violent split in Unionist circles, with a large number of the rank and file leaning towards his position, but with almost all the senior party figures either hostile or 'neutral.' In the Cabinet itself, the titular head of the Liberal Unionists, the Duke of Devonshire, headed a band of adamant Free Traders which included Ritchie, Lord George Hamilton and Lord Balfour of Burleigh. Outside it, the most influential elder statesmen, Lord Goschen, Lord James of Hereford, and

70. The Annual Register, 1903, p. 133 (cf. The Times, May 16, 1903, p. 9.)
Sir Michael Hicks-Beach, held to similar views. As Ensor points out, there was not one top level figure to stand beside Joseph Chamberlain in opposing this array. For some days, on the other hand, *The Times* was inclined to side with him against the Prime Minister, whose criticism of a legislative measure of his own government it frankly disliked.

It is a fitting commentary on the tangled nature of ensuing developments to have to note that all the while Chamberlain was much surprised by the public furor, and even Mr. Balfour saw little reason for it. That the issues raised by the Colonial Secretary led to a Cabinet rupture within four months was to a large degree the result of the activities of the extremists on both wings, although it must be admitted that Chamberlain in two speeches to the Commons on May 22 and May 28 did little to calm things down. The second of these speeches was especially provocative, as in it he not only outlined the general objectives of his policy, but freely admitted the necessity of a tax on food if any effective preference was to be given to the Colonies, and argued that any increase in price would be more than compensated for in increased wages and social reform. He even went so far as to discuss the procedure which he favoured—the calling of another Colonial Conference.

if a mandate at an election were secured. Here also for the first time he clearly associated imperial policy with objectives of a purely domestic nature—by describing the effect of dumping at length, and by asserting: "We are the one dumping-ground of the world."

During the early weeks of the controversy the strongest blasts at Chamberlain's policy came not from Liberal but from Unionist benches—from such Free Traders as Lord Hugh Cecil, Winston Churchill, and Hicks-Beach. Sir Michael's excited reaction is typical of the fantastic extremes to which otherwise self-possessed men were driven by discussions on the fiscal question. On May 25, for instance, he went to see Sir William Harcourt, and made very clear his determination to lead the Conservative opposition to Chamberlain. Three days later he followed Chamberlain in the House with a plea for party unity which contained the following description of the effect of the Colonial Secretary's scheme:

"It has united the Party opposite—divided for the last eight years—into a happy family. It is dividing our Party on this side of the House, and Sir, I venture to express my deep and conscientious conviction that if persisted in it will destroy the Unionist Party as an instrument for good." 77

The protectionist wing rather naturally did not regard this outburst as a contribution to party solidarity, and continued its bitter attacks on the Chancellor of the Exchequer. Mr. David McIvor, for instance, with real bitterness noted that the price of grain with the Duty was actually 3s. per quarter cheaper than it had been the year before, and suggested that Mr. Ritchie's talents be transferred to the Governorship of the Isle of Man or of some Colony.

Apparently the Free Fooders (led by the more enthusiastic and younger group clustered around Sir Hugh Cecil, and dubbed Hughlians), early considered formally organizing to fight Joseph Chamberlain's views, but held off as long as they thought he might be lulled into inaction. Such a hope had disappeared by July 1; on that day some fifty-four Unionist M. P.'s met to form what became two weeks later the Unionist Free Food League, and listened to speeches by Lord Goschen and Hicks-Beach. The latter incurred the disfavour of The Times for his assertion that "...he was not going to be drummed out of the Unionist Party for adhering to principles which Conservatives had maintained for fifty years."

The Tariff Reformers on the other hand were by no means idle. Already the Birmingham Liberal-Unionist Association had set up a 'Tariff Committee,' which had begun the

78. Ibid., c. 345.
79. The Times, July 2, 1903, p. 9.
distribution of leaflets espousing the doctrines of its favourite son. A much more important development than this, however, was the inauguration in London on July 21 at a large meeting, attended by some thirty M. P.'s, of the Tariff Reform League. It was this body which acted as the general staff and operational headquarters of the campaign for imperial preference and outright protection during the next eleven years.

Meanwhile, the Prime Minister was desperately striving to find common ground on which he could unite the various factions of the Party, or at least to persuade them to agree to differ. His first approach was to extract from the Colonial Secretary an undertaking to remain silent on the debated subject while he sought this middle ground. Unfortunately Chamberlain's enthusiasm and the artful questioning of David Lloyd George in the House, at least, partly wrecked the early stages of this plan. The May 28 speech of the Colonial Secretary, for instance, he regarded as a direct violation of an understanding between them. After it, Chamberlain agreed in the interest of a united cabinet to say no more for the balance of the Session, and apparently with his approval Mr. Ritchie read a statement to the House which sought to reduce all that any Unionist had already said to an endorsement of the principle of investigating Imperial Preference. Here again the Prime Minister had

bad luck, for the Chancellor, in performing this task, rather tactlessly added: "For my own part I feel bound to say that I should be surprised if the inquiry should show any practical means of carrying out that policy."

A second course pursued by the Prime Minister with great skill was his attempt to cool passions and to raise the whole level of discussion. On May 28 for instance in the Commons he refused to recognize any basic contradiction between his views and those of the Colonial Secretary, and went on to deplore the traditional British method of handling questions of political economy.

"It is not treated as a science or as a subject which people ought to approach impartially with a view to discovering what the truth is, either from theory or experience. Not at all. They find some formula in a book of authority and throw it at their opponent's heads. They bandy the old watchwords backwards and forwards: they rouse old bitternesses, wholly alien, as far as I can see, to any modern question; and our controversies are apt to alternate between outworn formulae imperfectly remembered and modern doctrines imperfectly understood." 82

This remarkable analysis, unhappily, was largely ignored by those concerned, and his attempt to produce the same result by vigorously limiting the opportunities for parliamentary debate on the subject was similarly unproductive. Indeed this latter effort seemed to aggravate the hostility of the Free Fooders, who complained bitterly at being gagged.

"FOILED!"

"Birmingham Joe," the Highwayman, fails in his attempt on the Free Trade Coach.
Balfour's multilateral approach nevertheless, was by no means yet exhausted. He strove in his private correspondence and in Parliament to make Fiscal Reform an open question in his party—much as Catholic Emancipation and Free Trade had been in an earlier day. In the Commons on June 9 he made plain his belief that Ministerial unanimity on all major issues could not be expected, that he had his doubts about the nation's fiscal system—although he was very careful on food taxation—and stressed the nation's restricted bargaining position. With remarkable candor he went further and declared:

"I should consider that I was but ill performing my duty, I will not say to my Party, but to the House and to the country, if I were to profess a settled conviction where no settled conviction exists." 85

Unfortunately, such completely honest expressions are not widely regarded in democracies as characteristic of strong leadership. At the end of the same month at a Constitutional Club dinner honouring Joseph Chamberlain he made another bid for party unity—declaring that: "...it would be perfect folly on the part of the Conservative Party or the Unionist Party to make particular opinions or economic subjects a test of party loyalty." 86

The most effective support to the Prime Minister at this period came from the Duke of Devonshire, who, as the leader in the Lords, was prepared to stretch his own Free Trade convictions far enough to admit the possibility of trying some form of retaliation—on the understanding that it might be dropped if found to be a failure. But while seeing no reason for Balfour or Chamberlain to resign, he in effect made a strong plea for bolder action on the Prime Minister's part, when, in foreseeing a difficult time ahead, he referred especially to Unionist candidates for the House of Commons, who might "...find themselves deprived of that clear and decided leadership which they generally look for and do not look for in vain."

Balfour's adroitness limited the fiscal debate in the House during July to one short brisk clash over the Sugar Convention Bill, a measure designed to bring into effect in England the policy already endorsed by the Commons. Although eventually passed, it was strongly attacked by such Unionists as Winston Churchill because of its Protectionist quality, and by such Unionists as Lord Hugh Cecil and Sir John Gorst, who objected to the shackles on fiscal

88. Ibid., c. 921.
89. In this debate Churchill declared: "...The Colonial office has had too much to say in our policy during the last four or five years." Hansard, (4th Ser.), July 29, vol. 126, c. 714.
90. A rare bird—a Unionist with Socialist leanings.
discussion. Just as energetic in support of the Bill were such Unionists as Bonar Law, who openly favoured it as a retreat from Free Trade.

Outside Parliament, Tariff Reform was the issue of the day. Lord Esher wrote on July 16: "Here (I am writing you from the City), the only topic is the Chamberlain campaign. No one can possibly foretell how it will go." The Prime Minister was only too well aware that the situation as it existed, if allowed to remain unchanged, would have fatal results on the Government, and well knew also that his uncertainty was distressing and disconcerting to many in the Party. Thus he decided to stake out a \textit{via media}, which it was obvious to him from the start would satisfy neither wing of the Party, but which he hoped in time would capture or retain the loyalty of the large moderate element. Early in August, as a consequence, he placed before his Cabinet two documents—one an abstract statement of his economic views, and the other, in the words of Lord George Hamilton, an outline of "...the proposals which the Prime Minister wished to

91. Ibid., July 28, c. 659.
92. Brett, M. V. ed., Journals and Letters of Reginald Viscount Esher, London, Ivor Nicholson & Watson, 1934, vol.3, p. 3. Esher correctly surmised: "If there are two or three bad years of trade, I think Joe will win, as everyone will be anxious to try a new scheme. If, on the other hand, the years are prosperous, the feeling will be to let well enough alone!"
put forward in the name of the Government." Of the latter we know very little, as it has never been published; but the former was released to the public substantially unchanged in the following month. It was a remarkable essay, not at all easy to read, yet containing a series of predictions which today reflect great credit on Balfour as an economist. Its significance in 1903, however, was two-fold: on the one hand it did nothing to expressly refute Mr. Chamberlain's position; on the other, although it dwelt on the dangers to Britain of her economic isolation in a Protectionist world, it went no farther than asking "...for freedom to negotiate that freedom of exchange may be increased."

Balfour, never an advocate of hasty action, gave the Cabinet ample time to reflect on his policy. Between prorogation on August 14 and the day a month later no meetings were held. In the interim, the issue was kept before the country in the newspapers and periodicals. As the weeks passed by, Unionists generally were conscious of a rising tension, which three important developments served to heighten. The first was the publication on August 15 of the famous 'Professors' Manifesto,' signed by fourteen of the best

95. Mr. Balfour described it on March 7, 1904 as consisting of "certain tentative suggestions." He refused to make it public property, but insisted that it was in no sense contradictory with the Economic Notes. Hansard, (4th Ser.), March 7, 1904, vol. 131, c. 403.
known economists in the land, and directly challenging both the wisdom and the reasoning behind Mr. Chamberlain's programme. To it the more ardent Tariff Reformers reacted violently; on the other hand they were somewhat encouraged by the refusal of three economists to sign—Professors Foxwell and Hewins and L. L. Price—and by the action of Dr. Cunningham of Cambridge, who came out in support of Chamberlain's programme on economic as well as political grounds on September 15. The second development of importance was a by-election defeat for the Government on September 2, after a campaign in which Tariff Reform was hotly debated. The third was the overwhelming rejection of Mr. Chamberlain's proposals by the Trade Union Congress, meeting on September 8.

The public, therefore, was quite well aware that important decisions would have to be made when the Cabinet

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96b. *The Times*, August 15, 1903, p. 4. The signatories were Professors Edgeworth, Oxford; Marshall, Cambridge; Bastable, Dublin; Smart, Glasgow; Nicholson, Edinburgh; Gonner, Liverpool; and Messrs L. Courtney, A. L. Bowley, E. Cannon; L. R. Phelps, A. Pigou, C. P. Sanger, W. P. Scott, and A. Smith.

97. Thirty years later Mr. Amery was still writing sharply about the 'truly pontifical arrogance' of this 'baker's dozen of professors' in issuing an 'encyclical.' Amery, L. S., *The Forward View*, London, Geoffrey Bles, 1935, p. 94.

98. Mr. Price wrote separately to *The Times* suggesting an impartial and exhaustive Royal Commission investigation. *The Times*, August 15, 1903, p. 4.
re-assembled on September 14; it was hardly prepared, however for the climax which was soon to follow. After two days during which long sessions were held but no announcements were issued. Balfour, on September 16, published his Cabinet memorandum, and on the following day his brother released the results of the government's 'investigation'—the famous Board of Trade Blue Book which was soon to become an arsenal for Tariff Reformer and Free Trader alike. This printed material aroused very considerable interest, but it was to pale before the sensation of September 17—the announcements of the resignations of Chamberlain, Lord George Hamilton, and Ritchie. Nothing comparable had happened since Gladstone's cabinet had been rent asunder on Home Rule in 1886.

Some of the mystery involved in the simultaneous departure of both wings of the Party was cleared up later in the same day with the publication of Chamberlain's letter of resignation (written on September 9), and of Balfour's reply (dated September 16). Chamberlain referred to the mutual view of the Prime Minister and himself that the nation's fiscal position warranted reconsideration, admitted that he had not foreseen subsequent developments, especially within the Party, and admitted that the heart of any preferential agreement with the Colonies, a tax on food, however small, was "... unacceptable to the majority in the constituencies."

99. The Times, September 18, 1903, pp. 7-8.
Lady Macbeth . . . Mr. CRUMBL-E.-N.
Macbeth . . . Mr. B-L-A-N.

LADY MACBETH (about to retire). "GIVE ME THE DAGGER LYING DISENGAGED; I'LL DO IT ON MY OWN."

Shakespeare (Birmingham Edition), Macbeth, Act II, Sc. 2.
He endorsed as wise and justified the Prime Minister's course in adopting instead the policy of seeking the freedom to negotiate on a reciprocal basis, a policy for which he felt there was already strong support. But convinced as he was of the other phase of the programme, he suggested that he be freed to devote himself "... to the work of explaining and popularising those principles of Imperial union which my experience has convinced me are essential to our future welfare and prosperity."  

The Prime Minister's reply was notable for the extent to which he appeared to accept in principle many of Chamberlain's contentions and to base his reservations on the grounds of practicability. He made clear, for instance, his doubts as to the willingness of the Colonies to modify their protectionist policy. He like the Colonial Secretary, was also convinced that the British public was not prepared to accept a tax upon imported food-stuffs.  

All shades of opinion in the Unionist Party were somewhat confused by these revelations; the Free Traders were particularly disquietened, as there was now no question but that the Prime Minister was to some degree a fiscal reformer. The resignations of Mr. Arthur Elliot and Lord Balfour of Burleigh, announced on September 21, were, therefore, hardly a surprise. What did seem to be unusual was the continued presence in the Cabinet of the Duke of Devon-

99a + 99b. The Times, September 18, 1903, pp. 7 and 8.
shire, although this greatly pleased the Unionist Press.

This strange drama took another unusual twist on October 1, when the letters of resignation of Lord George Hamilton and Mr. Ritchie were published, and it became apparent from them, and from an accompanying letter written by Lord George Hamilton, that the two had taken their action in apparent ignorance of the fact that Chamberlain's resignation was already in the Prime Minister's hands. As a result, a "painful impression" was created, based on the assumption that Mr. Balfour had been guilty of some form of deception in dealing with his colleagues. That was obviously the view of the ex-Ministers, and it was endorsed to some extent as recently as 1936 by Dr. Jennings, who describes the Prime Minister's action as "...a piece of sharp practice...."

Mr. Balfour himself hotly denied the inference; as early as September 22, he circulated a memorandum on the subject to the Cabinet, and when later the public discussion of the resignations by the former Cabinet Ministers continued to cast a shadow on his honour, he explained his actions in detail to the House (March 7, 1904). Actually a careful reading of these speeches, and of the lengthy evidence published by Mrs. Dugdale and Bernard Holland does

100. The Annual Register, 1903, p.
101. Ibid., p. 201.
provide a strong case in his favour. Much of the misunderstanding arose out of a failure on the part of the Cabinet to appreciate the significance of the remarks of both Chamberlain and Balfour on September 14; Ritchie and Lord George Hamilton, for instance, quite failed to realize that their dismissal (for such it was, although the public did not know it) was the result, not of their opposition to Chamberlain, but of their consistent rejection of views which were now the Prime Minister's own. In fairness to the Cabinet, however, it must be admitted that there is an obligation on the part of those in command to make their views clearly intelligible to subordinates. Here, certainly Balfour failed, and must therefore bear much of the responsibility for the fact that his moderate policy was launched in a sea of dissention, and was consequently seriously handicapped from the start.

The actual issue over which the Cabinet had dissolved was that of agreeing on the policy to be announced by the Prime Minister at the annual meeting of the National Union of Conservative Associations at Sheffield, on October 1. Here Balfour, in a speech which contained nothing not already endorsed in public, repeated his plea for the right and power to negotiate commercially, and made clear his rejection of the traditional view limiting taxation purely to revenue objectives. Although previous sessions of the

109. The Times, October, 2, 1903, p. 4.
National Union had shown that the majority of the delegates supported the views of Chamberlain, the reasoned statement of the Prime Minister carried the day, and extremist resolutions in the hands of Mr. Chaplin on the one side and Sir John Gorst on the other were dropped.

For a short while thereafter, it appeared that a working formula had been found to reconcile all branches of party thought, although the more ardent Free Fooders remained perturbed at the economic kinship of Balfour and his ex-Colonial Secretary. Indeed, at this time, there was no great gulf between them. It was during this period of at

110. eg. Hicks-Beach wrote to his son on October 9: "It is now at heart a Protectionist Government without the courage for a Protectionist policy...." Hicks-Beach op. cit., p. 195.

111. It is significant that the King, who though a Free Trader had no wish to see the Government fall, and who had tried both to divert Balfour to a Royal Commission and to hold up Chamberlain's resignation, wrote to the latter when it was too late to prevent the split:

"The King has fully discussed Mr. Chamberlain's position with Mr. Balfour since his arrival here yesterday evening, and understands both from the latter and from Mr. Chamberlain's explanation that he proposes leaving the Cabinet in order to have a free hand in bringing forward the strong views which he entertains on the subject of fiscal policy, concerning which he has many opponents, though in perfect agreement with the Prime Minister in the proposed changes."

least outward harmony that the Government was reformed. Balfour did this skilfully, bringing in the Duke of Devonshire's nephew and heir at the same time he elevated Austen Chamberlain to the Exchequer and Alfred Lyttleton to the Secretaryship of the State for the Colonies. (The latter two were both strong Tariff Reformers.) Thus he kept in touch with both wings, and at the same time emphasized his determination to support no longer the status quo in fiscal matters. The period of tranquility came to a sudden end on October 6, with the announcement of the resignation of the Duke of Devonshire—again to the accompaniment of a series of letters. In his letter the Duke explained in a general way his conviction that the Prime Minister's stand was "... materially encouraging the advocates of direct Protection in the controversy which had been raised throughout the country...." that the Sheffield speech went too far, and that he, as a Cabinet Minister could not support it. The Prime Minister replied with undoubted logic that he had said nothing at Sheffield in any way at variance with the "Economic Notes"—on the basis of which the Duke had agreed, at his urgent request, to remain in the Cabinet. Quite sharply he added: "To resign now, and to resign on the speech, is to take the course most calculated to make yet harder the task.

112. Victor Cavendish, as Financial Secretary to the Treasury. 
113. The Times, October 7, 1903, pp. 4-5.
of the peacemaker." Balfour undoubtedly had just reason to be annoyed, but did nothing to aid his cause with the expression of his feelings.

In any case it is clear that in reforming his cabinet Balfour had failed to secure any greater unanimity. At the outset his own prestige was seriously reduced in the eyes of almost all his followers; the leading Free Fooders were alienated by a rankling sense of injustice done to them personally; the Tariff Reformers were in no way induced to modify their programme. Furthermore, the middle-of-the-road policy which he and the "little piggers" espoused, though intellectually readily defensible, smacked of expediency rather than conviction. It suffered notably from its lack of a great popular rallying cry. On the other hand, in fairness to him, it is hard to see what course he could have adopted other than that enunciated at Sheffield without prompting the complete and immediate disintegration of his party. It at least had this merit, that it provided the basis of keeping his party intact for two and one-half years, while important changes were effected on the domestic scene, and in the realm of foreign policy.

113. a., Holland, op. cit., vol. 2, pp. 365-6.
114. Many years later Balfour gave the negotiations for the renewal of the Anglo-Japanese Alliance, and the need for reform in the British Army—especially in its ordnance—as his two chief reasons for prolonging the life of the Government.
Mrs. Dugdale, op. cit., p. 412; 424.
On the very day that the Duke's resignation was announced, Chamberlain launched his long-awaited campaign with a speech at Glasgow. At least three features of this famous address deserve special attention. The first was Chamberlain's hearty support of the Sheffield programme. "I approve of the policy to which he proposes to give effect," Chamberlain declared, "and I admire the courage and the resource with which he faces difficulties which, even in our varied political history, have hardly ever been surpassed." The second was the extent to which he listed the specific means of attaining his objective—a two shilling duty on foreign corn, a five percent duty on imported meat (excluding bacon), and a ten percent tariff on foreign manufactures. (No duty to be imposed on wheat from the Colonies or on maize from any country.) He coupled with these large reductions in the duty on tea, sugar, coffee and cocoa. The third feature of the address was Chamberlain's suggestion that the Colonies leave certain industrial fields in which the Mother Country was a specialist to her exclusively. Addressing the colonists, he declared:

"After all, there are many things which you do not now make, many things for which we have a great capacity of production—leave them to us as you have left them hitherto. Do not increase your tariff walls against us. Pull them down when they are unnecessary to the success of the policy to which you are

116. He proposed a corresponding duty on imported flour. "... in order to re-establish one of our most ancient industries in this country...." Ibid., p. 158.
committed. Do that because we are kinsmen—without injury to any important interest—because it is good for the Empire as a whole, and because we have taken the first step and have set you the example. We offer you a preference; we rely on your patriotism, your affection, that we shall not be the losers thereby." 117.

In this vein Chamberlain made, as The Times put it, "an excellent beginnings." His second speech was delivered at Greenock, on October 7, and was largely devoted to the need for a weapon with which to retaliate against foreign tariffs. Like the first address, it contained pointed contrasts between the recent industrial progress of Britain and that of her leading rivals, notably protectionist Germany and the United States. But it is particularly noted for its famous description of the results of Cobden's formulae:

"Agriculture as the greatest of all trades and industries in this country has been practically destroyed. Sugar has gone; silk has gone; iron is threatened; wool is threatened; cotton will go! How long are you going to stand it?" 119

During the next three months Chamberlain developed his programme as he journeyed over much of industrial Britain, delivering notable speeches in such centers as Newcastle, Tynemouth, Liverpool, Birmingham and Cardiff, before winding up his first campaign with a great rally on January 18, 1904 at the Guildhall. As the occasion warranted it, he dealt

118. The Times, October 7, 1903, p. 7.
117. Boyd. op. cit., p. 150.
with such topics as the future of British shipping, the price of wheat, and the Anti-Corn Law Agitation; but his major theme everywhere was Tariff Reform, and his great cry: 'Think Imperially.'

Meanwhile, of course, the developments since May 15 had injected new life into the Liberal Party, which had been itself so badly split for many years—over Home Rule, over its leadership, over the South African War and imperialism, and most recently over Nonconformist education. Not only was the dissention in Unionist ranks a great tactical advantage to them, but the question over which it was raised gave the Liberals what they had lacked for many years, a great popular cry on which all elements in the party could unite, one which had a strong appeal to all sections in the community. At first, largely apparently at the advice of Harcourt, the Liberal leaders held back, and let the Unionists proceed, as they had hoped, to hang themselves. But, after June 1903, 'no holds were barred,' a veritable avalanche of oratory was hurled at the Tariff Reformers and their proposals—the end result of which was variously described in terms ranging from 'the dear loaf' to the disintegration rather than the unification of the Empire. Only Lord Rosebery seemed to hesitate. After three days, however, even he recanted, denounced Chamberlain's economic

120. Gardiner, op. cit. p. 556.
121. The Annual Register, 1903, p. 139.
heresies, and joined Campbell-Bannerman, Asquith, and the rest in the fray.

During the years 1904-5 the fiscal question continued to occupy the most prominent position in the field of British politics, although it was rivalled by a new concern over and interest in foreign affairs. The impending outbreak of war in the Far East, and its subsequent complications attracted much public attention. Other matters of considerable interest and much general satisfaction were the rapprochement with France and the renewal of the alliance with Japan. South African affairs continued to catch the public eye, especially after Lyttelton and Balfour made their famous mistake, and approved the introduction of indentured Oriental labour into the Rand mines. Tariff Reform, though dominant, by no means completely monopolized the domestic scene: Wyndham's Land Act, the Licensing question, Army Reform, and the Taff Vale Decision were typical of the internal issues which aroused widespread debate.

The great center of public interest, nevertheless, was Chamberlain, who, though sixty-eight years of age on July 8, 1904, campaigned over the length and breadth of the

122. Asquith was particularly effective as a champion of Free Trade both in Parliament and throughout the country where he regularly dogged Chamberlain's footsteps.

land with a vigour matched by few younger men. His second extra-sessional campaign, for instance, lasted almost six months from August 4, 1904 to February 1, 1905.

His surprising energy was reflected in the efforts of The Tariff Reform League (which obviously had considerable financial support) to make the movement a popular one—in much the same way as Cobden's organization had succeeded in doing sixty years before. At the League's annual meeting on July 21, 1904, for instance, a remarkable catalogue of achievements was presented. During the first year of operation over one thousand meetings had been arranged from central headquarters, hundreds more had been sponsored by the 225 local branches of the League, millions of leaflets and booklets had been printed and distributed, a Ladies Tariff Reform Association had been created under the presidency of Mrs. Herbert Chamberlain, and a Labour branch had just been formed "...to promote the cause of tariff reform among the trade unions of the country."

The second annual meeting of the League on July 7, 1905, heard much the same story. It drew over 10,000 people to the Albert Hall, including some 1200 delegates from all parts of the country, to listen to Mr. Chamberlain, and hear reports of the year's work. By this time the

123. at Welbeck Abbey; *The Times*, August 5, 1904, p. 10.
124. at Gainsborough; *The Times*, February 2, 1905, p. 9.
number of branches had risen to 250. In the previous twelve months the League had sponsored over 2,600 meetings, attended by over 925,000 people.

An important feature of the Tariff Reform Campaign was the attempt of Mr. Chamberlain to obtain a "... clear and accurate description of the conditions prevailing in every trade," in other words, a picture of the effect of foreign competition on British industry and agriculture--through the medium of a Tariff Commission, the creation of which he announced at Leeds on December 16, 1903. This remarkable body was composed of experts from all walks of life and all parts of the Empire, who shared a common belief in the need for a strong 'Imperial policy,' but who were not all Protectionists. In fact Mr. W. A. S. Hewins (The first director of the London School of Economics), whom Mr. Chamberlain drafted as the Commission's Secretary, declared that:

"On the Tariff Commission itself we never once discussed the merits of Free Trade vs Protection on these abstract lines in all the 140 meetings which the Commission held."

Instead the Commission concentrated on a series of exhaustive investigations into British industries and agriculture. Its function was purely descriptive; yet, of course, it amassed facts on the basis of which Chamberlain hoped to set up a

128. Hewins, op. cit., p. 76.
129. Ibid., p. 85.
'scientific tariff' to be applied in the event of a Unionist electoral triumph. Not the least of its contributions was the revealing of the unsatisfactory nature of the Board of Trade returns on British Imports and Exports. Undoubtedly it was a factor in prompting their expansion after 1908.

During these two years the combined efforts of Chamberlain and his supporters produced noticeable results in the ranks of the Unionist Party. Perhaps it was only natural that the first great success should be the capture of the Liberal Unionist machine. As early as October 20 1903 the powerful impact of Chamberlain's appeal on the members of his own party was reflected in the passing of a resolution favouring Fiscal Reform by the Durham and North Riding Liberal Unionist Association, and in the consequent resignation therefrom of a number of the best known Unionists in the North of England. In the next two months the

130. Joseph Chamberlain was the President of the Commission and often presided at its meetings. Some other famous members were: Mr. Charles Booth, F.R.S., Mr. Chaplin, Sir V. Caillard, Sir Alfred Jones, Sir A. T. Lewis, Sir A. Noble, Sir C. Tennant, Sir A. Henderson, Sir A. Hickman, Sir Walter Peace, Sir R. Herbert, and Mr. Arthur Pearson, (the first chairman of the Tariff Reform League's Executive Committee).

Mr. Booth proposed his own scheme of Tariff Reform in January 1904. It involved levying a 5% duty on goods imported from countries having commercial agreements with Britain, and a 10% duty on those from all others. Like Chamberlain he placed the imperial aspect first; unlike him he wisely refused to become entangled in statistics.


131. They were Mr. Arthur Elliot, M. P., Mr. F. W. Lampton, M.P., Sir Lothian Bell, Mr. Hugh Bell, Mr. Crawford Smith, M.P. and Professor Jevons. The Times, October 21, 1903. p.11.
Duke of Devonshire, as the head of the Party, and Chamberlain went through the motions of seeking to find a basis for party unity; but as the Duke would only settle for the retention of a strictly neutral attitude on Tariff Reform as the official policy of the Party, the efforts were in reality doomed from the start. Early in 1904 they were broken off and on January 11 the letters which had been exchanged were published.

Events thereafter moved swiftly to a climax on May 18, 1904, when the Executive Council of the Party met under the Duke's chairmanship, refused to heed his pleas, voted to drop its 'fiscal neutrality' and to re-organize. When the new Liberal Unionist Council appeared on July 14, Chamberlain was elected President and resolutions were passed not only expressing confidence in the Government, and endorsing the fiscal attitude of the Prime Minister, but also embracing the whole concept of Tariff Reform and imperial preference.

The Unionist Free Fooders did not rejoin. Significantly, however, Lord Lansdowne and Lord Selborne became members of the new body.

Outwardly, at least, the Tariff Reformers were only slightly less successful amongst the Conservative Unionists.

132. The Annual Register, 1904, pp. 3-4.
133. The Times, May 19, 1904, p. 3.
134. The Times, July 15, 1904, p. 11.
135. Selborne, an ardent Tariff Reformer, was the First Lord of the Admiralty. These two, with Austen Chamberlain whose views on fiscal matters were a complete replica of his father's, formed the 'Chamberlainite' wing of the Cabinet.
By February 9, 1904, Mr. Pike Pease was declaiming from the Government benches in the Commons:

"Among the Conservative and Unionist Party in this country I believe that five out of six are in favour of the proposals of the Right Hon. Gentleman from West Birmingham. I do not mean that they are necessarily agreed with every point. I mean that they are anxious that some arrangement should be come to with the Colonies."

Three days later, Mr. Duke, a Liberal, said much the same thing. On July 8, 1903 Mr. Chamberlain was entertained at dinner by some 200 M. P.'s "... in general sympathy with his policy of preferential trade within the Empire."

The trend which these signs illustrated was greatly accelerated and re-inforced by developments at the National Union of Conservative Associations—when it met in 1904 and again a year later. When, for instance, at the meeting on October 27, 1904 a resolution was moved by the Unionist Free Fooders simply approving the recent policy speech made at Edinburgh by the Prime Minister, it was met by great disfavour and supported by only thirteen delegates. When, however, Mr. Chaplin came forth with a motion embodying approval of the Prime Minister's recognition of the need for fiscal change, of the unfairness of dumping, and the importance of calling a Colonial Conference, (but conspicuously ignoring all of Balfour's reservations,) it passed with only two dissentients. "The net result of the Conference,"declared

137. Ibid., February 12, 1904, c. 1218.
139. The Times, October 29, 1904, p. 11.
the Annual Register, "was generally felt to be a marked success for the Protectionist element in the Conservative Party. The bulk of the Party's delegates seemed to accept Balfour's proposals as to retaliation and a Colonial Conference only as a stage on the road towards measures of tariff reform as drastic as--possibly even overpassing--those contemplated by Chamberlain." Just over a year later, on November 14, 1905, the National Union was again a battleground for the two wings of the Conservative Party, but this time the Tariff Reformers were so strong, and their influence so decisive, that the Annual Register concluded: "These proceedings, undoubtedly meant the complete capture of the Conservative organization by the Tariff Reform section and the purpose on the part of that section to rule out of the party all persons of Free Trade views."

The rising power of the Tariff Reformers in Unionist circles was reflected in other ways. By mid February, 1904, for instance, they were able to force the withdrawal of an amendment which, though in the name of a Private Member, was known to have been drafted in the Whip's office. Perhaps even more significant was the determination of some of the leading Free Fooders to resign. Hicks-Beach, who

140. The Annual Register, 1904, p. 215.
141. Annual Register, 1905, p. 250.
announced his intention to do so on March 30, 1904, wrote to his son as early as July 16 of the previous year of his doubts about his ability to triumph over the Chamberlainite opposition which he fully expected at the next election. Lord George Hamilton was disowned by his constituents early in January 1904, and announced his intention to retire before the end of the year. In the year 1905 not a few of the Free Fooders found themselves in the position of Mr. Arthur Elliot, the M. P. for Durham—viz. opposed in their own constituencies by Tariff Reform Unionist candidates. With justifiable bitterness, but little effect, did they point out that they had been elected in 1900 as Free Trade supporters when such was the openly avowed policy of the Party—only now to find themselves charged with disloyalty.

It was hardly any wonder that the Free Fooders reacted to the Tariff Reformers' assaults with considerable rancour. One of the earliest and most important counter-blows was the announcement on December 12, 1903 that in the Duke of Devonshire's eyes a Unionist Free Foeoder "would be well advised to decline to give his support at any election to a Unionist candidate who expressed his sympathy with Chamberlain and the Tariff Reform League." This statement which was endorsed by Lords Goschen, James, and Balfour of Burleigh, Lord George Hamilton and Mr. Ritchie

143. Hicks-Beach, op. cit., pp. 194-5.
within a matter of days was often referred to in the next two years by Chamberlain. As the Duke refused to retreat, it, as much as anything else, made inevitable the end of the "... remarkable alliance between two men of permanently antagonistic temperament, Hartington and Chamberlain, which Gladstone's action or the ways of Fate, had so strangely brought to pass."

Free Food retaliation took another form in 1904 as the Liberals finally succeeded in obtaining full dress debates in the House of Commons on the fiscal question. When on February 15 the House divided, after a debate which lasted six days and filled 823 columns of Hansard, twenty-seven out of fifty-three recognized Free Fooders voted for Morley's Opposition amendment, fourteen sided with the Government, seven abstained, and four were involuntarily absent.

When on May 18, 1904, the Liberals forced another debate on a resolution playing up the inconsistencies in the public statements of various Cabinet Ministers on the fiscal question, a similar situation developed. At first, apparently, the Prime Minister had intended to allow an open discussion and vote, but sensing trouble he changed his mind, and accepted the resolution as a challenge to the Government.

A telegraph conscious whip saved the day, the resolution being rejected by a vote of 306 to 251, but not before twenty-two Free Fooders voted against the Government, and thirty-six abstained.

It will be readily seen, however, that the Free Fooders were not united. In fact all through this period a bitter dispute raged in the Unionist Free Food League between those who, like Sir Michael Hicks-Beach, still put loyalty to the party first, and those who regarded the menace to Free Trade as an issue of principle which transcended ordinary limits. Eventually the former largely triumphed, and the Free Food League, "... a wretched failure from first to last,... perished in a year or two for want of funds and support." It is, indeed, a remarkable commentary on the now widening gulf between Conservative and Liberal that so few Unionists followed Winston Churchill in 1904 into the opposition camp. At one time there did seem to be a prospect of at least a working alliance between the Free Traders of all parties, and one was confidently expected to emerge from a great dinner and reception given by Lord Wimborne on February 6, 1904. Nothing came of it, even though such Liberals as Dilke were known to favour the scheme. Probably Lord Hugh Cecil hit the nail on the head when he wrote to the Duke:

"A large number of Unionist Free-Traders could not in honesty and patriotism co-operate with the Liberal Party as now constituted. If, indeed, the dominant force in that Party were Lord Rosebery and the Liberal Imperialists, the case might be different. But... the main stream of Liberalism does not run in that direction. That stream is Gladstonian in foreign, colonial and Irish questions, it is Nonconformist in ecclesiastical and educational questions, it is Radical in questions affecting property, it is Trade Unionist in questions affecting labour and capital. For those of the Free Food League who are Imperialists and Unionists and Churchmen and Conservatives, a permanent co-operation with such a party could not be otherwise than immoral." 151

It is interesting to note that as time went on, although the Free Fooders were by no means reconciled either to the views of Mr. Balfour or of Mr. Chamberlain, fewer and fewer opposed the Prime Minister in the Division Lobbies. When, for example, Mr. Asquith prompted another free-for-all in the debate on the Address from the Throne in February of 1905, only three Unionists carried their dissatisfaction to the point of voting with him against the Government. They were, Sir John Dickson-Poynder, Mr. R. Cavendish, and Mr. A. Elliot, who was particularly bitter against the Chamberlains--father and son--and who implored the Prime Minister to take a strong stand.

On April 10, 1905 the Duke not only denounced Tariff Reform in principle but spoke very strongly of the

151. The Annual Register, 1904, p. 5.
Prime Minister's stand, and described him as a "... not very trustworthy champion of the security of Free Trade."

Very few Unionists, however, whatever their economic beliefs, went as far as Mr. Elliot, who, in November 1905, openly hoped for the return of a vast Free Trade majority in the impending election.

During these two years the Liberals continued to press home the advantage which their own unity and their opponents' disruption had given them. Not only did they annually in February provoke full scale debates in Parliament but whenever opportunity presented itself, they strove to raise some phase of the fiscal question. On August 1, 1904, for instance, they were able to raise in the Commons the apparent inconsistency of the action of the three Cabinet Ministers who had thereby endorsed a preferential programme involving a tax on food, with the stand taken by the Prime Minister at Sheffield. Balfour was too wary to be trapped, however, he commented loftily that the debate was good, but thought Sir Henry Campbell-Bannerman's motion foolish.

The Prime Minister's obscurity, nevertheless, provided them with an excellent weapon. They were assisted also by an unhappy ability on Chamberlain's part to use facts and figures very loosely, and by a tendency of his to make

153. The Times, April 11, 1905, p. 11.
154. The Annual Register, 1905, p. 223.
extreme statements. The reader will readily appreciate how such an agile brain as that of Lloyd George or Asquith was able to challenge statements of the following order: "I do not believe that these small taxes upon food would be paid to any extent by the consumers in this country. I believe, on the contrary, they would be paid by the foreigner." Hardly less open to rebuttal was Chamberlain's assertion on May 12, 1904, at Birmingham, that invisible exports could be of no use to the British working man. The Tariff Reformers were well aware of their leader's weaknesses here, but found themselves unable to reform him.

The Prime Minister's mental dexterity had a major effect on the ultimate destiny of the Tariff Reform campaign. Throughout most of 1904 he rested his case on the Sheffield programme and sought, one must agree in retrospect, with real justification, to describe it as a positive policy in itself. On January 11, 1904 he declared at Manchester:

"The party, broadly speaking the Conservative and Unionist party—certainly the Conservative and Unionist Government—is a party and a Government of fiscal reform. There are, as is natural, some divisions among us as to the precise extent to which fiscal reform should go. On the subject my advice is simple. Let us all have regard to the feelings, as far as we can, of the weaker brethren,"

In March he described his programme as one of "progressive" rather than stationary and orthodox free trade."

158. cf. Hewins, op. cit., vol. 1, p. 73.
159. The Times, January 13, 1904, p. 5.
160. Hansard, (4th Ser.), March 29, 1904, vol. 132, c. 1011. Balfour, like Chamberlain, eschewed the label protectionist—as did all but the most extreme advocates of (160 continued on p.60)
although in reply to opposition questioning, he simply referred those interested to his statement at Sheffield and to his pamphlet—which, he declared, "...appears to be more laughed at than read." A month later, an attempt by an opposition member to have him relate fiscal reform to the next election brought forth this retort:

"The Hon. Gentleman appears to desire that I should give him not only a preliminary sketch of my election address, but also the details of the first Budget which I should introduce when I returned to Parliament--I think this demand is excessive." 162

On October 3, 1904 he sought to define his position more clearly before the Scottish Conservative Club at Edinburgh. After first returning to his Sheffield programme, which he again proclaimed a complete entity in itself, and after denouncing protection in unusually strong terms, he went on to agree that the Colonies wanted closer ties, and that unnecessary delay in this respect would be dangerous. He thus proposed, after the next election, to call a Colonial Conference which should decide finally if closer union were desired,

160 (Cont'd. from P. 59) fiscal change in Britain throughout this period, and indeed, until 1932 in many cases. It would hardly be accurate to brand their approach as hypocritical; it was largely the result of rationalization. Sir C. Follett described it aptly with these words: "Idolatry is hard to extinguish; and even those who in their hearts have ceased to worship shrink from being branded as 'infidels!'" "Free Trade,—a Gigantic Error," The National Review, January, 1906, pp. 894-906, p. 894.

162. Hansard, (4th Ser.), April 14, 1904, vol. 133, c. 211
163. The Times, October 4, 1904, p. 4.
and if so, how it could be brought about. But he refused to agree to any detailed commitment of the governments concerned in advance, and he also made it clear that any plan resulting from such a conference would have to be approved by the electorates. In other words, to the intense disappointment of the more ardent Tariff Reformers, he introduced at this stage the concept of a referendum. Here again he had delivered a speech which could be interpreted in two ways. The Tariff Reform Press saw in it an advance to Mr. Chamberlain's views; the Unionist Free Trade organs led by the *Standard*, saw in it just the reverse.

Chamberlain waited only two days before letting the country know that he saw no need for a second general election if the first approved the general principle. Two months later, however, he sought to define Mr. Balfour's position on other aspects of the question practically as his own, by pointing out that the Prime Minister had called for a Colonial Conference, and by adding:

"...I cannot believe that either he or you would think of calling a conference with your own Colonies if you do not subsequently intend to pay a great and favourable attention to its decisions."

165. Later in 1904 the Free Fooders were chagrined to hear that this paper had been bought by Mr. C. A. Pearson, who already controlled the *Daily Express* and the *St. James Gazette*,—as well as several provincial dailies, and who was chairman of the Tariff Reform League.
Thus, harassed by friend and foe alike, Balfour made one more attempt to restate his policy in explicit terms in January 1905. In a vigorous speech he sought first to emphasize the inconsistencies and inaccuracies of the Opposition on a host of issues ranging from Welsh Disestablishment to Home Rule, and then, accepting Morley's challenge, read from a half-sheet of notepaper a concise statement of his views. Essentially they represented no change from his stand at Edinburgh, but the careful wording reflected his desire to find that elusive unity which would give the Unionists at least a fighting chance at the polls. In this, he was unsuccessful. On January 30, for instance, The Times published a letter in which Lord George Hamilton complained of the still existent confusion. The Chamberlainites eventually accepted the statement, "...but only after nearly two months' delay, which rendered the reunion unconvincing."

The Prime Minister's struggle to stay in office took a new and strange turn late in March. Liberal Free Traders were particularly fortunate in securing priority on Private Members' nights, and placed forthwith four resolutions on the order paper. Together they constituted an attack on the whole Tariff Reform programme, including Colonial Preference, and the Prime Minister's idea of a "free

168. (2 ref.) Morley had offered a prize to any of his constituents who could state the Prime Minister's fiscal policy on a page of notepaper.
conference." Apparently convinced that these resolutions would produce a debate threatening what remained of his Party's unity, he therefore once again deprecated the value of Parliamentary discussions on abstract economic principle, went on to announce that he would refuse to treat defeat here as a vote of censure, and concluded:

"So far as I am concerned, I shall not think it necessary to take part in any discussion raised in this way on the fiscal question in future, and if my voice has any weight with those of my friends who habitually act with me, I would advise them both to imitate my reticence of speech, and if they please—and I hope they will please—my absence from the division." 172

As a consequence, all but a few hardy Unionists, such as David MacIver, followed the Prime Minister out of the House, and the Liberals were completely balked. It is doubtful if in the long run this remarkable move had the effect for which Balfour had hoped; certainly "... it mystified the public which had no eye for the subtle gradations of colour perceived by the Prime Minister between the black and white of Protection and Free Trade and expected the Government either to resign or to stand up to the challenge of its opponents."

171. Of which more than 1100 columns had been recorded by Hansard in just over a month.
Deterioration in Unionist morale proceeded at a 174 great pace, especially as the Tariff Reformers were chagrined at the Prime Minister's Fabian policy. Chamberlain increased his pressure to make Tariff Reform the dominant force in the party by continually emphasizing the similarity in views between Mr. Balfour and himself. When on June 2 the Prime Minister made a further plea for harmony on the grounds that all Unionists "... might surely alike agree in favour of endowing the Government of the country with some power of effective fiscal negotiation, and in favour of a free Conference with the Colonies, suspending their judgment on any Colonial proposals until they were put forward." Chamberlain on the following day referred to this speech in these words:

"He said last night, tariff reform will be the most important part of Unionist policy. He said Colonial preference is the most important part of tariff reform. He said Colonial preference will be the first item in the future Unionist programme." 176

174. An old Tory described his Party as follows in April, 1905: "The truth is that the Conservative party has become merely a body of opportunists who don't believe in their own principles, and are only held together by the force of habit and a combination of fortuitous circumstances which, having given them a big majority, bids them support their leaders on critical occasions, and get along somehow until an adverse vote, or the time limit, obliges them to go to the country." Greasley, Sir Robert, "Discontent Among Conservatives," The National Review, April, 1905. vol. XLV, pp. 365-7, p. 365-6.

175. The Times, June 5, 1905, p. 7.
176. Loc. cit.
Five days later, when Balfour repeated his request in the House, Mr. Chamberlain flatly declared that there was no "... substantial difference in point of principle between myself and the Prime Minister."

By early July, Chamberlain's desire to go to the country was a certainty. The Prime Minister, however, called a Party meeting on July 18, at which, on the basis of a very touchy international situation, he won approval for his policy of remaining in office. He was quite unable, however, to halt the restiveness; in fact, two days later his government was defeated in committee on the vote for the Irish Land Commission. Still, his prestige had by no means vanished, and personal loyalty to him was a very strong force. It was not until November that the decision to resign was in reality made for him—first when the Tariff Reformers captured the National Union completely, and secondly when on November 21 Chamberlain bluntly declared: "No army was ever led successfully on the principle that the lamest man should govern the march of the army."

178. Ibid., c. 1019.
179. On July 9 Lord Esher wrote of Mr. Chamberlain that: "He is dead keen for the Government to go out. He thinks that once in opposition Arthur cannot fail to take up the line along which Chamberlain desires to see him move." Esher op. cit. vol. 2, p. 91.
180. Sir Edward Carson, an ardent Tariff Reformer and a great admirer of Chamberlain, was so influenced by his loyalty to Balfour that he campaigned for fiscal reform without once mentioning Chamberlain's name. cf. Marjoribanks, Edward,"The Life of Lord Carson," *The Times*, November 22, 1905, pp. 11-12.
The meaning of these words was only too clear to Balfour, whose resignation two weeks later (December 4) was the signal launching an intensive electoral campaign.

Just to what extent Tariff Reform was an issue in the election campaign, and to what extent it was responsible for the unparalleled defeat of the Government, was long the subject of acrimonious debate. It is conceivable that the Liberals could have won quite handily without it, for their arsenal was particularly well stocked. The cry of 'Chinese Slavery' was a considerable weapon in their hands; at least equally effective was their appeal to Non-conformist sentiment, which had not forgotten the Education and Licensing Acts of 1902-4. Perhaps the swing of the pendulum alone, after almost twenty years of Unionist rule, would have been enough to bring them victory. But the fact remains that they chose to make Free Trade and the 'cheap loaf' their main election cries, and that, as a result, "...the fiscal question in its most elementary terms..." was probably therefore the chief consideration in the minds of the electors.

Assuming this to be the case, it is necessary finally, to ask why the programme of the Tariff Reformers was so overwhelmingly rejected. At least four suggest themselves immediately. One of the most important was the reaction to

182. Unionist strength, which in 1901 had meant 402 seats, fell to 157. Only once in modern British history has a party faced a more drastic blow—Labour in 1931.
183. The Annual Register, 1906, p. 2.
184. Loc. cit., This is the considered opinion of the Annual Register.
Mr. Chamberlain's economic prophecies. When he launched his programme in 1903, his words and actions undoubtedly commanded widespread interest and a careful hearing in all walks of life in Britain, and his insistence upon the urgency of the situation produced a general feeling of uneasiness. But when the yearly trade returns in 1904 and 1905 reflected a definite acceleration both in domestic business and the export trade, which Mr. Chamberlain was forced to recognize, though he claimed that it was less rapid than that of Britain's protectionist competitors, the unprejudiced and the disinterested could hardly fail to believe that he had overdrawn his case. There was, in other words, an undoubtedly unfavourable reaction to him amongst many who had at first been quite warmly disposed to his arguments.

A second explanation was the obvious fact that there still existed in the country not only an enormously important and widely held sentimental attachment to Free Trade, but also a considerable conviction "...among the intelligent ranks of the electorate, of the economic soundness of the principles underlying the Free Trade doctrine. There was consequently a widespread reluctance even to consider changing a policy which had in the past served the nation so well. Reinforced as it was by a new wave of prosperity, this was a factor of

186. Ibid., p. 118.
greater magnitude than the fiscal reformers realized.

In the third place, the appeal of Tariff Reform was compromised to some degree both by the tactics of Balfour and Chamberlain. The Tariff Reformer certainly had a strong case when he argued:

"We might have been badly beaten in any event, but we should not have been so hopelessly "snowed under" had not the late Government made confusion worse confounded by propounding a rival Fiscal Policy of its own, which was neither Chamberlainism nor Cobdenism, and was always perfectly unintelligible to the plain man."

On the other hand it can be argued that Chamberlain himself added materially to the confusion by seeking to identify Mr. Balfour's position with his own, and that by so doing, and thus jeopardizing what was left of Party unity, he in effect defeated his own ends. Whether Balfour's views would have produced a more harmonious feeling within the Party if given a better chance is unknown, and it is certain that the split over a major plank in its own platform contributed not a little to the debacle in January.

It is possible also to question the wisdom of the Unionists and their leaders in appealing to the country as the only real Free Traders. The play upon words which featured both Balfour's and Chamberlain's election speeches was,


\[188\] As late as January 12, 1906, The Times affirmed "Mr. Chamberlain is neither a protectionist nor the leader of protectionists." p. 9.
the result of a serious underestimation of the average Briton's shrewdness, and of his liking for frank sincerity.

Perhaps the most important of all reasons for the defeat of Tariff Reform in 1906, or for the severity of its defeat, was the failure of Chamberlain; and it must be admitted all other Unionists and many Liberals, to appreciate the new domestic interest in social reform. Twice in the crucial days of 1903 Chamberlain referred to Old Age Pensions—once at the instigation of questioning by Mr. Lloyd George, and once on his own at the Constitutional Club, on June 26. But although he vaguely foresaw the possibility of using revenue raised by tariffs for such a scheme ("my favorite hobby" he called it), he divorced the consideration of the two issues completely. Had he instead made the two complementary, and presented them as a single policy, the election of January 1906 might have had an entirely different outcome.

Chapter III

Tariff Reform and the Unionist Party
1906 - 1910

"Je tiens ferme."

Joseph Chamberlain's motto.

The first two years following the January 1906 election were particularly trying for the Tariff Reform leaders. They were only too well aware that an electoral upheaval as severe as that which the Unionist Party had recently undergone inevitably meant a careful review of the Party's programme, and of its tactical direction. They also appreciated that the turn of events had by no means dispelled the doubts of the half-hearted Tariff Reformers, any more than it had completely discredited the Free Fooders. Their path was made none the easier in 1906 and 1907 by a continued rise in economic activity; in 1906 especially there was a marked improvement in the British import-export trade, which for the first time exceeded £1,000,000,000. A further check to Tariff Reform ambitions was the attitude of Mr. Balfour--of which more later--and the fact that personal and party ties

of loyalty to him were tremendously strong.

On the other hand, the election definitely improved the position of the Tariff Reformers within the Unionist Party. Of the 157 M. P.'s returned in January, only sixteen were Free Fooders, thirty-six were listed as followers of Balfour in matters economic, and at least 102 were regarded as supporters of Chamberlain's views. Chamberlain wasted no time in capitalizing on this advantage. After first consolidating his position at a meeting of the Liberal Unionist Council on February 2, 1906, he pressed at once for a new understanding of the place of his policy in that of the Unionist Party as a whole. (He also struck out in other directions—for instance, by sending a memorandum to the press on the need for a complete reorganization and democratization of the Party machine.) A series of negotiations with Arthur Balfour ensued, and lasted for nearly two weeks. On several occasions they appeared to end in deadlock, for,


3. Much to the dissatisfaction of Lord Lansdowne, who was not at all keen to go beyond Balfour's position. Newton, op. cit., pp. 349–351.
as Austen Chamberlain later put it, the two men... drew exactly the opposite inferences from the results of the election. Balfour saw it as a reason for extreme caution; my father drew from it a very different inference—that a more pronounced Tariff Reform policy would have had much greater success and prevented the defeat which was in any case inevitable from becoming a rout. 4

This divergence, of course, was the result of a difference in outlook. Mrs. Dugdale probably over-simplifies things when she declares that for Balfour "... the main thing now was to strengthen the party for approaching conflicts which would have nothing to do with Free Trade or Protection. ..." whereas "... unity for a policy of tariffs ..." was Chamberlain's goal—but the distinction is probably a fair one. Balfour was in no mood to be stampeded, and as late as February 12 in a speech at the Merchant Taylor's Hall he sadly disappointed the Chamberlainists by refusing to recognize the necessity of a general tariff in a programme of retaliation, and by stating his argument in these vague terms:

My quarrel has been with those who thought that the economic world, as they conceived it, was going to be conducted henceforth, not upon national lines, but upon cosmopolitan lines. 7

7. The Times, February 13, 1906, p. 6. He was referring to Free Traders, but this could be interpreted in two ways.
Eventually, however, an understanding was reached, after Chamberlain had repudiated completely any suggestion that he was a candidate for the Party leadership. Balfour approved a statement drawn up by Austen Chamberlain, slightly modified by Jack Sandars (Balfour's secretary), and subsequently published in letter form—along with a reply from Joseph Chamberlain, on February 14. In it, the Party leader agreed that Fiscal Reform was, and was to remain "...the first constructive work of the Unionist Party." He went further, and admitted, in a qualified way, that he had no objection in principle either to a "... moderate general tariff on manufactured goods" or to "the imposition of a small duty on foreign corn."

The net effect of these 'Valentine letters,' as they were called, was an almost immediate easing of the tension that had been mounting in the Party. When Balfour presided over a general meeting of Unionist M. P.'s and defeated candidates on February 15, he was able to face a group which, with a few exceptions, was outwardly harmonious and obviously relieved. The Tariff Reformers were particularly pleased at the outcome of the crisis, and appear to have been out en masse! Lord Newton writes of this gathering at

8. Mrs. Dugdale, op. cit., p. 22. Apparently Arthur Pearson had prompted a public discussion of the Party leadership in the columns of the Standard, and it had been taken up quite widely by other papers. Hewins, op. cit., p. 164.


10. For the complete text of the letters see Appendix Three.
Lansdowne House:

My recollection is that the whole of the audience appeared to be almost wholly in favour of Tariff Reform; that the proceedings were amicable, and that Mr. Balfour appeared in somewhat the position of a captive, it being the general belief that he had yielded at the last moment .... Certainly the general impression was that Mr. Chamberlain had practically got his way. 11

The only discordant note at the meeting was raised 12 by the irreconcilable Free Fooders. Lord Hugh Cecil enquired of Balfour as to their status in the Party; and asked whether they would be allowed to run as Unionist candidates for Parliament in future. Balfour's reply seemed to constitute another victory for the Tariff Reformers, for, while leaving the ultimate choice to the local constituencies, he made it clear that if he were required to make a choice, he would certainly not choose a man who would offer a divided allegiance. 13 The independent Duke of Devonshire also made his dislike of the Valentine letters clear, and observed that in his opinion the compromise arrived at what would suit no major party. He did, however, observe in a digni-


12. The almost ludicrous depths to which their bitterness could descend had already been illustrated late in January when the Free Food Peers had decided to 'dine apart' from their Unionist colleagues at the traditional semi-official banquet preceding the opening of Parliament. Newton, op. cit., p. 347.

13. The Times interpreted this reply of Balfour's to mean "...that the party are in earnest about fiscal reform!" February 16, 1906, p. 9.
fied way that "... Tariff Reform was no longer a matter for discussion within the party...." In the House of Lords on February 22 and at the Unionist Free Trade Club on March 6 the Duke was to make his last two speeches on the subject (although he lived until 1908); in both cases he vigorously opposed the policy advocated by the Tariff Reform League.

It is evident that the split in the Party had by no means disappeared, although the preponderant representation of the Tariff Reformers seems to have rather subdued the Free Fooders for a while. Chamberlain and his followers, however, were themselves slow to recover from the election set-back, and it was while they were trying to 'get their bearings' that the Government surprisingly took the offensive on the fiscal question. In an obvious attempt to 'nail the lid' on the coffin of Tariff Reform, a Liberal M. P., Sir James Kitson, moved in the Commons on March 12:

That this House, recognizing that in the recent general election the people of the United Kingdom have demonstrated their unqualified fidelity to the principles and practices of free trade, deems it right to record its determination to resist any proposal whether by way of taxation upon foreign corn or by the creation of a general tariff upon foreign goods, to create in this country a system of protection. 16

Two features of the resulting debate were outstanding. In the first place, during it a remarkable group of

15. Ibid., p. 398.
maiden speeches was made—those of Philip Snowden, who endorsed Free Trade, and F. E. Smith, who described himself as a "... perfectly unrepentant Member of the Tariff Reform League," being especially noteworthy. In the second place, the whole debate progressed very unsatisfactorily from a Tariff Reform point of view. Mr. Balfour made a clever speech which was a masterpiece of forensic skill; when, however, he faced the Government with a series of questions based on very subtle but rather specious inferences which he had drawn from the wording of the resolution, Sir Henry Campbell-Bannerman replied bluntly and effectively:

I have no answer to give to them. They are utterly futile, non-sensical and misleading. They were invented by the Right Hon. Gentleman for the purpose of occupying time in this debate. I say, enough of this foolery! It might have answered very well in the last Parliament, but it is altogether out of place in this Parliament. The Tone of this Parliament will not permit it. Move your amendments, and let us get to business. 19

Undoubtedly the Prime Minister had scored over his adversary. Even Hewins regarded the debate as a fiasco, and recorded the dissatisfaction which Balfour's performance aroused amongst his own supporters. The Tariff Reformers

were made none the happier when Joseph Chamberlain found himself unable to speak before the closure, and when Lord Ridley withdrew a Tariff Reform motion in the House of Lords—apparently at the request of Lord Lansdowne.

After this skirmish, Balfour avoided Tariff Reform completely in his speeches for the rest of the year. Outwardly the Chamberlainites made little comment on this silence; they, themselves were none too active at this time. Behind the scenes, however, it is clear that such extreme fiscal reformers as Ivor Maxse became increasingly dissatisfied at the absence of inspiring leadership. Much more serious from their point of view, after July, was Joseph Chamberlain's illness, although the nature of it (a paralytic stroke) was concealed from them for some months by his family, who issued in the interim the most optimistic bulletins on his progress. While Chamberlain's future was uncertain, the Tariff Reform campaign appears to have undergone a difficult time. Hewins records that the Tariff Commission, "...though able at any time to obtain additional funds, had for the moment come to the end of its resources." A short while later, Mr. J.R. Cousins, the secretary of the Tariff Reform League, resigned. The long range planning, however, continued; as early as September 28 the League published a complete

21. See Austen Chamberlain's comments on him; Petrie, op. cit., p. 198.

Fall and Winter schedule of meetings. When, towards the end of the year, it was realized that Chamberlain's return was problematical, the leadership of the movement passed into the hands of a group of his most ardent supporters, the most zealous and influential of whom was his son Austen.

A final significant development in the Tariff Reform world towards the end of 1906 was the evident realization by these new leaders of the importance of associating their fiscal proposals with direct social reform. Here, for instance, is Austen Chamberlain's description of his shrewd approach to a Liberal-Unionist delegation which met him in Dublin on December 8.

My argument was that the democracy want two things; imperialism and social reform. We were successful just so long as we combined the two ideals. We lost when we failed to satisfy their aspirations on the second. We can only win by combining them again. Our policy on social reform should not be limited to one question, but the first and greatest branch of it is Tariff Reform. 25.

He took exactly the same stand in a New Year's message published in Garvin's paper, The Outlook, on January 5, 1907.

The year 1907 was one in which the Tariff Reformers


24. I disagree here with H.A. Taylor (op. cit., p. 106), who claims that the mantle of Joseph Chamberlain fell on Andrew Bonar Law.


continued their efforts to keep their programme uppermost in that of the Unionist Party, and in which, in this respect, they were moderately successful. It was not one, however, in which they made any significant gains in the country at large.

Attention has already been directed to the fact that in the closing months of 1906 the enthusiastic Tariff Reformers were becoming increasingly irritated at Balfour's failure to allude more frequently to their favourite topic. This discontent mounted as the year progressed. An early indication of this discontent was the action of the Chairman of the Executive Committee of the Tariff Reform League, Lord Ridley, who wrote very forcibly on the subject to Austen Chamberlain on January 15, 1907. Balfour himself was well aware of the feeling, but for four reasons very loth to act. He was convinced that party unity must still be the first consideration, and he was equally sure that it would be tactical folly while in opposition to embrace a detailed programme. Furthermore, it is very clear from Hewins' observations at this time, that Balfour still had his doubts about Tariff Reform itself, and that he resented the methods of many of its proponents. In December of 1906, Hewins noted in his diary:

Balfour's approval of Tariff Reform struck me as being merely academic. He had no business or economic objection to food taxes, in fact he rather liked them. But he thought the electorate would not stand them. He seemed to me to shrink from taxes on manufactures because of the complication of a tariff. 29

After another meeting with Balfour in January, Hewins recorded:

Balfour strongly objects to what he considers the Tariff Reform League to be, 30 and added:

It is quite evident that Balfour feels quite strong hostility not to Chamberlain's policy, but to his methods and actions during the last three years. 31

Finally, however, Balfour did consent to repeat what he had already said so often before, but what, as he humorously remarked in a letter to his secretary, the Tariff Reformers never tired of hearing. At Hull on February 1, 32 and at London on February 15 before the National Union, he reaffirmed that Tariff Reform was the first plank in the Party's programme although he warned his listeners that the

30. Ibid., p. 187. Apparently on this occasion Balfour told Hewins that Chamberlain had never told him of his plans for the Tariff Commission until its creation was announced.
31. Ibid., pp. 188 - 189.
32. Dugdale, op. cit., vol 2, p. 44.
33. The Times, February 2, 1907, p. 13.
34. The Times, February 16, 1907, p. 6.
Unionists must never become wedded to a single idea. He explained his reasons for objecting to a detailed stand in opposition, deprecated making Tariff Reform into a test question for Unionists, likened party squabbles over it to the strife amongst the Christians at Constantinople in 1453, and saw no reason for issuing monthly bulletins on his Tariff Reform views. He claimed to see "... a crystallization of Unionist views in favour of a sound, safe and sober policy of fiscal reform," and on the whole appears to have satisfied the rank and file of the Party—although he had certainly not appeased the extremists on the Tariff Reform side.

One of the chief problems facing the Tariff Reformers was the fact that their representation on the Unionist front bench was not nearly as strong as it was amongst the rank and file of the Unionist members.

35. The Times, February 2, 1907, p. 6.

36. Austen Chamberlain wrote on January 16 to Lord Ridley:

Between ourselves, I believe that there is no ex-Cabinet Minister on whose assistance I can confidentially count in an uphill fight except Arnold Forster. Akers-Douglas is always sympathetic, but of course he is a Party man before all things and never takes the lead. Walter Long is with us, but he is more and more engrossed, as is only natural, with the Irish question, which for him as an Irish member, overshadows all others. Balfour seems to me very impracticable, and Alfred Lyttleton, besides being impracticable, will not move at all unless it is agreeable to Balfour.

On the front bench, therefore, we have only Arnold Forster, Bonar Law, Lee, Cochrane, and myself on whom any real reliance can be placed.

Cited in Petrie, op. cit., pp. 203 - 204.
They could exert their influence on the 'Shadow Cabinet,' but it often required much work and prolonged argument. A notable illustration of this occurred in February—March of 1907 when, with the opening of the new session of Parliament, the Unionists had to decide on the manner in which fiscal reform would be raised in the House. The Tariff Reformers, who were all in favour of the introduction of a strong amendment embodying their views in the debate on the King's Address, found themselves faced with considerable opposition among the Party's leaders, either to the introduction of any amendment at all, or else to the introduction of anything unless it was couched in the most vague terms.

Balfour's reluctance to take a strong line was an open secret, and was discussed in such papers as the *Morning Post*. Not until the inner circle of Tariff Reformers led by Austen Chamberlain, and including Lord Ridley, Bonar Law, Sir Gilbert Parker, E.A. Goulding, J. W. Hills, A. Lee, and J.F. Remnant, had applied the strongest pressure, and had let it be known that they would act independently, if necessary, did the Shadow Cabinet capitulate, and agree to the production of a relatively mild fiscal amendment--eventually introduced by

39. "But this House humbly expresses regret that no reference is made in Your Majesty's speech to the approaching Colonial Conference, and to the opportunity thereby offered for promoting freer trade within the Empire and closer commercial relations with the Colonies on a preferential basis."

J. W. Hills, and seconded by Evelyn Cecil. In the resulting debate Balfour rather surprised everyone by enjoining the Government to use the few duties which remained for all that they were worth preferentially, and by promising new ones which would certainly be used preferentially, under a Unionist regime. Perhaps his candour was to some degree provoked by Rowland Hunt, a Unionist M.P. who had attacked him on the previous day. Balfour, Hunt declared,

"Thought of the great free traders
And thought of Cousin Hugh
And so do all the wobblers
Who begin to wobble too."

He entreated his leader to descend from "...the Olympian heights of philosophy and golf." In any event, the Tariff Reformers were pleased with Balfour's effort, even though its effect was reduced shortly thereafter when the Liberals flatly asked him if he favoured a tax on food, and he refused to reply.

For the balance of the 1907 session, the Tariff Reformers concentrated their attacks in Parliament on the narrowness of the country's system of taxation and limited sources of revenue. This was by no means a new approach--

40. Hansard, (4th Ser.), February 19, 1907, vol. 169, c.79L.
41. Loc. cit.
42. Chamberlain, A., op. cit., p. 53.
the Free Trade Chancellor, Goschen, had been worried by the same problem in the previous century—
but it was becoming an increasingly effective one as the demands on the Treasury had obviously begun to mount. Balfour probably was most responsible for its revival; Austen Chamberlain hammered at the subject when replying to Asquith's budget speech in April; Sir Gilbert Parker spoke in the same vein on May 1, and Bonar Law followed up later in the same month.

During the last six months of 1907 there was a definite upsurge in Tariff Reform activity, as a large number of their speakers championed various social reforms—including old age pensions—throughout the country, and advocated the use of a tariff, rather than a direct tax on land and real property, as the source of the necessary funds. Lord Milner became conspicuous in this endeavour, and by November was describing Tariff Reform as a matter of principle on which he would not compromise.

While the Tariff Reformers thus became more openly aggressive, they also objected more vigorously to Balfour's tolerant attitude towards Free Fooders. Jesse Collins, a Birmingham M. P. and long-time associate of Joseph Chamber-

45. The Annual Register, 1907, p. 251.
46. Especially in the columns of The Morning Post, cf. The Annual Register, 1907, p. 236.
lain, attracted much attention when he declared on September 23, 1907 that "...the Unionist Party....was like the men going through the wilderness without a Moses." He claimed to speak for a large number, probably the majority of Unionist members, when he added:

The younger members were chafing under the inaction to which they were condemned. They had a leadership which created no confusion, but rather damaged it; they had a leadership halting between two opinions, recognizing in an academic and half-hearted way the great item in Mr. Chamberlain's platform--namely, that of tariff reform, but the efforts that were put forward to further that, compared with what those efforts ought to be were poor and puny. 48

In the next month Austen Chamberlain wrote a long and serious letter to Mr. Balfour on the political situation, in which he referred to declining Liberal strength but Labour's rising popularity. He attributed the latter to their popular programme. He appealed for a re-emphasis of Tariff Reform, an endorsement of a contributory Old Age Pensions scheme, a Unionist Land Policy, and a Policy with regard to Sweated Industries.

The pressure thus exerted on Balfour was undoubtedly timed to influence his stand before the National Union Conference in November, 1907. As the date for the gathering

47. The Times, September 24, 1907, p. 8.
48. Loc. Cit., As paraphrased by The Times.
approached, the Tariff Reform zealots multiplied their efforts still further; indeed, they went too far for *The Times*, which, though never as rabid as the *Morning Post*, had from May of 1903 strongly supported their cause. Thus, on the very eve of the Party gathering at Birmingham, it was prompted to advise caution in these words:

These ardent advocates who are trying to force tariff reform to the front, and, indeed, to make it the exclusive test of Unionism, may be invited to look at the matter from the practical commonsense point of view. Do they think that the general conditions at the moment are favourable to their enterprise? There has been, and there still is, great activity in trade.... The practical fact is that when everyone is busy and full of the excitement of what the Americans call a "boom," there is very little disposition to question the excellence of the existing system, be it what it may. This is not a good time for free-traders in protectionist countries, or for protectionists in a free-trade country.... Suppose that a general election were to occur shortly, and that the Unionist party won upon the tariff reform question. Could it carry tariff reform straight away? Everyone knows that it could not.... In face of the present political storm, the urgent duties of the Unionists, while including a vigorous tariff reform propaganda, do not seem to call for the making of it into a test question or into the exclusive object of concern. 50

Actually, when Balfour spoke on November 14 he came out very strongly in favour of Tariff Reform, in an address which was often referred to in later years. Not only did he repeat all of the points suggested to him by Austen Chamberlain, but he went farther, and boldly attacked the Government for missing great opportunities at the Imperial Conference

50. *The Times*, November 13, 1907, p. 11.
that year. He sought to prove, in addition, that the tremendous increase in the overseas acreage in wheat, and the consequent decline in the price of that commodity, had virtually disproved the Free Trade case on the price of grain. Balfour was so effective in stating his position that his Tariff Reform critics were quieted; during the next two and one-half years they had relatively little to say about his leadership.

It was in the year 1908 that the tide first appeared to turn, and to run strongly in the direction of Tariff Reform. Just why this was the case, and why the swing took place so rapidly, is not entirely clear. Three factors however, probably were primarily responsible. In the first place, the change was to some extent the result of the propaganda campaign of the Tariff Reformers themselves. What is more likely is that it was a natural swing of the pendulum from its abnormal position in January, 1906. Of primary importance was the setback to Britain's economy which had resulted from the American financial crisis in 1907. During the years 1908 and 1909, the value of British exports dropped, the abnormal boom in the British engineering and shipbuilding industries came to an end, and the cost of living, which had been slowly increasing since 1900, began to rise more rapidly. "Serious


52. As late as November, 1907, the Unionists were losing by-elections with a smaller vote than they polled in January, 1906.
economic ill-health there was not," says Clapham,

but this combination of slight declines
in the number of wage rates and a general
decline in the amount of work paid for with
a rise, though a tiny one, in the average
cost of living led to widespread discomfort
and some real distress. 53.

The year was only eighteen days old when the new
trend began to make itself evident. On that day "... a great
surprise to everyone ...." took place at Mid Devon, where
the Liberals lost a seat which they had held for twenty years.
The result was significant because the Tariff Reformers had
been extremely active in the campaign, and had apparently
made very effective use of travelling vans laden with litera-
ture, and speakers. These vans, incidentally, were under
the control of Sir Howard Vincent, now the Chairman of the
Literature Committee of the National Union of Conservative
Associations, who, though he had taken a back seat since
Chamberlain's move in 1903, had "... never ceased his labours
or slackened in his enthusiasm for the cause."

The good news for the Tariff Reformers continued.

On February 7, 1908, the Tariff Reform League, which was
holding its annual meeting on this very day, were delighted
by winning a seat from the Government. On the following day

54. The Times, January 20, 1908, p. 9.
54a. The Annual Register, 1908, p. 4.
56. The Annual Register, 1908, p. 27.
the Government retained South Leeds, but with a greatly reduced majority. Further encouragement was provided by a by-election success at Hastings on March 3, by a great Unionist victory at Peckham, when H.C. Gooch became the new Unionist member, and particularly by the defeat of Winston Churchill at West Manchester, in a by-election occasioned by his elevation to the Presidency of the Board of Trade. The successful Unionist, Joynson-Hicks, was himself none too keen a fiscal reformer, and concentrated on other issues in his speeches—although he had disowned the support of the Unionist Free Trade League. The Tariff Reform League, however, campaigned strongly on his behalf, and Churchill himself saw the result as a "heavy blow to the cause of Liberalism and Free Trade." The Liberals had little to cheer about on May 6 when they held East Wolverhampton in the face of a spirited bid made by Leopold Amery; their majority was reduced from 2,856 (votes) to a mere eight.

Heartened by these successes, the Tariff Reform League redoubled its efforts. At the annual meeting on February 7, 1908 Lord Ridley was able to describe its progress during the preceding year as phenomenal. Of the 2,156

57. The Annual Register, 1908, p. 30.
58. A brother of the historian.
59. The Annual Register, 1908, p. 83.
60. The Annual Register, 1908, p. 84.
61. The Times, February 8, 1908, p. 6.
presidents and vice-presidents of the various branches listed in the annual report, at least sixty-five were M. P.'s, 170 were Lords, and 204 were candidates for Parliament or former candidates. Ridley appealed for increased financial support in view of a new £50,000 war chest being raised by the Free Trade League. Apparently he got it, for the Annual Register declared, when describing the Peckham by-election, that "Money was poured into the constituency, there were almost as many canvassers as electors,..."

The following excerpt from a letter of Austen Chamberlain's dated July 9, 1908, gives some indication of the magnitude of the drive being staged:

**First Six Months of the Year:**

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The last edition of the Speaker's Handbook was published in October, 10,000 copies were printed; only 400 remain in hand. Number of meetings arranged from Victoria Street alone in the past six months was 241—approximate attendance 64,000—average net cost to the League per meeting 10s. 5½d. Pretty good, is it not?

62. The Annual Register, 1908, p. 70.

In the House of Commons the Tariff Reformers stepped up their policy of giving the Liberals a dose of their own medicine by raising the fiscal question whenever occasion permitted. On March 24, for example, Mr. Goulding evoked a short debate with a motion proposing Tariff Reform and Colonial Preference as a cure for unemployment. The discussion followed the now well-familiar lines. The Tariff Reformers referred to mills being closed, or to their finishing materials largely prepared abroad: the Liberals replied with the usual plaudits for British shipbuilders, and drew attention to the number of unemployed in protectionist New York and Berlin.

Again on May 26 a Unionist back bencher, Mr. Gwynne, the member for Galway, sought an opening by asking for a reduction in the excise duty on Irish grown tobacco. This Mr. Lloyd George stopped by describing the proposal as outright protection. A further illustration of this technique occurred on June 1 when the Unionists returned to the cry so dear to Mr. Balfour's heart—the need for broadening the basis of taxation "... in view of the growing liabilities of the nation for naval and military defence, old-age pensions, and education." The motion which they introduced was defeated

65. Ibid. May 26, 1908, vol. 189, c. 1022.
66. Ibid., June 1, 1908, vol. 189, c. 1587.
by 367 to 124, but Lord Robert Cecil and other Unionist Free
67
Fooders supported it.

The Government, of course, was by no means prepared
to let the initiative on the fiscal question pass entirely
into opposition hands; as early as February 28 Mr. Lloyd
George called for a bold stand against the Tariff Reformers.
The Liberals were well aware that the increase in the cost of
bread had cost them many by-election votes, and, therefore,
sought to clarify the matter in the Commons on March 4, when
Sir Joseph Leese moved

That this House is of the opinion that the recent
high price of bread in this country is due to
natural causes alone, and that any import duty on
wheat would tend to raise the price still higher 68
and aggravate the suffering caused by dear bread....

Leese sought to justify his motion in these words:

A cardinal feature of the Tariff Reform League
was the taxation of wheat. Further, the Tariff
Reform League had captured the Tory Party, its
organization, its money, its social and political
influence, and last, but by no means least, its
Leader. It had also captured the Chief Tory Whip,
late Patronage Secretary to the Conservative
Government. Under these circumstances the great
political aspirations of the Tariff Reform League
were now the political aspirations of the Tory
Party. 69

The ensuing debate can be readily dismissed for it was large­ly concerned with the relative price of grain and bread in
France and England, and with the reasons for any differentials.

68. Ibid. March 4, 1908, vol. 185, c. 774.
69. Ibid. March 4, 1908, vol. 185, c. 775.
It was unique, however, in that it was one of the first occasions when the ludicrous slogans used in the by-election campaigns on fiscal matters reached the floor of the House of Commons. Two used against the Tariff Reformers were

One hundred babies have starved to death in Toronto since New Year's Day—therefore tariff reform means starvation. 70

A vote for Goulding means protection, a vote for protection means horseflesh and rye bread. 71

Undoubtedly the Tariff Reformers retaliated in kind to this nonsense.

A much more effective Liberal reply to the Tariff Reformers was contained in Mr. Asquith's 1908 budget, for, in spite of the confident predictions of the former that he had reached the limit of Free Trade financing, he managed not only to make provision for the introduction of Old Age Pensions, but also to reduce the duty on sugar from 4s. 2d. to 1s. 10d. per hundred-weight. The best that the Tariff Reformers could do with this "...Budget of post obits" as the Daily Mail neatly described it, was to point for the need a year hence for a greatly increased revenue, not only to take care of a full twelve months' operation of the Pensions scheme, but also to meet rising naval expenditure.

Even the Spectator, the staunch organ of the Unionist Free Traders took up the cry.

71. Ibid., c 802.
72. The Annual Register, 1908, p. 100.
73. Loc. cit.,
Before the summer was over, sugar actually became a source of embarrassment to the Government, which was faced with the problem of renewing or dropping its adherence to the Brussels Sugar Convention. It undoubtedly alienated some of its most ardent Free-Trade supporters when it decided to adhere to the Convention in its modified form (which over a six year period allowed Russia to export 1,000,000 tons of sugar to Western Europe).

The rising acceptance of Tariff Reform continued to plague the Liberals. Only two days after Asquith warned the National Liberal Federation of the menace (June 18), the Government lost another by-election, this time at Pudsey—amid great Tariff Reform rejoicing.

But the supporters of the Government did not lack in resourcefulness, and continued to defend their citadel vigorously. They did not hesitate to stage in London from August 4–7, the first International Free Trade Congress, attended by over five hundred delegates from all parts of the world, and cheer-

74. The Right Hon. S.T.Lough, Parliamentary Secretary, of the Board of Education in the Liberal Administration until Campbell-Bannerman's death, bitterly denounced this move in an article entitled "Free Trade and the Late Ministry" published in The Contemporary Review for June, 1908, vol. 93, pp. 879-691. He regretted that the negotiations had fallen under the control of Sir Edward Grey, whom he regarded as unduly influenced by his experiences as a Chamberlain-appointed Commissioner to the West Indies in 1896.

75. Austen Chamberlain was delighted, and wrote to his stepmother: "Bravo Pudsey! What a surprise. Pike Pease was very hopeful, but I simply didn't believe a win to be possible. Alex Hood (The Unionist Whip) said to me today: "Hughes won that seat. They were going to lose it like South Leeds. The same man was playing the same game, but (Cont'd p.136)
ed when before it Churchill espoused Free Trade as a contribution to world peace, and Asquith affirmed that it could definitely stand up to the financial burden of social reform. Neither did they hesitate to use the crudest means to hammer home the dear loaf cry. In November the Free Trade Union had sandwichmen parading in Cardiff with placards reading

Is Mr. Balfour a Tariff Reformer? Who Knows? Will he tax coal and ruin Cardiff? Will he tax bread?—Wool?—Meat? 77

These questions the Cardiff Free Traders mailed to Balfour. He did not reply.

In spite of these counter attacks, however, by December 1908 the Tariff Reformers had every reason to be satisfied with their year's work, and to expect great things in the months ahead. Their successes were acknowledged by friend and foe, and there was no reason to believe that they would be checked. An exuberant enthusiasm swept the movement.

One additional development in the fiscal controversy in 1908, and an expression of this rising confidence, was the public revelation that a small group of the most ardent Tariff Reformers was working assiduously to eliminate Unionist Free Free Food representation in Parliament. As early as January 10, 1908 Lord Balfour of Burleigh publicly

75. (Cont'd. from p. 135). I sent Hughes down and he stopped it"--i.e. he stopped the banning of Tariff Reform." Chamberlain, A., op. cit., p. 122.

76. The Times, August 5, 1908, p. 8.

77. The Annual Register, 1908, p. 225.
doubted the Party's ability to control these Confederates, as they soon became commonly known. (To Lord Robert Cecil they were "political moonlighters") Lord Hugh Cecil declared bitterly in a letter to The Times on March 19, 1908 that they were planning to oppose the re-election of twenty-five sitting Unionist members. Lord Newton records that many Free Fooders, headed by Lord Cromer, bombarded Lord Lansdowne with letters protesting their treatment at Confederate hands.

Much of the aura of mystery surrounding Confederate moves was swept away in January of 1909 when an anonymous member of the group described it carefully in a very remarkable article in the National Review. He claimed that the ranks included "... several well-known peers and a number of Members of Parliament, a large proportion of Unionist Candidates, and also many prominent men in the literary world, all of whom, whole-hearted and ardent Imperialists, are firmly convinced that their goal is at the end of the Tariff Reform road." The Confederacy was organized, he maintained, soon after Joseph Chamberlain's illness, when there were indications that his policy might be sidetracked, and policy-making, from the start, was placed in the hands of an annually-

78. The Times, January 11, 1909, p. 7.
79. The Annual Register, 1908, p. 3.
80. The Times, March 19, 1909, p. 11.
PEACEFUL PERSUASION.

FIRST CONFEDERATE. "HERE COMES OUR MAN. GOT YOUR STICK READY?"

SECOND C. "DON'T YOU WORRY, I'LL KNOCK HIM OUT."

FIRST C. "GOOD! BUT REMEMBER ARTHUR'S ORDERS—NO OSTRACISM."

(It is reported that some ardent Tariff Reformers, calling themselves "The Confederates," have gone still farther than the gentleman here depicted, and have sworn to prevent any Free Trade Unionist being even selected as a Candidate by the Conservative Association.)
elected Council of Twelve, "... to whose decrees every new member on his introduction into the Society must bow." He made no secret of its witch-hunting activities, which he declared, were based on reports regularly received from all constituencies. The Confederacy, he added, was prepared "... to assist any opposition movement (to Unionist Free Fooders) with funds."

The most interesting feature of his revelations was the frank explanation which he gave for these drastic moves. Apparently, the Confederates' actions were based on the belief that "... the last proselyte has been made ..." and that there was no further hope of winning over the Free Fooders. They were also rooted in the conviction (as at January, 1909) that in the next election the Unionist Party stood to receive a majority of from thirty to fifty seats. Fifteen black sheep would consequently be in a position to kill Tariff Reform in the House, and discredit it in the country. The


85. Loc. cit. (Insertion mine). He boasted of a plentiful supply of money. "The Confederacy comprises many men whose pockets are as deep as their political convictions, and just as full." p. 744.

86. Ibid., p. 747.

87. It was quite a reasonable estimate. Ensor takes as authoritative an estimate which at this time would have given them one hundred seats. Ensor, op. cit., p. 418.
fifteen, therefore, were to be eliminated, and great care was to be taken to see that they were not replaced by others.

It is only possible to speculate who the members of the Committee of Twelve were. It is doubtful if Austen Chamberlain was formally a member of the group, and yet his letters made it very plain that he sympathized and worked with them. He wrote, for instance, after attending the monthly meeting of the Executive Committee of the Tariff Reform League on March 12, 1908:

On the motion of Bonar Law it was unanimously decided, in view of the probability of an early by-election in Winston Churchill's constituency through his promotion to the Cabinet, that unless Joynson-Hicks, the accepted Conservative candidate, would unreservedly accept Balfour's Birmingham programme, we would run a Tariff Reform candidate.

Norwood is stirring itself up against Bowles (a Free Fooder). Notts has got satisfactory assurance out of Lord H. Bentinck.

His letters in February 1909 make it additionally clear that Goulding and H.A. Gwynne of The Standard were active in seeking to oust the heretics, and were in all probability leading Confederates. In that month both men came to see Chamberlain on several occasions about the position of Lord Robert Cecil, a Free Fooder whom they held in the highest regard, and for whom they were prepared to make some concession. Austen wrote on February 14:

I told him (i.e. Gwynne) that the only compromise possible was that Bob should not be opposed if he undertook not to oppose a Unionist Government, and if, apart from the specific terms of

his pledge, he meant to be a friend of a Unionist and Tariff Reform Government, and that these terms were for Bob and not for others. 89

Eventually the 'negotiations' with Lord Robert broke down, and an agreement with him was not reached until later in the year, when his brother-in-law, Lord Selborne, home on leave from his Governor Generalship of South Africa, interceded on his behalf.

A few additional names can probably be added to the list of Confederates, for in January, 1909 The Daily Graphic included Sir Gilbert Parker, Messrs Bonar Law, Claude Hay, J. W. Hills, Harry Marks, and some non-M.P.'s in this category. Interestingly enough, Lord Ridley, the Chairman of the Executive Committee of the Tariff Reform League, disclaimed any connection with the Confederacy on January 28, 1909.

It was during the year 1909 that Tariff Reform prospects reached their peak; it was also during this year that the fatal decision was made which, in the last analysis, was to postpone its application for over twenty years.

The early months of the year furnished great promise of success. The Unionist machine was now definitely in the

89. Chamberlain, A., op. cit. p. 139.


91. The Annual Register, 1909, p. 5.

92. In the Fall of the year Mr. Fabian Ware, the editor of the Morning Post, was writing: "Six months ago the victory of Tariff Reform seemed assured." Ware, op. cit., p. 733.
Tariff Reform camp, and the Shadow Cabinet strongly in
favour of a fiscal amendment to the King's Address—which
Austen Chamberlain duly introduced on February 18, thus
inaugurating another two day debate. So confident indeed
was Henry Chaplin that he wanted the Party to devote more
attention to Ireland; "Tariff Reform was going so well," he
felt, "that it could take care of itself." The Tariff
Reform League still further augmented its efforts, and
fears of an ultra-Protectionist revision of the French tariff
assisted it. The by-elections continued to run heavily
against the Government. The Liberals themselves registered
open alarm; at a mass meeting held in the Queen's Hall on
March 9 the Prime Minister himself echoed such fears, and
called for volunteers to fight the menace. Furthermore,

93. On February 15 Austen Chamberlain was able to quote
with satisfaction this letter sent by the Unionist Whip
to a Free Food M.P. at Glasgow:
"My dear Scott Dickson
Much as I should like to welcome you back to the House,
I had sooner see the seat lost than have a Conservative
returned who will not support the whole party programme!"


96. Austen Chamberlain wrote on March 11, 1909, "During
December 356,050 leaflets and cartoons were issued as
compared with 188,000 in December, 1907 and 93,000 in
December 1906." Chamberlain, A., op. cit., p. 156.

97. The Annual Register, 1909, p. 45.

98. eg. at Croydon, March 29, 1909. The Times, March 30,
1909, p. 11.

Balfour embraced the Tariff Reform creed with new zeal as the year progressed. On March 12, 1909, at a luncheon given to him by the Tariff Reform League Executive he directed his most sarcastic raillery against the inconsistency of a Government which willingly denounced laissez faire in other fields, which was striving in the economic one to cure unemployment, but which would not touch its fiscal system.

Undoubtedly much of the Tariff Reform optimism was based on an assumption that the demands of social legislation, the increased cost of the 1909 naval programme, and the apparent reversal of the business cycle had faced Mr. Lloyd George with a major budgetary crisis. For at least two years innumerable Tariff Reform speakers had followed Mr. Balfour's lead in insisting on the need for "broadening the base," and in predicting the imminence of Free Trade's day of reckoning. The Chancellor himself had encouraged them in June 1908 when he declared: "I have no nest eggs at all. I have got to rob somebody's hen roost next year." Surely, they felt, 1909 was the year of victory.

It was, therefore, first a profound shock, and then a matter of growing dismay to them when, in his famous five-hour budget speech of April 30, 1909, Mr. Lloyd George was able to make provision for all current expenses, and for some increases in the future, without in any way departing from the Free Trade ideal.

Nevertheless, although the torrent of denunciation hurled against the Finance Bill was violent from the beginning, if Austen Chamberlain's letters (unfortunately very limited here) are a fair indication, in the early stages of the battle the Tariff Reformers counted on putting up no more than a spoiling fight, securing possibly a few amendments and deletions, before its eventual passage. Apparently it was because of this fact, and also because of the added consideration that there was a good deal of Liberal opposition to the Budget in 'clubland and city land,' that the Tariff Reformers agreed to the creation of a Budget Protest League on non-Party lines, and did not insist that it advocate any constructive programme. Little did they anticipate the result of what was, in reality, a major though temporary concession to the Free Fooders.

When the Battle of the Budget was joined all other issues were eclipsed by it. The Unionists (for the Budget Protest League attracted few Liberals) found themselves fighting almost exclusively on negative lines, denouncing the budget as socialism and worse, but stressing nothing in its place. This approach turned out to be disastrous; in the early summer, while Tariff Reform remained in abeyance the Liberals under Lloyd George and Asquith visibly regained much of the ground which they had lost during the preceding eighteen months. "What is known on the cricket field as a 'rot'

then set in on the Unionist side.... There followed six blank weeks....Panic reigned among Tariff Reformers...." who saw "... the Unionist Party falling away from their creed." Eventually in mid-summer the Budget Protest League adopted the full Tariff Reform programme, and the situation was somewhat relieved. But the confidence of the early months of the year was now completely missing, and it was an angry party, conscious of the fact that it had been completely out-manoeuvred by the Chancellor in particular, which in the ensuing months decided to fight to the bitter end.

If the Tariff Reformers had made a serious tactical mistake in allowing their programme to be temporarily shelved, they were to make a much bigger one before the summer was over, for, at some time during this period, they came to the conclusion that the Budget must be rejected at all costs. Obviously, their bitter fight in the Commons could no more than delay its approval; the huge Government majority made its final passage there a certainty. That left but one recourse, the House of Lords. To it, the Tariff Reformers turned.

There could be no doubt that Lloyd George had placed them in a very difficult position. The features of the Budget which aroused the most intense opposition—the tax on undeveloped land, the supertax, and the tax on the unearned increment—had no direct effect on 90 percent of the population,

103. Ware, op. cit., pp. 739-740.
and attacking them, even when offering Tariff Reform as an alternative, left the Unionists wide open to the charge that they wished to finance Old Age Pensions and battleship construction, not by placing the heaviest burden on the broadest back, but by taxing food and consumer goods. On the other hand, the Budget did contain enough unpopular features (such as an increase in the tax on tobacco, and one on spirits which had the Irish up in arms.) to make the risk involved in challenging it a reasonable one. But to call upon the Lords to violate a constitutional precedent of more than two centuries standing was madness indeed and was to play completely into the Government's hands—leaving the Unionist Party open to charges to which there was no real answer.

It was during these trying days that the appalling extent to which six years of fiscal controversy had sapped the vigour of the Unionist Party's leadership first became clearly evident. Balfour and Lansdowne did little but swim with the tide, and when they did move it was to support the Lords' veto. In their defence it can be argued that, having already gone so far towards the complete Tariff Reform position, they were in reality quite unable to do anything else, without irreparably destroying the Party.

Even his most vitriolic Unionist detractor admits that Balfour in particular was now the helpless victim of circumstances. Although, however, this was the case by September of 1909, it must also be appreciated that the eventual rejection of the Budget had been mooted publicly as early
April, before such a move had become the established policy of the Tariff Reformers. The criticism to which Balfour's action is so vulnerable here is based on this fact, for had he moved resolutely at this early date by threatening to resign unless the Party eschewed any such idea, he could have saved the day. Instead he let stronger forces steer the ship throughout the summer, and when he put his hand to the wheel in September, it was to make it clear that his resignation would be forthcoming if the Lords passed the measure. Furthermore, on this occasion Balfour was ahead of Lansdowne in reaching a decision; it was not until early in October that the Party Leader in the Upper House seems to have made up his mind completely.

In later days it was often claimed that the two men had originally opposed the use of the veto, and that they had been forced into accepting it by strong pressure from such fanatically aroused Peers and Tariff Reformers as Lords Cawdor, Curzon, and Milner. Both Mrs. Dugdale and Lord Newton could find no evidence to support this rather charitable view of a decision made under duress, and agree that their subjects must bear their full share of responsibility.

105. The Annual Register, 1909, p. 78.
for the Lords' action. It is particularly hard to understand why Balfour made such a cardinal mistake, for he was not only a man of superbly high intelligence and great political foresight, but he had on several occasions in his earlier Parliamentary career come out boldly against the very type of action which he was now countenancing.

On the other hand, it would be manifestly unfair to ignore the tremendous pressure exerted on these men by various sections of the Unionist Party, and particularly by the Tariff Reformers. In the last analysis it was their influence which was decisive; had they been unwilling to approve any drastic action by the Lords, it is probable that Balfour and Lansdowne would have come to a different conclusion. Here, while the question of rejection was still in the air, Joseph Chamberlain entered the lists, and came down heavily for the course eventually adopted. In a notable letter which was read to a vast multitude at Birmingham on September 22—in Balfour's presence—the Father of Tariff Reform declared his position:

> I hope the House of Lords will see their way clear to force a general election, and I do not doubt in this case what the verdict will be. The Prime Minister seeks to represent the Budget as an advantage to working men. But I looked into it carefully and I cannot take this view.

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110. Cited in Peel, *op. cit.*, p. 42. (Our Library lacks the Debates of the House of Lords for the years 1909-12 inclusive.)
It is the last effort of Free Trade finance to find a substitute for Tariff Reform and Imperial Preference, and it is avowedly intended to destroy the Tariff Reform movement....

This ukase from Birmingham appears to have had a great effect on the rank and file of the Party. Not all Unionists agreed with it; but unhappily its leading opponents, Lords St. Aldwyn, Cromer, Balfour of Burleigh and James of Hereford, were fiscal heretics, and their advice was, therefore, suspect.

Some moderate Tariff Reformers seem to have advised against it (F.E. Smith, for one); they also were unable to deter Balfour and his associates. Indeed, it is interesting to note that F.E. Smith appears to have placed the final responsibility for the Unionist decision on the Budget squarely on the shoulders of Mr. Chamberlain himself. What, in the last analysis, makes the case against the Tariff Reformers so strong is the fact that the Unionist Free Food Peers voted for the Budget, while the Tariff Reform Lords "...unanimously took the opposite view."

On Joseph Chamberlain's behalf it should be pointed out that in the letter read on September 22 he was echoing a

111. See Appendix III.
view which was very widely held in the Party. Two days previously Austen had written him of Balfour's insistence that the Lords must reject the Budget, and that Tariff Reform was the only alternative to it. Furthermore, earlier in the same month, Austen had quoted the Party Whip as follows:

All our people are spoiling for a fight and will be disappointed if they don't get it. If there is no fight we can't keep them at boiling point. All my reports say there have been no defections on account of this Budget but that if we allow them time to bring in a bribing Budget next year, my agents won't answer for the result. 117

In any event, once the die had been cast, and an election had been made inevitable, the Unionists made their major appeal on the programme of Tariff Reform—as the only effective alternative to the socialism of the Budget. Balfour led the way in proclaiming it as the first constructive plank of the Unionist Party, the only true source of domestic security, and the only real basis for solving the problem of the day. Lansdowne listed the issues as Tariff Reform, 118 single chamber government, and socialism. Joseph Chamberlain similarly sought to center attention on Tariff Reform, and to minimize the issue of the Lords' action, in his address to the electors of West Birmingham.

117. Ibid., p. 181.
120. The Daily Express, December 30, 1909, p. 4.
Milner and Curzon, a convert to Tariff Reform after the introduction of the 1909 Budget, led a host of Peers who stumped the country with the same cry. Tariff Reform, a strong Navy, and the Union of the Empire were the bases of Austen Chamberlain's campaigning. In their determination to make the election a test of the fiscal question, the Unionists appear to have been quite successful, for the Annual Register noted at the year's end that such issues as the Osborne Decision, Home Rule, Church Schools and the constitutional question "... seemed generally to be thrust into the background by that of Tariff Reform.

A reflection of this fact was found in the truly fantastic extremes to which both sides went in seeking to relate their causes to the prevailing sentiments of the day. The significance, for example, of President Taft's addressing a crowd of unemployed in New York provoked a long series of arguments. Another issue centered around Mr. Balfour's claim that Germany did not want Britain to adopt Tariff Reform.

121. eg. The Times, January 6, 1910, p. 5.
122. eg. The Times, January 5, 1910, p. 6.
127. The Times, January 5, 1910, p. 7.
and Mr. Lloyd George’s counter assertion that Tariff Reform 128 was a German idea. Even more remarkable was the magnitude of the visual appeal:

On both sides shops were taken in various constituencies and their windows filled respectively with articles "made in Germany" and dumped in England, and with repulsive specimens of food alleged to be eaten by the "protected" German workmen, or of bread made according to an English recipe of the Corn-law period. Grotesque mistakes were made on both sides; some of the articles shown were spurious, and national differences in taste and standard of living were ignored; and some of the phases of the controversy must have given foreigners a low opinion of popular knowledge and logic. An unprecedented multitude and variety of pictorial posters issued by both parties displayed an artistic merit that was far above their intellectual level and the quality of their humour. 129

Another interesting development during the campaign was provided on December 8, 1909, when the Birmingham Post departed from the generalities in which the fiscal question was ordinarily discussed to publish a very concrete statement of Tariff Reform proposals—it was assumed at the inspiration of the movement's high command. The paper looked forward to the establishment of a general tariff applied to practically all goods except those deemed to be raw materials, although it sought to disclaim any protectionist intent on German and American lines. The revenue therefrom, it predicted, would range from £16—£20,000,000.

128. The Annual Register, 1910, p. 12.
The proposed tariff was divided into three scales: the highest, ranging from $12\frac{1}{2}$ to $15\%$—to be directed against countries penalizing British goods; the middle scale of $10\%$; and the reduced scale for colonial produce of $7\frac{1}{2}\%$. Remarkably, the publication of this scheme appears to have attracted little attention; only a few Liberal papers stopped to comment on the significant diminution of Colonial preference.

As the campaign approached its climax in January, 1910, the Unionists redoubled their Tariff Reform efforts, and their attacks on the Socialism, naval policy, and single-chamber ambitions of the Government. As the ranks of the Free Fooders dwindled almost to nothing the Party assumed, on the surface, at least, a unity which it had not known for seven years. The Spectator, which in 1906 had called upon Unionist Free Traders to vote Liberal, now asked them to espouse Tariff Reform as the lesser of two evils. Further encouragement for the Unionist cause was drawn from the marked diversion of public attention from the constitutional question, and from the numerous secessions of prominent

130. The Annual Register, 1909, pp. 264-5.

131. The following editorial from the Daily Express, January 12, 1910, is a typical statement of the Tariff Reform case: "Under a radical Socialist regime we are to enjoy the continued curse of Free Trade. We are to see our own workers sacrificed on the altar of a ruinous cheapness, to allow the foreigner unrestricted and untaxed access to our markets for his surplus goods, to bang and bolt the door in the face of our kinsmen overseas, and to watch ourselves go bankrupt for lack of revenue. To vote for the government is to vote for unemployment, for starvation, and for the foreign dumper. It is to vote against British capital, against British labour, against the Dominions of the Empire, and against all the elements of ordinary common sense. p. 4.


133. (See p. 153)
men from the ranks of Liberal Free Traders.

On the eve of the election itself Arthur Balfour and Joseph Chamberlain sought to offset the Liberal attacks on the 'Dear Loaf' by issuing a joint declaration maintaining that Tariff Reform "...would not increase the cost of living of the working classes or their proportion of taxation but would make it possible to reduce the existing taxation on articles consumed by the working class, would lessen unemployment and would develop trade with the British Dominions overseas."

Meanwhile, the Liberals made good use of all the weapons in the Free Trade armoury, and, in addition, denounced the selfishness of the privileged classes. Where possible, they sought to relate the two cries. Asquith, for


After the election The Spectator explained its stand very clearly when it declared:
"We are absolutely convinced that Free Trade is the only wise policy for these islands to pursue. We are also convinced that Free Trade is based upon eternal principles of justice which nations can only violate at their peril. Our whole proposition is that the kind of Socialism advocated by the Tariff Reformers, though utterly wrong in principle, is in practice far less injurious than the kind of Socialism advocated by the Labour Party and their Liberal allies." February 12, 1910, p. 247.

134. Two of the most noted recruits to Tariff Reform ranks were Lord Avebury (a banker—formerly Sir John Lubbock) and Sir Robert Giffen (a statistician). The Standard of Empire published a list of the most outstanding recent converts on January 7, 1910; it included seven Peers, six M.P.'s, and seven other leading Liberals. p. 8.

135. The Annual Register, 1910, p. 10.
instance, attacked Tariff Reform, and its food duties in particular, as "... nothing more than an undisguised attempt to heap on the shoulders of the least well-to-do members of the community an undue share of the common burden." The Liberals were also singularly fortunate in that almost from the very moment that Lloyd George had shattered Unionist hopes by introducing his budget, economic conditions in Britain had begun to improve. During the year 1909 unemployment dropped 24%, the volume of trade held up and the amount of investment at home and abroad increased. With justification, therefore, the Liberals were able to join their Chancellor of the Exchequer in boasting:

Trade is recovering rapidly from a blow which came from America. Unemployment is diminishing, foreign trade is improving; our shipping is improving; our railways are improving.  

Thus once again a visible improvement in the domestic economy was to be a factor of considerable importance at the polls in thwarting the dreams of the fiscal reformers.

Actually, the electoral results surprised and disappointed both sides. The Liberals dropped one hundred seats, and found themselves in consequence dependent on the Labour and Irish Nationalist Parties. The Unionists, on the other hand, although much increased in strength, were still in no position to form a Government. Undoubtedly Unionist

139. (See p. 155).
gains were to a major degree due to the fact that Tariff Reform, in the words of The Times, was "...winning its way by degrees all over the country." But just as definitely, the continuance of the Liberals in power was, to a very great extent, the result of a still strong adherence to Free Trade on the part of the British workingman.

The January, 1910 election gave some satisfaction to the Chamberlainites, however, for it resulted in the complete annihilation of the Unionist Free Food wing in the Commons. Austen Chamberlain was now able to quote with enthusiasm the private declaration of the Unionist Whip: "I've got 273 men and I can count on 272 of them, and they want a fight on it (Tariff Reform) at once." The Tariff Reformers were obviously pleased to note the discord which openly reigned in Free Food circles, and which, in March, 1910 resulted in the disintegration of the Unionist Free Trade Club. Some former members of this body followed Lord Cromer into a new constitutional Free Trade Association, which, in all other matters,

139. (From p. 154.) Party standing at
        Dissolution    New House
        Liberals   373    274
        Labour     46     41
        Nationalists 83     71
        Unionists  167    272

140. The Times, January 20, 1910, p. 9.


adhered to the orthodox Unionist programme. Others followed Lord James of Hereford, Mr. A. Elliot and Sir F. Pollock into the Cobdenite Free Trade Union, after issuing a circular which declared in part:

It is evident from the results of the last election that the cause of Tariff Reform, backed as it is by an organization of great resources both in wealth and energy, has gained ground among the electors, especially in the midland and southern parts of England. Its supporters have already succeeded in driving out of Parliament every Unionist Free Trade member with the exception of Lord Hugh Cecil, and it is now practically impossible for a Free-trader to get any Unionist Association outside of Lancashire to adopt him as a candidate. With political events proceeding as they are now, it is not only possible, but, in the opinion of some of us, probable, that the next Parliament will contain a majority of Unionist members. Whether all these will be returned pledged to Tariff Reform will depend mainly on the action or inaction of Free-traders during the next few months.... It is of the utmost importance that some strong organization should exist .... Fortunately such an organization is already in existence. The Free Trade Union ....

Such a statement must have been music to Confederate ears.

While the Tariff Reform League found new encouragement in the discomfiture of its opponents, it strove to exceed in 1910 the prodigious efforts which it had made in the preceding year. Especial attention was paid to the stronghold of Free Trade, Lancashire, where it had some success. In April the Executive of the League was told of the estab-

143. The Annual Register, 1910, p. 66.
145. In its report for the year 1909 the League listed 50,925,105 leaflets, 2,009,750 pamphlets and 234,961 posters which had been issued in the thirteen months ending in January, 1910. The Times, March 29, 1910, p. 8.
lishment of some thirteen new branches with a total membership exceeding 4,000 in that country. Two months later an additional twenty-one branches were reported. By November the League felt sufficiently secure to hold its annual meeting in Manchester itself, and on that occasion called upon the Unionist Party to do all in its power to provoke a general election at the earliest opportunity.

An unusual sidelight on the League's efforts at this time was the opening of "dump shops" in key localities to illustrate the nefarious practices of other states in British markets. The Annual Register observed, in commenting on these tactics, that the "...genuineness of the articles exhibited was frequently questioned by Free Trade visitors." Nevertheless, it went on laconically, "...the promoters professed satisfaction with the results."

Simultaneously the Tariff Reformers sought to step up their attacks in the House of Commons. Austen Chamberlain was particularly zealous here—especially in seeking to encourage his chief to pursue such a course. "Tariff Reform was our trump card. When we won, we won on and by Tariff Reform." Thus he argued in a lengthy letter to Balfour at the end of January 1910; even the food duties he felt

146. The Times, April 12, 1910, p. 13.
147. The Times, June 14, 1910, p. 13.
148. The Times, November 9, 1910, p. 9.
149. The Annual Register, 1910, pp. 222-23.
had proved to be no insuperable barrier. Significantly, he declared, "When a man becomes a convinced Tariff Reformer, nothing will shake him. It is a religion and he becomes its ardent missionary. These are our best workers." Significantly also he expressed the hope that the fiscal campaign would soon be transferred from the hustings to the floor of the House of Commons—"... like the Anti-Corn Law League in its seventh year ...."

For a short while it appeared that Austen Chamberlain's wish was to be granted. When he introduced the usual fiscal amendment in the House on February 23, 1910 Balfour supported him very effectively—in a speech which, forty years later, strikes the reader as conspicuously sane—especially when contrasted with many of the others delivered at this time. The amendment was rejected by a majority of only thirty-one votes (as opposed to 376 in 1906)—a further source of Tariff Reform rejoicing.

151. Chamberlain, loc. cit.
152. Chamberlain, op. cit., p. 199.
153. Two additional highlights of the debate were:
   a. The declaration of T.M.Kettle, an Irish Nationalist, that "The business of the right hon. Gentleman for East Worcestershire (Austen Chamberlain) is not to nail his colours to the mast ... but to nail his captain to the mast...."
   b. The notable maiden speeches of such Tariff Reformers as George Lloyd, H. Page Croft, George Tryon, and H.J.Mackinder (the geographer).
154. Chamberlain, op. cit., p. 204. Austen Chamberlain was delighted with Balfour's speech.
Balfour was not prepared to go much farther in emulating Cobden and Bright, however. As the year wore on, he turned his attention to and devoted more and more of his energy to the constitutional issue which had been raised in 1909, and which, in view of the electoral result and the clever tactics of the Irish, was clearly now going to be driven to its logical conclusion (in preparation for Home Rule). As a consequence references to Tariff Reform were less frequently found in Balfour's speeches after March, 1910, and disappeared almost entirely from them between May and November—even when he was addressing such gatherings as the Grand Habitation of the Primrose League.

Mr. Balfour's most vitriolic critic, Sir George Peel, later made much of this six months' silence. He argued that it was all part of a subtle plot of the Unionist leader to fail the Tariff Reformers while ostensibly remaining in their camp. Peel also placed much emphasis on the restlessness which began to sweep Tariff Reform ranks in the latter half of the year, when Mr. Balfour's silence continued. It is true that early in October a small Unionist Splinter group launched a "Reveille movement," that it contained some of the most extreme Tariff Reformers—such as Leo Maxse and Henry Page Croft (both M.P.'s) and that its manifesto included, amongst other things, a call for industrial insurance and Tariff Reform. It is also true that while the leaders of this

155 The Annual Register, 1910, pp. 103-4.
group professed loyalty to their party leaders, some neutral observers had their doubts. It is quite evident, on the other hand, from a reading both of The Times of the day and of Austen Chamberlain's letters that Peel had exaggerated the concern which he infers must have been felt amongst the whole Tariff Reform hierarchy.

Balfour, in fact, had good reason for his preoccupation with other matters. With the death of King Edward VI on May 6, 1910 political strife was temporarily stilled, and during the ensuing truce, leading figures in both parties, like popular opinion, felt that a real attempt should be made to settle the constitutional issue in a manner which would avoid facing the new king with an impasse and the necessity of making prerogative decisions not rivalled in importance since 1832. Thus in June, 1910 the Prime Minister suggested to the Leader of the Opposition that the two men, each with three political associates, meet in a series of private conferences to seek an answer to the constitutional problem. Balfour readily accepted the invitation.

There is no evidence to suggest that in any of the twenty-two sessions of the Constitutional Conference which was thus convened any direct discussion took place on the merits of the fiscal question; it was hardly included in the terms of reference, and was, in any case, overshadowed completely by the rising spectre of Home Rule—the real stumbling block (according to Austen Chamberlain, one of the four

156. The Annual Register, 1910, p. 213.
Unionist negotiators) on which the talks eventually foundered. It must have remained in the minds of conferees, however, and it was, in fact, raised in two strikingly diverse ways.

In the first place it was brought forward as a result of the steps taken by the Unionists to undo the damage of 1909 by suggesting various schemes of House of Lords reform, and by proposing means whereby deadlocks between the Upper and Lower Houses might be resolved. This led the Unionist leaders in the Conference to advocate that in the case of all non-money bills the Lords should have a suspens­ive veto of two years duration—followed, if both Houses were still in disagreement, by a Joint Sitting of the two in which a final decision would be made. To this last suggestion the Unionists made one very important reservation or addition. Bills of exceptional gravity, they declared, should be refer­red, not to a Joint Sitting, but directly to the people in a referendum vote. Both parties to the negotiations immediately realized that this proposal raised a further problem, namely that of determining just which questions should be adjudged sufficiently grave, organic and constitutional to receive this treatment. Thus the Conference was led to cons­ider the prospect of submitting contentious taxation issues to a referendum. On Mr. Balfour's authority it did so often,

158. Balfour; Lord Cowdor; Chamberlain; Lord Lansdowne.
and saw major objections to the procedure—although the evidence does not suggest what conclusions, if any, were reached on the topic. On the other hand, it would appear very improbable, from a letter written later in 1910 by Austen Chamberlain, that the Unionists allowed the discussion of budgets vis-à-vis referendum votes to go very far. The Unionist delegates, Chamberlain bluntly wrote twenty-five years later, were at that time "...unanimously of the opinion that it (i.e. the Referendum) was unsuitable for a Budget, whether Tariff Reform or not, for if it were applied to Budgets we foresaw that the temptation to turn these Budgets into a bribe to the many at the expense of the few would be irresistible." Chamberlain appears to have stated the case fairly, but it is apparent that he failed to realize that some of his associates, while agreeing with the validity of the objections to submitting the budget to any such test were, in Balfour's later words, of the opinion that the objections were "...not so conclusive against referring to it new principles embodied in the Budget on the first occasion when those principles are adopted." This, however, is anticipating events. The conference ended in a stalemate on November 11, 1910, and with its conclusion the referendum threat to the introduction of Tariff Reform ostensibly passed.


away also.

The second manner in which Tariff Reform was raised at this time required even greater secrecy than that which accompanied the deliberations of the Constitutional Conference. Remarkably enough, the initiative was taken at this stage by Mr. Lloyd George who, disgusted at the legislative stalemate, and convinced of impending danger abroad, launched (with Asquith's approval) during the summer of 1910 his then highly confidential overtures to the Unionist high command seeking to find common ground on which a National Government might be erected. Amongst the Chancellor's preferred terms were two which are of interest to this study: the one, an offer to grant an immediate preference to the Colonies on any existing duties; and the other, an offer to launch "...a fair and judicial enquiry into the working of our fiscal system." It is obvious that such a concession as this was bound to have a strong appeal to those Tariff Reformers 'in the know'—notably Bonar Law, F. E. Smith, and Austen Chamberlain, and, indeed, such was the case. Unfortunately for the cause of Tariff Reform, however, Mr. Lloyd George's advances here, though apparently quite sincerely


163. Lloyd George also suggested a stronger naval policy, and a system of national military service—both features of the Unionist platform.

made, were coupled with requests for major concessions from the Unionists on such issues as Home Rule, Education, and the Disestablishment of the Welsh Church. This price tag the Unionist leaders felt to be too high, and the negotiations were consequently broken off. They remained a secret from all but those directly involved until the publication of Mr. Lloyd George's War Memoirs.

It is very evident that the leaders of the Unionist Party realized that the inevitable result of the breakdown of the Constitutional Conference on November 11 would be another election in the near future, and that in this struggle their prospects for victory were dim. F. E. Smith, for instance had written to Austen Chamberlain as early as October 20, 1910, while there was still some hope of saving the Conference, expressing his conviction that an election would bode no good, and possibly much ill, for the Party. It would mean, amongst other things, he argued, "Tariff Reform beaten three times running and another futile Colonial conference." Chamberlain himself wrote on November 13, after a meeting of his party's high command, "Everyone except Curzon is as gloomy as the weather, and you know what this despondency in the crew means in strain and collar work for the Captain and officers."

It is equally evident that large and influential


166. Chambers, op. cit., p. 298.
sections of the Party began to look for some appeal whereby Unionist chances of winning the ninety odd seats required to return to power would be drastically improved. It was thus during this re-examination and re-adjustment of the Party's platform that attention was once again focused on the 'bugbear' of the food duties. During the summer and early fall the Tariff Reform League succeeded in making its arguments a major topic of public interest throughout the country—yet, even within its own ranks it had been unable to dispel completely doubts about the future cost of food under a Tariff Reform administration. Indeed, a prominent member of the League, Sir John Bingham, openly expressed his anxiety about this 'Achilles heel' in its programme before its annual convention on November 8. Arguments arose over the possibility or desirability of a referendum before the adoption of food duties. What now ensued is best described in Austen Chamberlain's words—written on November 13, 1910.

Yesterday ... A.J.B. sent for me in the afternoon. The editor of the Express, Buckle, Norton Griffiths, M.P. for Wednesbury, some others and Garvin—Garvin of all men!—had all been in quick succession to tell Balfour that he could not win with the Food Duties, that he must—not indeed abandon them altogether, but announce that if re-

167. The Annual Register, 1910, p. 204.

168. George Wyndham answered him there by referring to the repeated public declarations of Mr. Balfour and Mr. Chamberlain, orally and in writing, that food would not be dearer under Tariff Reform. The Times, November 9, 1910, p. 9.
turned to power now, he would not impose any new food duty without a further appeal to the country! B. said he didn't like it. He had come slowly to the food duties, but having come to them, he didn't like to go back on them. The Party had shed some members by adopting Tariff Reform, he wouldn't split it by abandoning it. He wouldn't say that I was the only person he wished to consult—that would be invidious—but I was of course the person he wished most to consult. He didn't cite Free Fooders; he thought nothing of them, but what was he to say in the face of all these Tariff Reformers? 

Austen, of course, fought energetically to counter these moves, and the arguments with which he retaliated were certainly logical and plentiful. But the key group of now heretical Tariff Reformers was not to be outdone, and continued its pressure on the Party's leader. Austen Chamberlain wrote on November 16 of the efforts made by Buckle and Northcliffe of *The Times*, "lots of others," and of Garvin who was guaranteeing the new policy the support of the whole Unionist press—with the exception of those two citadels of Tariff Reform, *The Morning Post* and the *Birmingham Daily Post*.

To complicate matters further, Asquith announced on November 18 that Parliament would shortly be dissolved, and Lord Lansdowne almost immediately replied by introducing into the Lords proposals for the reform of that body which, were, in substance, those sup-

170. Ibid., pp. 298-300.
171. Ibid., p. 300.
ported by the Unionists at the Constitutional Conference, and which included the all-important provision: "... if the difference (between the two Houses) relates to a matter which is of great gravity, and has not been adequately submitted for the judgment of the people it shall not be referred to the Joint Sitting, but shall be submitted to the electors by Referendum." This proposal Lord Ridley approved forthwith, and Austen Chamberlain added his endorsement on November 25 at Glasgow—in spite of the fact that he was much too astute not to realize the dangers inherent in this now widely accepted Unionist proposal. Notwithstanding this fact he appears to have remained convinced until the end of November that Balfour would reject all suggestions that Tariff Reform be sidetracked, and, indeed, as the month wore on Balfour warmed considerably in public to the Birmingham programme. He was particularly energetic in his espousal of it at Nottingham on November 17. In the end, however, Birmingham was simply overwhelmed. On November 28, the day on which Parliament was dissolved, Mr. Balfour sent a letter by special messenger to Austen Chamberlain (in Edinburgh)—informing him of the new adherence of Bonar Law, Lansdowne and the Daily Mail to the

174. The Times, November 26, 1910, p. 11.
175. The Times, November 18, 1910, p. 10.
referendum suggestion, stating the arguments in favour of it, and informing him of his inclination to endorse the proposal on the following night while speaking at the Albert Hall.

To this communication Austen replied at once, but in vain. Balfour accepted the Prime Minister's challenge, for such as it was, by declaring on the night referred to, "... I have not the least objection to submit the principles of Tariff Reform to (a) Referendum."

Balfour's celebrated move was at once a cause of great rejoicing amongst the Unionist rank and file, who professed to see therein a real prospect of winning the floating and even some of the old Free Trade vote. Lansdowne endorsed it on November 30. Sir Frederick Pollock supported it in a letter to The Times, and Professor Dicey saw it as a "... veto lodged in the hands of the people..." The Unionist Press lived up to Garvin's forecast. The Spectator, once again the voice of the Unionist Free Fooders, was

179. The Times, December 1, 1910, p. 8.
180. The Times, December 12, 1910, pp. 11 - 12.
182. The Spectator, December 3, 1910, pp. 957 - 8. As early as February 26, 1910 it had begun to retreat from its position during the January election.
CALLING THE CATTLE HOME.

Arthur Balfour (the Merry Swiss Boy). "They don't seem to take much notice of this thing. Perhaps I haven't practised it long enough."
naturally jubilant. Meanwhile, of course, the Liberals made much of the discomfiture of the diehard Tariff Reformers, and proclaimed that the fiscal question was no longer a campaign issue.

Amongst the still ardent inner circle of Chamberlainites disappointment reigned. Austen Chamberlain made no secret of his views in private correspondence with Lansdowne and Balfour. He pleaded with the latter to deny the claims not only of the Liberals but also of such Unionist papers as the *Daily Mail* with regard to the status of Tariff Reform. This Balfour certainly sought to do—for instance in speeches at Grimsby and at Dartford. Nothing that he could say, however, could remove the now unquestioned fact that, whatever the result of the election, the introduction of one of the key planks of Tariff Reform was still a matter for the distant future. Tariff Reform remained a formidable topic of electoral debate, but the discussion of it was now on far more general terms than it had been during the two previous elections. The blunt fact was that as the Tariff Reformers feared, and their opponents did not hesitate to say, the whole

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fiscal question had been relegated to a secondary position, for the Government and its allies preferred to concentrate on the constitutional question, and, as the campaigning proceeded, the majority of the Unionists sought in reply to raise the spectre of Home Rule.

In view of these new circumstances, therefore, the second election of 1910 can hardly be described as the third successive defeat for Tariff Reform. Tariff Reform was simply not a major issue. Furthermore, apart from a few seats won in Lancashire, it is doubtful if the Unionists gained anything electorally by watering down the Chamberlain programme. Party standings remained almost unchanged. It is undeniable that at this time the Tariff Reform movement was weakened considerably, but this was primarily the result, not of the election, but of the rise of other issues with a greater popular appeal, and of the decision of the Unionists themselves to adopt the referendum.

189. Asquith's address to the electors did not mention Tariff Reform. The Times, November 30, 1910, p. 10.
190. Asquith was very astute here. He refrained from accepting Balfour's challenge that he agree to submit Home Rule to a Referendum, and, indeed, did not even commit himself publicly to the introduction of a Home Rule Bill until the election was under way.
191. The Annual Register, 1910, p. 264.
192.

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Chapter IV

Tariff Reform and the Unionist Party
1911 - 1914

"De l'audace, de l'audace, et toujours de l'audace."

Danton

A favourite quotation of Joseph Chamberlain.

The opening days of 1911 found the Tariff Reformers in a despondent mood. In common with all Unionists, they were smarting under the impact of two electoral defeats within twelve months, and were hardly looking forward to the dismal process of re-examining the Party's platform and of conducting the inquiries into 'the deficiencies of party organization' which they knew were impending. They were, furthermore, no more enthusiastic than the other members of the Opposition about the rather hopeless task ahead of them--of fighting a rearguard action against two impending measures of exceptional gravity--the Parliament and the Home Rule Bills.

Amongst the supporters of the Chamberlain programme there was, however, additional justification for defeatism. In the first place, many of them began to realize, more clearly than previously, just what a tremendous obstacle to
the implementation of a Tariff Reform programme Balfour had created with the referendum proposal. They were now beginning to fear that, whatever his intentions, Balfour's pledge was in effect, "... simply a proposal to commit Tariff Reform to penal servitude for a long term or even for life." Secondly, their discomfiture was increased by their realization that Balfour's decision and their concession in accepting it for the election—made certainly at a cost of much embarrassment to them—had practically no effect on the parliamentary strength of the parties. What hurt them most of all, however, was the fact that their prestige in the Party, and the hold of their programme on its individual members—the vast majority of whom still nominally subscribed to it—were unquestionably declining from 1906 and 1909 levels.

It should not be assumed, on the other hand, that their influence had completely vanished; they still wielded considerable, if reduced power. Significantly, the Annual Register recorded that in the first by-election for the year 1911:

The Unionist candidate for Horncastle, Captain Weigall, at first attempted to concentrate his supporters on the constitutional question, declaring himself opposed to food taxes and

1. Peel, op. cit., p. 79.

desirous of opposing Tariff Reform; but he was promptly menaced with the opposition of the Tariff Reform League, and was constrained to make a profession of faith in its cause. 3

The Tariff Reformers were much less successful, however, when they tackled the far more important issue of the referendum as it had been applied to their policy. Privately, and through the columns of _The Times_, they waged an energetic campaign in January 1911, to have the Party reverse its stand on this issue. Jesse Collins, one of the most ardent of them all, made their position doubly clear when he described the referendum suggestion as a "...novel and an un-English proposal to over-ride the recognized functions of the Legislature...." He declared further, "The Referendum no doubt meets the views of Lord George Hamilton and his fellow "Free Trade" Unionists. They see in it the means by which Tariff Reform would be delayed—perhaps delayed indefinitely." Balfour, however, this time could not be brought to bay. When he issued a statement on the Party's attitude to Protection on January 12, he affirmed, after restating his conviction of the merits of Tariff Reform, that the policy of the Party had "undergone no change ...." A month later he went even farther, and argued before the Constitutional Club that the referendum "...ought to be a permanent part of our Constitution...." although he

3. _The Annual Register_, 1911, p. 2.
5. _The Times_, January 12, 1911, p. 8.
6. _The Times_, February 7, 1911, p. 15.
admitted that it was not suitable for dealing with ordinary budgets. Thus the referendum remained for the time being an integral part of Unionist policy. In fairness, it should be noted that Balfour did not shrink from the Tariff Reform programme in any other way. He continued, in fact, to describe himself as a strong believer in it, and repeatedly pledged himself during the next six months to keep the cost of living level, or even to reduce it if Tariff Reform were introduced.

Two further disappointments were in store for the ardent Tariff Reformers during the early weeks of 1911. One was the publication of the Board of Trade returns for the previous year; in which a ten percent increase in the value of the country's trade over 1909 was revealed. What particularly angered the Tariff Reformers was the fact that this figure was used by Free Traders in all parties, and by the Free Trade Press, to ridicule the Tariff Reform contention that all was not well with the country's economic progress. In vain did the Tariff Reformer Press and such stalwarts as Mr. Hewins seek to point out the dangers in comparing raw scores. It was almost a decade later before

7. e.g. at the Albert Hall, May 23, 1911. The Times, May 24, 1911, p. 9.
8. e.g. The Spectator, January 14, 1911, p. 45.
more objective observers realized that, in fact, a general price rise had accounted for the rise referred to, and that, in the years immediately before the war, real wages in Britain were on a plateau.

The other disturbing factor was the announcement late in January, 1911 of the impending reciprocity agreement between Canada and the United States.

To all ardent Tariff Reformers this complication appeared to be frankly tragic. Lead on this subject most energetically by Balfour, they made no secret of their fears, and sought to place full responsibility for the 'catastrophe' on the Liberal Government in Britain.

The dominant political struggle of 1911—that over the passage of the Parliament Act—was, as has already been seen, destined to injure the cause of Tariff Reform by the simple process of occupying so much of the limelight over so much of the year—(introduced in the Commons on February 21, it did not pass the Lords finally until August 10). It was to have another important effect on the fiscal question, for during the controversy many of the Tariff Reformers split sharply, not over the principle of the Bill—which as unionists they automatically opposed—but over the extent to which they felt Unionism should go in fighting it. Large numbers of Tariff Reformers, possibly the majority of them,


12. e.g. Balfour on February 6, 1911. The Times, February 7, 1911, p. 15.
rather understandably awaited a lead from the official heads of the Party, and found it long in coming. Lansdowne sought to sidetrack the Government's measure by introducing a House of Lords Reconstruction Bill of his own; Balfour, on the other hand, delayed making his position known until July 26—when feeling was at its height. In any case, a considerable number of the most prominent Tariff Reformers—particularly the Duke of Westminster, Bedford and Marlborough, Lord Selborne, Lord Milner, Sir Edward Carson, F. E. Smith, and Austen Chamberlain—adopted in the interim a most intransigent position on the Parliament Bill, refused to consider any 'surrender' whatsoever, and eventually joined the 'die-hard wing' of the Party—which grouped itself around Lord Halsbury, the ex-Chancellor. This group was keen to fight to the end, even if it meant forcing the Prime Minister to take the ultimate step of creating new peers. The country thus witnessed an interesting spectacle, and an unusual one, for associated with this right wing group of Tariff Reformers as 'Ditchers' were some of the most noted Free Fooders—including Lord Salisbury and his brothers. They, Tariff Reformers and Free Fooders alike, were all to share both disappointment and in some cases real anger when Balfour finally came out against their position (threatening resignation if his advice was not accepted). In addition, they found themselves branded in some quarters as

rebels against their leaders. *The Daily Express*, which had been violently opposed to the Parliament Bill from the moment it was first proposed, clearly reflected their dismay when it described Balfour's advice as "... a tactical folly and a national crime."

Undoubtedly, Lansdowne was primarily responsible for the Unionist schism over the Parliament Bill; he acted so tardily amongst the Peers that when he did take up a position, the Halsbury group was already out of hand. Nevertheless the principal opprobrium for the mess, for such it was, was vented on the unfortunate Balfour, and it was his prestige which suffered most. Balfour certainly had continued to display far too long that genius for temporizing and for postponing action which, admittedly, quite often leads to solutions if the tempo of events is slow and measured, but which, when used in times of crisis, can only be described as weak leadership. Coming as did this debacle on top of three successive electoral defeats, it is not to be wondered at that before the year was out, the Unionist Party had changed its command.

14. Austen Chamberlain gathered that Balfour was making such a charge in his letter to Lord Newton, and wrote a hot letter to his leader on the injustice of such a stand. Balfour replied disclaiming any such inference. Chamberlain, *op. cit.*, pp. 348 - 351. *The Times* openly referred to the Halsbury Club on July 26, 1911, p. 9 as "... a demonstration hostile to their (leaders') declared policy...." and called on it to reconsider "the consequences which may follow injudicious perseverance in a rash and ill-considered attitude...."

Amongst the many factors which led to Balfour's fall must be included the discontent with his leadership which existed in Tariff Reform circles. It is quite obvious that by 1911 his vacillations on fiscal reform had angered its most extreme proponents, and had sadly disturbed most of the rest. In seven years, he had faced his country and his party with at least six approaches to the Birmingham programme: the Economic Notes of 1903; the Two Elections scheme of 1904-5; the Valentine Letter of 1906; the 'Broadening the Base' approach to taxation in 1907 - 9; the partial eclipse during the constitutional crisis of 1909 - 10; and the Referendum of the latter year. As early as midsummer, 1910, a small group of disgruntled Unionists had formed a short-lived Reveille Movement—with the avowed intention of re-awakening the Party. Its members—including Messrs Peto, Burgoyne, and Page Croft, all Unionist M. P.'s, Lord Willoughby de Broke, the President of the League of Young Conservatives, and Leo Maxse, the Editor of the National Review—were all ardent Tariff Reformers. They all professed nominal loyalty to Balfour—although, like similar groups earlier, their sincerity in this respect was openly doubted at the time.

It was from this same extremist wing that, a year later, the cry was first openly raised for a change in Unionist leadership. Leo Maxse was, from the first, the most

17. The Annual Register, 1910, p. 213.
energetic in voicing this sentiment. He is generally credited with having coined the phrase, "Balfour must go." In the October, 1911 issue of the National Review he bluntly declared:

What is the position of the British Tariff Reformers? What is the position of the Tariff Reform League which has done magnificent work in the face of a Niagara of cold water? Does any serious Tariff Reformer pretend to believe that there is the remotest prospect of our ever getting a serious measure of Tariff Reform from Mr. Balfour? Has Mr. Balfour the faintest chance of securing a mandate from the nation for 'the first constructive work of the Unionist Party,' which is deliberately side-tracked at every opportunity? The answer to both these questions is a blunt negative...." 19

Maxse's cry was certainly widely repeated, and yet it was by no means echoed in all Unionist, or even in all Tariff Reform circles. It was, indeed, soon submerged in a general restlessness which openly spread through the whole Party as the year wore on. Although, as a veteran political figure Balfour was no stranger to such criticism, he was still a most sensitive man, and felt such disaffection keenly--especially when he feared that it might even include some of his close associates. Such criticisms on the part of the more disgruntled Tariff Reformers certainly had a share in inducing Balfour to announce his resignation on November 8.

18. Dugdale, op. cit., p. 86.
On the other hand, although many moderate Tariff Reformers had felt their disappointments just as keenly as their more radical associates, there was no organized move by the Tariff Reform organization to oust Balfour. Austen Chamberlain's letter make it clear that he was no party to any such cabal; indeed, as late as October 27, 1911 he was writing privately: "The leadership of the Party is not in question. There is no vacancy and we desire none." They do reveal, however, that Chamberlain made a major tactical error earlier in the same month when he agreed to remain associated with a 'continuing Halsbury Club' consisting of Die Hards who were keen to build and maintain an aggressive spirit in the Party. The extended life of this group seems to have perpetuated some of the bitterness aroused during the constitutional struggle of the preceding summer. The reorganization of the Club disturbed Balfour, and also appears to have alienated several Party members who might otherwise have supported Chamberlain when his chance to succeed Balfour came. Yet Austen's letters leave no doubt that he and other leading members of the Club were quite loyal to Balfour, and, indeed, it appears that one of Chamberlain's motives in joining it at all was to prevent the wilder Diehards, as he wrote at the time, "... running amuck as Leo Maxse did."

22. e.g. Selborne, Wyndham, F.E. Smith, Amery, Milner, Carson.
From the Tariff Reform viewpoint, the choice of a new leader for the Unionist Party can be briefly told. Balfour himself believed that Austen Chamberlain would succeed him, and that Curzon would be the new leader in the Lords. Chamberlain, however, found that he had a strongly supported rival in Walter Long, behind whom were ranged the implacable foes of all things 'Birmingham' as well as many moderate Party members who had been offended by the activities of the Halsbury Club. The latter rather resented the fact that Austen Chamberlain had only recently joined the Carlton Club, and still described himself as a Liberal Unionist. When it became apparent that the Party was almost equally divided between these two candidates, Chamberlain proposed, and Long agreed, that they withdraw in favour of Andrew Bonar Law. This was done and Law was elected unanimously.

As adherence to the Tariff Reform programme had apparently been a **sine qua non** for candidacy for the Party's leadership, and as Chamberlain and Law were two of its most outstanding supporters, its position appeared to have been strengthened by Balfour's retirement. It is probably true that Chamberlain had alienated some potential supporters on the very night that Balfour made public his intention--

25. Long was always much more cautious in his endorsement of it. See Chamberlain, *op. cit.*, p. 48.
26. Peel rather overemphasizes the importance of this speech in this connection. Peel, *op. cit.*, p. 113.
November 8—by announcing before the Annual Conference of the Tariff Reform League that he no longer felt bound by the referendum pledge, and by declaring that, as Tariff Reform had already been discussed at length in the country, a Unionist Government, when elected would enact it into law without farther delay. But Law had also appeared at the same gathering, had openly and frankly associated himself with the various re-endorsements of the Food Taxes which featured its deliberations, and had declared (as paraphrased by The Times) "No party would ever come to victory if it were always considering what was unpopular." The road thus seemed clear for a new and vigorous approach.

In spite of these favourable prospects, new complications began to arise, for, almost from the moment of his election, Bonar Law began to show a new caution, in matters fiscal at least. He did not accede to Austen's implied request that he also scuttle the Referendum. His assertion, furthermore, at Leeds on November 16:

27. The Times, November 9, 1911, p. 8.
   In his correspondence some three days later Chamberlain declared that his purpose in making this speech was that "... if the party chooses me they should choose me knowing what the choice involved and that, if I were not chosen, my position should at any rate be clear before any other choice had been made." Chamberlain, op. cit., p. 392.

28. The Times, November 11, 1911, p. 10.

I do not pretend that a change in our fiscal system will cure all evils, but I do contend that it will help the greatest of our social evils—chronic unemployment. For this claim there is at least some justification. 30

is strikingly mild when compared to some of his earlier utterances on the subject. The fact, of course, was that Bonar Law was now on the receiving end of two pressure campaigns: the one led by Chamberlain, and the other apparently by Walter Long, who, early in February 1912 sought to convince Law that the Referendum could not be abandoned. In addition, the Free Food element early in the year bombarded Law with requests that the Food Duties be abandoned altogether. 33

30. The Times, November 17, 1911, p. 10.

31. In his first major address as the Unionist Leader, on January 26, 1912, Law spent most of his time in a bitter attack on the Government, and only in the closing minutes reached Tariff Reform. He referred to his eight years' advocacy of it, admitted the continuance of a party schism over it, affirmed that the party could not abandon it because "...we believe in it ...." and because the greatest measure of social reform would come from a rise in the level of wages—a result to be expected from Tariff Reform. He declared that Unionist and other Free Traders would have to choose "... between Tariff Reform which they dislike, and Lloyd Georgeism which they detest." The Times, January 27, 1912, p. 10.


33. Ibid., p. 408.
Bonar Law's newly-found hesitancy was well illustrated by his reaction to Long's approach. He consulted Lansdowne, whom he found rather partial to a continuation of the Referendum pledge, and informed the Unionist Lord that, in view of his previous stand, he could not personally endorse it. He consulted Balfour, who declared that he would take no offence if the pledge were dropped. He than contacted Chamberlain, and made a proposal which Chamberlain described in his correspondence as follows:

... he suddenly asked me whether I should mind his saying in the course of the Tariff Reform debate this week that we should submit a Tariff Reform Budget to the Referendum if even now Asquith consented to take the same course with Home Rule. He said that he did not think it was possible for Asquith to accept this suggestion and that it could therefore do us no harm. At the same time it would make his position easier with Long. 34

To this proposal Chamberlain objected strongly, seeing great trouble ahead of it, and no justification for making a special case of a Tariff Reform budget. Nothing came of the suggestion.

34. Chamberlain, op. cit., p. 416. Rather significantly, the debate to which Law refers was not based on an official Tariff Reform amendment to the Address, but on an unofficial motion of Captain George Tryon. Apparently at this time even the most ardent Tariff Reformers were prepared to 'let sleeping dogs lie' until the Party's leaders officially renounced the Referendum. The short debate which did take place (Hansard, 5th Ser., February 22, 1912, vol. 34, c. 748 - 862.) produced little excitement and little that was new. Cf. Annual Register, 1912, p. 28.
At the end of January, 1912 Bonar Law summoned the Unionist Shadow Cabinet for an exhaustive review of the Party's stand on Tariff Reform. At this gathering a few Party leaders such as Lords Derby and Londonderry expressed outright opposition to the Food Taxes; almost all except Austen Chamberlain admitted that they were a considerable handicap in the country; but the majority followed Lansdowne and Bonar Law in affirming that they could not be dropped, and in regarding the Referendum pledge as defunct. Bonar Law himself declared that he regarded the Referendum as dead, but rather speciously raised again his desire to avoid doing anything which might have the appearance of repudiating Balfour, and proposed that he speak in future of Tariff Reform simply as one of the first policies which a Unionist Government would enact into law—without any reference at all to the Referendum.

Law apparently felt that by ignoring the Referendum since the beginning of the year he had already killed it—although both Chamberlain and the Party Whips pointed out that the average Unionist candidate was quite unaware of this fact, and was in a most difficult position—being quite unable to to answer "Yes" or "No" to specific questions associating the Referendum with Tariff Reform. Before the gathering adjourned, Law promised to find a suitable formula to express the general consensus of opinion of those present, and to make a public statement on the question in the near
future. As the course of events later determined, it was many months before he made any formal pronouncement on the Referendum, and he never succeeded in finding or drafting the formula to which he referred.

There were a number of basic reasons which explain the increasing degree to which Unionist leaders ignored Tariff Reform as the year 1912 progressed, and Bonar Law found himself able, in the interests of Party unity, to defer taking a concrete stand. One of the first and most important was that other political issues simply relegated Tariff Reform on occasions to a secondary position. The Government's proposals to grant Home Rule to Ireland and to Disestablish the Welsh Church, introduced in April, 1912, the rising controversy over the suffragette demands, and the very widespread industrial unrest of 1912—all were of immediate and major concern to the electorate.

The Hon. George Peel, writing in the year 1913, very shrewdly and accurately noted two additional reasons for the relegation of Tariff Reform. One, which he describes as economic could just as readily be termed imperialistic, and will be discussed as such in the next chapter. Basically, it concerned a growing realization at this time in Britain of the weakness of the Tariff Reform argument concerning Imperial unity, and also a growing appreciation of the

35. Chamberlain, who was very pleased with the outcome of these deliberations, wrote of them in detail on March 1, 1912. Chamberlain, *op. cit.*, pp. 432 - 6.

inequality of Imperial sacrifice being made at that time on such matters as defence.

His other classification was political. Peel pointed out that in 1912 the Unionists found a second outstandingly popular cry beside that involved in the Home Rule question—in the opportunities to attack the National Insurance Act—to the contributory principle of which strong opposition appeared in the country at large, and especially in those Free Trade strongholds, Lancashire, Yorkshire and Scotland. The result was that in 1912 the Unionists found themselves winning some resounding by-election victories without making a major appeal to the fiscal question at all. Under the circumstances, the temptation to continue this line of action was quite natural and understandable. It was, apparently, because they were keenly aware of this general policy of drift that, in the early summer of 1912, the Tariff Reform Caucus decided on a renewal of vigorous action.

37. e.g. in March at Manchester; in July at Luton; in August at Middleton; in December at Kilmarnock, South Somerset, North Ayr, and Govan. Referring to the victory in March Austen Chamberlain wrote at the time:

The Tariff Reform League was very active in the Manchester Division, but I think the result must be attributed to dissatisfaction with the Insurance Bill and in part to a general and growing discontent with the Government.

Chamberlain, op. cit., p. 440.
One of the first indications that the patience of the Tariff Reformers was running short was contained in a statement issued on June 12, and laconically published by The Times thus:

We have received the following for publication:

The "Confederacy," an organization of which little has lately been heard, has been carefully considering the tendency shown by several Unionist candidates at recent by-elections to place Tariff Reform in the background of their programme, or even to repudiate Imperial Preference altogether. The Confederates, who have ample means at their disposal, have decided that in the event of any Unionist candidates adopting a similar policy at any future election they are fully determined to put forward a candidate who will subscribe to the full policy of the Unionist Party. 38

A second feature of the Tariff Reform offensive was the launching of a monster drive to raise funds for a great forward movement of the Tariff Reform League. The July 8, 1912 edition of The Times, for example, contained a letter from George Wyndham announcing the inauguration of a Birthday Fund to honour Joseph Chamberlain--with subscriptions limited to 1s.--on the understanding that he might use the money in any manner which he might desire. As Chamberlain was a wealthy man there was no parallel here to the public subscrip-


39. Already in the first six months of 1912 the Tariff Reform League had supplied speakers for about 4,000 meetings, had issued 3,000,000 pamphlets and booklets, and had begun to stimulate 'recruiting' by using Chamberlain crosses and certificates bearing photographs of the leaders of the movement to those successful in bringing in new members.

40. The Times, July 8, 1912, p. 8.
tion once raised for Cobden, and it must have been generally assumed that any sum raised would be devoted by him to his favourite cause. In any case, this appeal aroused no great response. Sir Francis Trippel, as an expert fund-raiser, therefore suggested that a direct drive be made to amass a war chest of £250,000. The Duke of Westminster attempted to stimulate the Campaign in an unusual way by issuing an open invitation to dinner at Grosvenor House to anyone donating £1,000 or more to the cause. Despite the lampooning of this unique move by Liberal cartoonists, the League obtained its money—£21,250 at a founders' dinner on July 30, and £60,000 at a second function on October 16 alone.

The third and by far the most important feature of the campaign was a determined effort by the Tariff Reformers to have the Referendum openly and finally settled. This they sought to do by accelerating activities of the League, by issuing lengthy and extremely optimistic reports on the success of its activities, and by exerting pressure privately

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41. The sum raised was £5,741, Is. (114,821s.) which Joseph Chamberlain duly presented to the Tariff Reform League. *The Times*, March 15, 1913, p. 10.


43. *Loc. cit.*, The Tariff Reform League apparently on occasions raised funds in other novel ways. One came to light in September, 1911 in the pages of the *National Review*, when that journal carried a series of letters between the Tariff Reform League's legal advisers and those of Baron de Forest, a Unionist M.P. who was elected at North West Ham in a July, 1911 by-election, and who during the campaign claimed to have been offered a viscountcy if he made a large enough contribution to the Tariff Reform League. Nothing came of it, but de Forest did not retract. *The National Review*, September, 1911, vol. 58, pp. 151-6.
on the Party's leaders. The latter were doubtful and hesitant, and the work progressed slowly. Eventually, however, persistent determination triumphed; Lansdowne and Bonar Law were apparently completely won over, and on November 14, 1912 finally took the action which the Tariff Reformers desired. On that day, while addressing the Annual Conference of the National Unionist Association of Conservative and Liberal Unionist Organizations, Lansdowne frankly referred to Mr. Balfour's referendum pledge, to the reaction of the Liberal government to it, and to the electoral result which followed. "I suggest to you," he declared, "that from that moment we regained our freedom." Bonar Law endorsed this statement of policy, although he went on to make it clear that its application would not be revolutionary, and that indeed the whole fiscal programme would only cause the smallest possible dislocation in business. He went further, and promised that any revenue from a tariff on food would not be regarded as ordinary income, and would be used specifically to lower the tax burden on the poorer classes in the community.


45. Chamberlain, op. cit., p. 495.

46. The Times, November 15, 1912, p. 8.

47. Loc. cit.
Apparently this gathering received the news of the demise of the Referendum with great enthusiasm—just as, interestingly enough, a similar gathering had cheered its birth a short two years previously. When Henry Chaplin introduced a Tariff Reform resolution, it was passed unanimously.

The Tariff Reformers were naturally delighted, and many undoubtedly hoped, as did A.W.S. Hewins when writing in his diary, that they had seen the death of the "...anti-food tax movement in the Party." So secure did their position appear to be that Lansdowne, some two weeks after his Albert Hall speech, publicly sought to make his earlier suggestion specific by endorsing a 2s. duty on foreign corn, and by suggesting the free entry of colonial wheat. Austen Chamberlain followed up and elaborated these statements at Carnarvon on December 2. These concrete proposals, however, served a far different purpose from that actually intended, for they appear to have prodded the Unionist rank-and-file into realizing the true import of the Albert Hall decision—namely, that with the Referendum dead, food taxation would be automatically included in the first Unionist budget after a favourable election. The result was the appearance of

vigorous opposition to the official Party programme--first amongst the Unionists of Lancashire and Yorkshire, where the dissentients' views were endorsed by such strong papers as the *Manchester Courier* and *Yorkshire Post*. The Unionists of Ulster soon adopted a similar stand, and in short order the rot became country-wide. To the dismay of the Tariff Reformers, Lord Northcliffe with *The Times* and the *Daily Mail* took a similarly hostile stand.

The rising clamour throughout the Party thus produced the anomaly of December 16, 1912. On that day, Austen Chamberlain, who remained convinced that the 'Dear Food' cry was a bogey which could be readily overcome if boldly faced, spoke vigorously on the 2s. duty on corn, and the ten percent duty on manufactured goods, which the Unionists were prepared to levy. In striking contrast, Bonar Law, while speaking at Ashton-under-Lyne on the same evening, after endorsing Tariff Reform with the usual arguments went on to make this declaration:

> If our countrymen entrust us with power, we do not intend to impose food duties. What we intend to do is to call a conference of the Colonies to consider the whole question of Preferential trade, and the question whether or not food duties will be imposed will not arise until those negotiations are completed. We are told the Colonies have made no offer, that they do not wish such an arrangement. If that is true, no food duties will be imposed under any circumstances. We do not wish to impose them. They are not proposed by us for the sake of Protection, and there is not Protection in them. They are proposed solely for the sake of Preference....

Bonar Law, in other words, had on his own authority reintroduced an element of delay into the application of food taxation, had stressed its preferential aspect, and had, to some extent, obviously sought to shift the onus of such taxation on to the Overseas Empire. What he had tried to do was to restate his Party's determination to stick by Preference while at the same time stemming the incipient panic. In actual fact he succeeded in doing neither; the Tariff Reformers were disheartened, and the clamour from the opponents of food taxation continued. The Times received Law's speech very unfavourably. The Liverpool Courier, the Yorkshire Daily Post, the Manchester Courier and the Daily Graphic went further, and called for a revival of the Referendum pledge. On the other hand, Garvin this time stood by the food duties, declaring that if they were scuttled, "Mr. Asquith would grow as grey as Palmerston in office."

So rapidly did the discontent spread that by December 18, 1912 The Times was reporting that some 60 - 70% of Unionist M. P.'s were adverse to the food duties, and that Unionist feeling in Scotland was as strong against them as it

54. The Times, December 17, 1912, pp. 6, 7.

55. The complete Irish Unionist Press did likewise--Irish Unionists, keen to shelve Tariff Reform to leave the field open for battle on Home Rule and Ulster, were all in favour of the change. So also were Conservative leaders in such Lancashire cities as Liverpool, which had never been strongly Tariff Reform, and which had large Orange populations.

was in Ireland and the North of England. Nearly a quarter century later Austen Chamberlain painted an even more drastic picture of the reversal when he wrote:

In a few weeks, almost in a few days, the revolt had become general; the panic had spread to all but a few stalwarts. When we examined the lists we found that we could only count on the constancy of some thirty or forty men, including the veteran Henry Chaplin but mainly drawn from among the younger and more active spirits of the Party, not a few of whom had been drawn into politics by the call to public service on behalf of a United Empire which was the theme of my father's great Tariff Campaign in 1903. 58

The stage was thus set for the last major change in the official stand of the Unionists to the Chamberlain dream before the onset of war in 1914 stilled such debate. Faced with the large scale repudiation of their policy, it was at this moment that Lansdowne and Bonar Law came to the conclusion that the only course open to them was to summon a Party meeting at which they should resign. When, however, word of this intention became known to their closest colleagues, the latter (led by Edward Carson and F.E. Smith) drafted a memorial which strongly re-stated the Party's

57. The Times, December 18, 1912, p. 7.
58. Chamberlain, op. cit., p. 503. Chamberlain wrote in his letter of January 7, 1913: "The Whips' report was that though fifty - sixty Members would gladly support Law if he determined to stick to his guns, not more than twenty-five wished him to do so." Chamberlain, op. cit., p. 508.
support of its leaders, reaffirmed the adherence of the Unionist M. P.'s to Imperial Preference, and re-iterated their determination to bring it in if elected. In addition, and this was the crucial point, the memorial revived the old two elections scheme vis-à-vis the food taxes. Eventually, after it had been considerably modified by such Tariff reformers as Hewins, the memorial was signed by almost all Unionist M. P.'s except Austen Chamberlain—and presented to Lansdowne and Law, who accepted it, on January 8, 1913.

The crisis was thus over, but there was now no question that the decision had gone heavily against the Tariff Reformers. Austen Chamberlain made no secret of his disappointment at the new policy of the Party, and even at Law's earlier Ashton Speech, when he addressed his own constituents at Acocks Green on January 13, 1913. He argued as he had done on many previous occasions, that Tariff Reform had not been an issue in January 1906 or in December 1910, and declared that the Food Duties were still a basic necessity to any system of Preference. To him, the new decision was a mistake. Nevertheless, in what appears to have been an extremely effective speech, he set the official policy of the Tariff Reformers by declaring that he felt too strongly on the other causes represented by Unionism to do anything


60. Hewins, op. cit., p.296. It was Austen Chamberlain who suggested that it be shown to Hewins before circulation.

61. Chamberlain, although he supported Law's retention of the Party's leadership, refused to sign the memorial himself, for he could not endorse such a change in policy.

62. See p. 195.
but support the Party and its leaders.

Bonar Law also took to the public platform—this time at Edinburgh on January 24, 1913—to explain the position of Lansdowne and himself, the reason for their contemplated resignations, and the basis of the policy on which they agreed to remain. He declared in part:

If we are returned to power we intend to do three things. We shall impose a tariff, a moderate tariff, lower than exists in any other industrial country in the world on foreign manufactured goods. We shall also give to the Dominions of the Crown on our market a preference, and the largest preference, which is possible without the imposition of new duties on food. 63

A Unionist Government, Law went on to add, would enter into conversations with the Dominions on the subject of Imperial cooperation in trade and defense, and, if Preference should be impossible without a readjustment of food duties, the issue would be taken to the people. Thus, in what was in fact the fourth Unionist Tariff Reform programme within three months, Law had placed his sign of approval on the two elections proposition first devised by Balfour in 1904.

From this moment until the outbreak of war in 1914 there were numerous signs that the fortunes of the Tariff

62. (From p. 194.) According to an anonymous writer in The Round Table, the speech "... made a profound impression on the whole country. " "The Unionists and the Food Taxes," The Round Table, March, 1913, vol. III, p. 267.

63. The Times, January 25, 1913, p. 10.
NOT LOST, BUT LEFT BEHIND.

(By request of the Ship's Doctor.)
Reform movement were declining steadily. One of the most obvious was the extent to which the vast bulk of the Unionist Press rapidly endorsed the new Party stand—leaving, in fact, only the *Morning Post* and *Pall Mall Gazette* firmly behind the whole Chamberlain programme.

A second was the extent to which the Tariff Reformers were openly disillusioned and disheartened. Austen Chamberlain's correspondence describing a meeting of Selborne, Wyndham, Ridley, Hewins, Amery and George Lloyd on January 15 at his home to discuss the whole situation makes this quite apparent. A letter written by Chaplin to Austen Chamberlain on the following day makes the point more clearly still.

"We must take some decided line," wrote Chaplin, "or the Tariff Reform League will tumble to pieces." The League did not tumble, but it became increasingly conscious of, and incensed at, the extent to which the one great first constructive plank had been relegated to the side lines. Much anti-Bonar Law feeling appears to have spread amongst its ranks, for it was certainly in evidence when the League held its

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64. Hewins, who was inclined to be alternately unduly optimistic and pessimistic, was, on January 29, 1913—according to his diary—quite satisfied with the outcome of events. On January 30, however, he was writing angrily, "But Bonar Law does not know where he is and has no convictions," Hewins, *op. cit.*, p. 298.


annual conference in March of 1913. At this gathering Chaplin personally disassociated himself from the Edinburgh Programme; George Wyndham announced that if he were required to choose between the League and the Unionist Party he would certainly choose the former, and a motion introduced by Leo Maxse reaffirming the 1903 position of Tariff Reform was passed unanimously. Indeed, had Austen Chamberlain not addressed the gathering, in which he noted "... a deep and loud undercurrent of anger and discontent...." it might well have broken out in open revolt. As it was, after persuading the League to support all Unionist candidates who went along with Bonar Law's Edinburgh programme, Chamberlain made it very clear that the Tariff Reformers would give no more ground. His real view of the prospects of the movement, however, he left to his pen—for he wrote to his step-mother:

Chaplin, who was in the Chair, did not make my path any easier, for he took a most gloomy view of the situation and argued at length that the position was untenable and success impossible—a view which finds only too much response in my own breast, though I do not proclaim it from the housetops. 72

A third indication of the extent to which Tariff Reform was being ignored was clearly illustrated in Curzon's

68. At which Lord Duncannon presided.
69. The Annual Register, 1913, p. 62.
70. The Times, March 15, 1913, p. 10.
71. Chamberlain, op. cit., p. 537.
72. Ibid., p. 538.
May 2, 1913 address as the new Grand Master of the Primrose League (succeeding Balfour.) Apart from averring, "We are united on the platform on which we stand....," he said nothing of Tariff Reform, although he dealt at length Lloyd George's finance, the Marconi affair, foreign policy, Ulster, the Territorial Army, National Defence, and Home Rule. At the same time it should be noted that it was still possible to draw large crowds to hear a discussion of Tariff Reform— as Austen Chamberlain did at Hull and Lincoln on April 10 and 11, 1913.

In December of 1913 the most extreme Tariff Reformers, now more exasperated than ever, caused another flare-up in Unionist circles. This arose from a speech delivered by Chamberlain to a Tariff Reform conference at Manchester on December 15, in which he declared that, keen as he was on Tariff Reform, he was a Unionist first, and found it hard at the moment to think on any other subject than Ireland. When Spectator inferred that Chamberlain's declaration in effect meant that the Unionists would fight the next election on Home Rule alone, there was a considerable howl from the old Confederate group which was only with difficulty calmed when Chamberlain corrected the Spectator and made it clear that

73. The Times, May 3, 1913, p. 10.
74. The Times, April 12, 1913, p. 7.
75. Presided over by the Earl of Derby, actually regarded as a Free Foder, but presiding in an impartial capacity.
Tariff Reform was still major Party policy. The whole misunderstanding was in itself a very minor affair; yet it was disruptive enough in Unionist circles, in the opinion of the Annual Register, to more than counteract any benefit which the Unionists might have acquired at this time from a contemporary split in Liberal ranks over the question of naval expenditure.

Once again Chamberlain was able to exert control over the extreme wing, but events were soon to prove that this was the last occasion on which, before the War, they could be brought into line. When on March 16, 1914 the Tariff Reform League met for its annual conference—now just a one day affair—the delegates were in a rebellious mood, and, in spite of a strong statement by Chamberlain, openly repudiated Bonar Law's policy. The fact that this action in 1914 attracted very little attention is striking testimony to the declining status of the League; the simple truth is that, for the moment least, in the realm of practical politics the change had come too late to matter.

The discomfiture of the Tariff Reformers was also illustrated in other ways. For instance, in a by-election at Kendal, Westmoreland, in March 1913, the local Unionists

76. The Annual Register, 1913, pp. 259 - 260.

77. At the conference Chamberlain declared:
I regret the change in the attitude of the Unionist Party as much as you do, I did all I could to prevent it, but the contrary opinion prevailed, and now we must do the best we can with the present programme. The Times, March 7, 1914, p. 10.

rejected a Central Office nominee and adopted a Colonel Weston, a local figure who was very popular, even though he was an out-and-out Free Trader who had rejected the Edinburgh programme in toto. The Central Office and the Tariff Reform League withdrew all support; some Tariff Reformers went further, and followed the lead of the Observer, and the Pall Mall Gazette in openly hoping that the Liberal would win. Mr. Bonar Law, though not at all happily, endorsed the action of the Central Office. Colonel Weston, nevertheless, both won the election and increased the Unionist majority.

At least equally disconcerting to the enthusiastic Tariff Reformers was the almost complete eclipse of the fiscal question as a topic of debate in Parliament. The traditional Tariff Reform amendment to the King's Address was continued, but as the clamour of dispute over Ireland mounted, little else was heard of it at Westminster. Indeed, in 1913 when the Unionists were slow to bring the usual amendment forward, it was a Liberal who raised the question by introducing a motion twitting the Unionists on their numerous policy changes. The latter had to be content with an amendment to this Liberal motion, moved and seconded by Captain Tryon and Mr. Hewins, which once again stated the Tariff Reform programme and endorsed "...a moderate duty, not exceeding an average of ten per cent, ad valorem, on Foreign Manufactured Goods...." The resulting debate lasted only one evening,

79. The Annual Register, 1913, pp. 61 - 62.
80. Hansard, (5th Ser.), vol. 51, April 2, 1913, c. 485.
and the amendment was, of course, defeated.

In the following year the Tariff Reformers were somewhat more prompt and raised the question themselves in their traditional manner on February 16, 1914. Once again, however, the debate was of little consequence; it lasted only four hours, and Bonar Law was the only Front Bench man of either side to speak. By May of 1914 the parliamentary silence of the Unionists on this subject was so marked that Mr. Lloyd George was constrained to observe:

Tariff Reform is still chained in its lonely kennel. It is not even allowed to bark, and it is only the Hon. Member for Bournemouth (Mr. Page Croft) who goes there with a bone now and again to furnish it with a repast. 82

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Chapter V

Tariff Reform and Imperialism

1895 - 1914

We can draw closer the growing nations, the sister states, and by a commercial union we can pave the way for that federation which I see constantly before me as a practical object of aspiration—that federation of free nations which will enable us to prolong in ages yet to come all the glorious traditions of the British race.

Chamberlain's last speech. - 1906

Reference has already been made to the mounting wave of imperial sentiment which was such a factor in the 1895 triumph of the Unionists at the polls. During the greater part of the next decade at least, this was to become the dominant fact in British public life. For the twenty years from 1895 - 1914 there was a steady retreat on the part of the average Briton from the fatalism of the 'Little Englander,' and an equally strong advance towards a positive imperialism—although the degree to which the latter was espoused and the manner in which it was expressed varied widely. Broadly speaking, the particularly ardent imperialist in Britain, unlike his compatriot in the Overseas Empire, was

1 Chapter II, page 44.
inclined to champion some centralizing concept for the Empire, whether it involved political union, commercial ties, or most popular in Britain at this time—cooperation in defence expenditures. On the other hand there were many who were in their own way strongly imperialist—for imperialism in the day of Kipling, Elgar, the Jubilee and the Boer War was, as it must always be to a large degree, a matter of the heart—who had no clear conception of the way in which they wanted the Empire to go. They were for it, and proud of it, but they were content to leave it alone. Those in the first category were inclined to give expression to their enthusiasm, and were more likely to be Unionists than Liberals; those in the second category were typically reticent, and as often as not were adherents of the Liberal Party. Certainly, loyalty and interest in the Empire was the monopoly of no one political group.

As the new imperialism was above party, so indeed was it above economic theory and fiscal policy. The United

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2 The sharp contrast between the dominant imperialist views in Britain and in the colonies, particularly Canada and Australia, is well expressed in Amery, Chamberlain, pp. 414 - 416.

3 viz. The Economist, August 28, 1897, p. 1230. Mr. Chamberlain's own speech, we must confess, only serves to confirm us in our opinion that the wisest, safest and best thing to do with the British Empire is to leave it alone.
Empire Trade League, which Sir Howard Vincent and his Protectionist friends had established in 1892 for the avowed purpose of uniting the Empire on economic lines, was no more successful in associating itself with the rising enthusiasm for the Empire than the Fair Trade League had been in the 1880's. Indeed, after 1895 it usually attracted the attention of the press only when it issued its annual report; its "... meetings and luncheons to colonial visitors hardly raised a ripple on the national waters...." After 1903, of course, it was completely eclipsed by the Tariff Reform League—although the two were never merged, and Vincent apparently kept it alive as a personal sounding board until his death in 1908.

Similar evidence of the bi-partisan nature of the new imperialism was to be found in the creation of the British Empire League in 1896. Its predecessor, the Imperial Federation League, which had played such a notable role in the 1880's, had been widely supported by members of both political parties, and was in fact under the presidency of Lord Rosebery in 1894 when it evaded an internal schism over Preferential duties by voluntary dissolution. With members of the old City of London branch of the Imperial Federation League and such Colonial enthusiasts as Col. George Denison playing

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4 e.g. The Times, April 5, 1899, p. 8; April, 24, 1899, p. 8.
6 The formation of the new league is described in Denison, op. cit., pp. 206 - 212. The Imperial Federation League in Canada changed its name to The British Empire League in Canada on March 4, 1896.
a leading role, negotiations to launch a new body were begun in 1895, and it was formally inaugurated in 1896. In spite, however, of the most strenuous efforts of Denison and others to move the new League towards Preference—at least to the extent of endorsing the proposal to denounce the Belgian and German trade treaties—its membership remained adamantly neutral then and later on fiscal matters. It was thus able to function in a slow though impressive way throughout the whole of the stormy period which followed, and to command support from all walks of British life.

In spite of this, it remains a fact that in the minds of a very considerable section of the British public, after the year 1903, proposals for Preferential trade and a fiscal revolution at home did become complementary to and indeed almost synonymous with loyalty to the Empire itself. That this was so—that the first assault against Free Trade in Britain on a really major scale—should have been launched in this way—was the result of the deliberate action of one man, Joseph Chamberlain.

The titular head of the new league, the Duke of Devonshire, accepted office on the understanding that Sir Robert Herbert, a former Prime Minister of Queensland, and for many years Permanent Under Secretary for the Colonies, would become chairman of the Executive Committee and would direct the League's affairs. Interestingly enough, Herbert in time became a complete convert to Joseph Chamberlain's views, and served as the chairman of Chamberlain's Tariff Commission from 1904 until his death in 1905.
Chamberlain's choice of the Colonial Office in 1895 was in itself testimony to the importance which he attached to things imperial. Already in that year, he was disturbed by the extent to which Protectionist states were cutting into British markets in the colonies at home and abroad. Already he was convinced that there was approaching "... a critical stage in the history of the relations between ourselves and the self-governing colonies." Already also he was a convinced champion of the proposal to strengthen the formal ties of Empire. "I am told on every hand," he declared in a speech in November, 1895, "that Imperial federation is a vain and empty dream." He clearly stated his hopes for it, declaring: "If it be a dream, it is a dream that appeals to the highest sentiments of patriotism and even to our material interests."

Any remaining doubt about Chamberlain's philosophy at this time was swept away in two notable speeches which he delivered in 1896. In the first of these, before the Canada Club on March 25, he referred to the Old Imperial Federation League, and viewed its basic objectives as:

...a matter of such magnitude and such complication that it cannot be undertaken at the present time. But it does not follow that we should give up our aspirations. It is only a proof that we must approach the goal in a different way, that we must not try everything all at once, that we must seek the line of least resistance. 11

8. Chapter II, p. 46.
9. --at the Hotel Metropole, celebrating the completion of the Natal-Transvaal Railway, November 7, 1895 The Times, p. 6.
10. Loc. Cit.
He went on to ask, "What is the greatest of our common obligations? It is Imperial defence. What is the greatest of our common interests? It is Imperial trade." He argued that defence, trade and union are all closely related, before going on to state his proposition that "... experience has taught us that this closer union can be most hopefully approached in the first instance from the commercial side."

In this speech, interestingly enough, he came out strongly against the proposal that Britain and the colonies extend to each other mutual preferences, and in doing so used arguments which were often turned against him in later days. It would be a bad bargain, he declared, to accept a scheme which, by levying duties on food and raw materials, would raise the cost of living of the British workingman, which would jeopardize Britain's competitive position in neutral markets—where she did the bulk of her trading, and which would be of much greater benefit to the Colonies than to Britain. What he did espouse was a much broader concept, in short, an Imperial Zollverein.

But the principle which I claim must be accepted if we are to make any, even the slightest progress is that within the different parts of the Empire protection must disappear, and that revenue duties must be revenue duties, and not protective duties in the sense of protecting the products of

12 The Times, March 26, 1896, p. 10.
13 Loc. Cit.
one part of the Empire against those of another part. 14

Finally, he pointed out that while he was a supporter of Free Trade, he was not a pedantic admirer of it, and was prepared to accept modifications as, he pointed out, Cobden had done vis-à-vis France.

As Garvin remarks, to the extent to which Chamberlain's objective at this time was to stimulate discussion he was supremely successful, for this speech raised an "uncommon 15 stir." It was soon evident, however, that the Colonies were much too closely wedded to Protection, and relied far too much on duties for their national revenue, to be very keen about the Zollverein proposal. Opinion, furthermore, was divided at home. Chamberlain, nevertheless, came back to his plan when delivering the keynote address before the Third Congress of the Chambers of Commerce of the Empire in June, 1906. Once again he portrayed his scheme as a tremendous extension of Free Trade, although he admitted that exceptions to the principle would have to be made, and described as "...an essential condition of the proposal--that Great

16. The Times, which was very favourably inclined to Chamberlain's suggestion, noted as one obstacle to it the fact that Customs and Excise provided three-quarters of the revenue of the Canadian Government, and about one-quarter of the revenue of the Australian and South African governments. March 26, 1896, p. 9.
Britain shall consent to place moderate duties upon certain articles which are of large production in the colonies."

Fundamentally, however, as Chamberlain soon saw, his approach was based on a misinterpretation of the colonial attitude to imperialism, and to Protection. He soon therefore had to drop the plan, although in Garvin's words, "... for some years he not only held to the principle as an ideal but saw no practicable alternative."

Joseph Chamberlain's endeavours at the Imperial Conference of 1897 are also relevant—in so far as they fit into the larger story of Tariff Reform. In his opening speech he described fédération as by far the greatest question before the Conference, and saw in its consummation the avenue to the solution of the numerous other questions which were doubtless to be brought forward. He then went on to propose his famous scheme for a great Council of the Empire, and raised the issue of Colonial contributions to naval defence. On the subject of commercial relations he was still feeling his way, but he did specifically admit that a full Zollverein was apparently an impossibility. He looked with favour on the recent action of the Canadian Government in granting a 12½% reduction in the Canadian tariff on British

goods, and recognized the problem involved therein—namely, that as long as Britain had most-favoured-nation treaties with Germany and Belgium, any concessions extended by the Colonies to Britain had to go to these states as well. He made it clear that if the Colonial representatives so requested it, the treaties in question would be denounced. By implication, he conveyed the impression that if such action were taken, it was his hope that the other Colonies would follow Canada's lead. He made his purpose very clear. "I have said," he declared, "that I believe in sentiment as the greatest of all the forces in the general government of the world, but, at the same time, I should like to bring to the reinforcement of sentiment the motives which are derived from material and personal interest."

In the deliberations which ensued, no advance was recorded towards the Colonial Secretary's political goal, and no change was made in defence arrangements. It was probably

19a. When Mr. Fielding, the Canadian Minister of Finance, announced this move on April 23, 1897, he referred to a further proposed reduction of 12½% in the following year.

20. The inclusion of most-favoured-nation clauses in these treaties—the Belgian in 1862, and that with the Zollverein states in 1863—was "... really the high water mark of Free Trade policy applied to the British Empire." Hewins, op. cit., p. 45. After 1880 the British government began to give the Colonies the right to excuse themselves from participation in new treaties. Annett, op. cit., p. 34.

no surprise to Chamberlain, furthermore, that the debates put an end forever to any hopes of complete Free Trade within the Empire. No specific action was taken on extending Preference; the Colonial Prime Ministers all favoured the idea, but could not commit their countries in advance. Chamberlain was much too intelligent not to realize why. All the Premiers, he observed in a memorandum to the Duke of Devonshire,

...are personally favourable to closer union. Mr. Reid, the cleverest of them all, is generally patriotic and ready to risk something for the idea. The others are Premiers first and patriots second—and they have a natural fear that if they commit themselves too far, they may be reproached when they go home with having sacrificed colonial interests to the flesh-pots of Egypt. 23

At the Conference, therefore, no startling advances were made. By the time of its conclusion Chamberlain himself realized that no step towards union was possible until the lesser consolidations in Australia and South Africa had been achieved. "Our policy," he frankly wrote the Duke, "is to continue to impress our wishes and hopes for union and to leave the leaven to work." He added: "... the great thing is --to use a railway expression--to get the points right." 25

22. Held in camera, and never publicly reported.
24. Led by Laurier, the Colonial Prime Ministers unanimously urged the denunciation of the Belgian-German trade treaties.
From this moment until 1902 Chamberlain was to remain silent on his great dream. For this interval of silence Garvin suggests two explanations: the first, Chamberlain's preoccupation with other Imperial affairs, notably in South Africa; and the second, the probability that he had already begun to realize that any move towards closer commercial relations inevitably meant attempting a fiscal revolution at home. This, Garvin hints, Chamberlain realized was fraught with danger, and at the time had no prospect of succeeding. The Times made one brief reference to this subject in March, 1900, when commenting on Mr. Fielding's latest budget speech in Canada, but it saw little prospect of Britain imposing any tariffs, and still favoured the Free Trade-within-the-Empire proposal.

Just at the end of the year 1900, however, W.A.S. Hewins wrote an article for publication in Germany on Imperialism and its probable effect upon the commercial policy of the United Kingdom which makes it clear that proposals for commercial ties within the Empire were at this time attracting the attention of a small but able group of Britons (including himself). As the work of a very competent observer of the British scene, it is worth quoting from at some length:


27. In which Fielding declared: "It is perhaps within the bounds of possibility that England might be induced to impose a duty for the benefit of the colonies." The Times, Weekly Edition, March 26, 1900, p. 200.
The unanimity which has prevailed with regard to the South African war should not be mistaken for general agreement as to the methods by which the larger aims of Imperialism are to be achieved. If we exclude, on the one hand, the relics of the Manchester School, whose political views are limited by the English horizon, and on the other, the so-called Jingoes, who would plant the British flag on all the unoccupied and many of the inhabited portions of the globe, there remain at the present time three important groups of Imperialists, and representatives of these groups are to be found amongst both Liberals and Conservatives. 28

The first group he described as Imperialists of the \textit{laissez faire} school. The second, and he claimed "...by far the largest group...." he named political Imperialists. They, he held, "... contemplate no change in the economic policy of the country, but their aims involve economic issues of great importance.... They, for the present, hold fast to the \textit{laisser faire} policy so far as economic questions are concerned and confine their Imperialism to political objects." Hewins argued that in time this group would be self-destructive, that one section of it would revert to the first category, and that the other would advance to his third position, belief in a constructive policy "... based upon the solidarity of Imperial interests and involving important changes in relation to domestic affairs, the commercial system and public finance." Hewins' description of the views of these con-

\begin{thebibliography}{9}
  \bibitem{28} Cited in Hewins, \textit{op. cit.}, p. 50.
  \bibitem{29} \textit{Ibid.}, p. 53.
  \bibitem{30} \textit{Loc. cit.}
  \bibitem{31} \textit{Ibid.}, p. 56.
\end{thebibliography}
Structive Imperialists exactly foreshadowed Chamberlain's later philosophy.

By 'constructive Imperialism' I mean the deliberate adoption of the Empire as distinguished from the United Kingdom as the basis of public policy, and, in particular, the substitution in our economic policy of Imperial interests for the interest of the consumer, those interests being measured, not necessarily by the immediate or even the ultimate gain of a purely economic character arising from a particular line of policy, but by the greater political or social stability, of the greater defensive power of the Empire. But while Imperialists of this school must undoubtedly contemplate the possibility of temporary economic loss as a consequence of their policy, they would look for a great increase of the wealth and productive power of the Empire from the establishment of even closer commercial relations between the mother country and the colonies.

It was against this background that Hicks-Beach, the Chancellor of the Exchequer, made his decision to revive Lowe's registration duty on imported corn in his 1902 budget, and thus set in motion the final train of events leading to the Tariff Reform campaign. Hicks-Beach's proposal was at once attacked by the Liberals, of course, but it is significant that at first it was dealt with on purely domestic lines; the possible use of the duty Preferentially was not a topic for early debate. Chamberlain himself appears to have thought of it as a "... domestic and purely financial matter."

32 Hewins, op. cit., p. 56.
33 Amery, Chamberlain, op. cit., p. 402.
Outside the halls of parliament, however, the champions of Imperial consolidation launched an aggressive campaign for positive action, especially along commercial lines. They were greatly assisted, seemingly, by the shock to British public opinion of the announcement in April of this year that a syndicate headed by J. P. Morgan had attained control of almost all the major British trans-Atlantic shipping lines. Col. George Denison, who arrived in Britain to campaign again for an Imperial Preferential system just at this moment, was delighted with the effect which the above news had in London. It was, he afterwards wrote, "... my first stroke of good luck...." The thinking public, he declared, was considerably disturbed, and, as a result, "They were in a mood to listen to questions as to their future prospects."

For some weeks, during April and early May, 1902, as the theoretical discussion of commercial bonds within the Empire mounted considerably, Chamberlain continued silent. Publicly and privately, however, he was regarded as the key man in any suggested action. Denison lost no time in seeing him personally, and in arguing his case before him. E. J. Dillon, in the Contemporary Review, saw the consolidation of the Empire as the vital question, and declared, "It is at

34 Denison, op. cit., p. 292.
36 Denison, op. cit., p. 298.
this point that Mr. Chamberlain must make his influence felt for good." If through the use of external Protection and internal Free Trade the various continental peoples could weld powerful empires, Dillon argued:

"... the difficulties in the way of consolidating our own half-finished Empire, composed as it is of men of the same race and language, ought to vanish before a great political architect like mists in the summer sun." 38

The whole situation was changed, however, on May 12, 1902, when Laurier, in replying to a suggestion in the House of Commons that that house endorse by resolution the principle of an Imperial Preferential system, declared:

Now what am I going to England for? I am going to England to discuss the commercial relations of the empire. I am going to England at the instance and invitation of the imperial government. The imperial government has something to propose to us, therefore, upon the subject of imperial relations, I cannot conceive that Mr. Chamberlain, the Colonial Secretary, would invite the representatives of the colonies to come to England to discuss commercial relations unless the British government has something to propose on the subject of commercial relation." 39.

The manner in which Campbell-Bannerman raised this pronouncement in the British House of Commons, and in which Balfour completely disavowed Laurier's interpretation, has already been dealt with. What must be noted is the way in

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38. Ibid., p. 481.
40. Chapter II, pp. 54-55.
which Chamberlain reacted to the new situation. As far as
can be ascertained Chamberlain was not yet an out-and-out
adherent of Protection, although, in Amery's words, "...he
already leaned towards it." Convinced as he always was,
however, that Canada was the key unit in the Overseas Empire,
he apparently determined that the door should not be completely
slammed in the face of Laurier's expressed hope. He thus
delivered at Birmingham on May 16 a powerful speech in which
he decried "... the lack of foresight which distinguishes,
the Little Englander and the Little Scotchman," described
the dangers of economic isolation, and, in calling for new
techniques to meet new situations and to grasp new opportuni-
ties, clearly forecast his own economic apostasy in 1903.
Remarkably, the speech raised no unusual stir, but it did
achieve its purpose, and the question of economic Preference
was left open for the Colonial Conference of 1902—just as
Chamberlain had wished.

Brief reference to this gathering was made in Chap-
ter II; more must be said about it here, although the treat-
ment will still be limited, for the whole subject is thorough-
ly dealt with by Julian Amery.

41. Chapter II, pp. 54 - 55.
42. The Times, May 17, 1902, p. 12.
43. Chapter II, p. 59.
44. Amery, Chamberlain, pp. 412 - 447.
Chamberlain dominated the proceedings completely—although he did more listening than talking. In his opening address he drew attention to the paramount object of the Conference—"...to strengthen the bonds which unite us...." and listed as the three avenues by which it might be approached some form of political federation, a possible economic union, or some arrangement arising out of the problem of mutual defence. Once again he made a strong plea for a Council of Empire which would lead to union based upon a federal constitution. But now this proposal, which had prompted such lengthy discussion in 1897, was simply ignored by the Colonial Prime Ministers, and thus, long before the Conference was over, Chamberlain realized that this part of his great dream was at the moment unattainable.

On the third line of approach, cooperation in defence, Chamberlain was none too sanguine from the start, for he had been warned ahead of time of some of the difficulties involved. Nevertheless, the Admiralty and the War Office were determined to seek some agreement, and Chamberlain supported them. Once again, the results were negative.

In the second field of approach, prospects of economic union, the situation was different. Here the rising nationalism of the Colonial Briton found a means whereby he retained all the sovereignty which he had already obtained—

and which so many inhabitants of the British Isles failed to realize he was under no circumstances prepared to give up—while at the same time he could recognize, in a tangible way, the international aspect of his loyalty. The Preferential idea, placing his own interests first, and thereafter discriminating in favour of the Briton against the foreigner, as Amery rightly says very accurately expressed the relationship which the Colonial wanted to develop with Britain in all walks of life. There was thus strong support for it in the Overseas Empire—although, interestingly enough, in 1902 none of the Colonies but Canada had done anything to put the Preferential resolution of the 1897 Conference into effect, and their representatives were, thus, hardly in a position to press for counter concessions from Britain. The Canadian delegates were in a different position, for Canada had granted a preference, and, furthermore, when it was increased to 33½% in 1900, it had incurred some opposition from local commercial interests. Thus the Canadian Government was faced with the prospect that it might have to reduce the margin of Preference, if it was unable to obtain some counter concession. It was for this reason that Laurier moved so quickly to capitalize on the new Hicks-Beach corn duty.

Just where Chamberlain stood on the subject of Preference before the conference began, even Amery is not too sure.

As an Imperialist, he was naturally sympathetic to any policy on which the Colonies had set their hearts and which might help to build up trade within the Empire. As an economist, however, he still doubted whether preference could be defended as a strictly business proposition. 48

His economic fears were undoubtedly lingering remnants of his Free Trade up-bringing, but were reinforced by the opinions of such personal advisers as Sir Robert Giffen, and by those of the Board of Trade staff—for almost all of the 'experts' in Britain still placed very little value on Preferential treatment for British goods in the Colonies—whether it was real or promised.

Nevertheless, in spite of his practical reservation, it was Chamberlain who tentatively made the first move on Preference, before the Conference opened, by casting out to Denison the suggestion that Canada might place certain British manufactured goods on her free list, while Britain, in exchange, freed Canadian wheat from the duty on corn—and by suggesting that Denison pass the thought along to Laurier and the Canadian delegation. This was duly done, and Laurier, hoping for British action before the Imperial Parliament rose for the summer recess, made a formal request for such a concession through the Colonial Office. When Hicks-Beach heard of it, it came to naught.

49. Denison, op. cit., p. 332.
Still, Laurier was encouraged, once the Conference had begun, and it was he who brought the matter to a head by asking "...whether it would not be possible that the Colonies should be given a preference." Laurier recognized the difficulty of expecting Britain to levy new duties; what he referred to specifically was the new impost on grain, which he felt could be reduced without creating any problems. He did not hesitate to find a precedent for his proposal in Cobden's use of wine duties during the Anglo-French negotiations of the late 1850's. He pointed out, furthermore, that eliminating to some degree the effect of the duty would surely not run counter to the interests of British consumers.

To this request the Colonial Secretary had to reply, and in doing so, conditionally at least, he appeared to accept the Preferential principle. His provisos were: that Preference be a step towards free trade within the Empire; and that it be a sound financial proposition from the British point of view.

At once, Messrs Fielding and Paterson of the Canadian delegation set to work to eliminate any fears which Chamberlain still possessed over the fairness of the bargain. From the verbatim dialogue which Amery has reproduced, it

52. Amery had before him the complete unpublished transcript of the proceedings. Amery, Chamberlain, pp. 441-3.
is evident that succeeded only too well, and, in the process, destroyed forever Chamberlain's confidence in the economic views of the Board of Trade.

From this point in the conference Chamberlain and Laurier proceeded to initiate detailed negotiations on the question of the precise concessions Canada would offer to match any rebate of the duty on corn. Here, however, a snag appeared, for when the Canadians made a submission to the Conference, it became obvious that the Canadian 'concession' was to be made, not by reducing tariffs on British goods, but by raising those against foreign products. This was, of course, a far step from Free Trade within the Empire; it was a Protectionist approach to Preference, and what was more, it soon appeared to be an approach which was widely supported by the other Colonial delegates.

Considerable discussion followed. Chamberlain again showed (and undoubtedly realized) that he was none too well briefed by the Board of Trade. Eventually a resolution which sought to bind the Home Government to the introduction of reciprocal Preference had to be dropped. In its place the Conference went so far as to endorse the value of reciprocal trade within the Empire, admitted that Free Trade within it was not practicable, and declared it advisable that all the Colonies might make Preferential concessions to the Mother Country.
It further resolved:

That the Prime Ministers of the Colonies respectfully urge on His Majesty's Government the expediency of granting in the United Kingdom preferential treatment to the products and manufactures of the Colonies either by exemption from or reduction of duties now or hereafter imposed. 53

Here we can leave the Conference. In a formal way it had achieved little; it had rejected again British requests for an Imperial Council and for Colonial contributions to Imperial defence. It had not resulted in any great advance along the lines of economic collaboration. Nevertheless it had taught Chamberlain a great lesson, and had become a major factor in leading him to the great decision on which he was to fight his last major political battle. The only road towards the unity of the Empire which had Empire-wide support was some form of Preference. But as the overseas conception of it was Protectionist, Britain's would have to be similar if there was to be any equality of concession and gain therefrom. 'Here at last,' as Amery puts it, 'Chamberlain came face to face with the great problem of his time. There could not be a closer union of the Empire without a fiscal revolution at home.'

As far as Amery has been able to tell, Chamberlain had not yet reached his great decision when the Colonial


Conference ended on August 11, 1902, although he was now convinced that both Britain and the Colonies would have to retreat from their hitherto adamant stand—the one on fiscal policy, and the other on defence. Sometime during the balance of the month of August, while he rested at Highbury, his mind was made up. Henceforth, as Amery shrewdly points out:

Chamberlain's plan was essentially chemical in its conception. He would raise the temperature of Imperialism to a point where the prejudices and objections which still separated the Colonies from the Mother Country would be dissolved like impurities in a crucible. 55

As a primary means to this end he resolved to go on a grand tour of each of the major Colonies.

A confidential letter which he wrote on September 4 informing Milner of his proposed visit to South Africa leaves no doubt that by this time he had resolved on a new course. In part he wrote:

I think that the time has come, when, if a further marked advance is to be made in the relations between the Mother Country and the Colonies, I must take some new steps of a rather sensational kind, and, accordingly, when Balfour became Prime Minister I told him that I had it in my mind to make a visit to all the self-governing Colonies. 56

Meanwhile, an unauthorized campaign overseas had added a certain note of urgency to the situation, for Israel Mante had just launched a drive for high tariffs in Canada,


56. cited in Amery, Chamberlain, p. 476.
and Fielding—in Europe until early in October—was very desirous of getting an assurance of favourable British action which would enable him to take the wind out of Tarte's sails in the next Canadian budget, which he was keen to begin preparing. Certainly in October and November Fielding wrote to Chamberlain asking for a concrete answer to his requests.

It was at this stage that there ensued in Britain the cabinet meetings of October-November, 1902, already discussed in Chapter II. A significant fact about the tentative cabinet decision reached on November 19 not mentioned previously, however, is that although Chamberlain had apparently won his point, the new Chancellor, Ritchie, had succeeded in persuading the Cabinet that no communication binding it to any fiscal policy—so far ahead of his 1903 budget—should be despatched to Canada. None ever was sent. Chamberlain wrote to Fielding on the following day, November 20, just before leaving for South Africa, but he made no mention of the decision taken on the previous day, and went out of his way to warn Fielding of the obstacles which he, Chamberlain, faced in Britain.

57. Amery, Chamberlain, pp. 516-519. (Amery surmises that at a meeting between Fielding and Chamberlain on August 31, at Highbury, Fielding had offered concrete tariff concessions, and Chamberlain had promised in return to press a preference in corn on the British cabinet)

58. Chapter II, pp. 59 - 60.
If Chamberlain left Britain with any lingering doubts about the wisdom of his views on Imperial union and fiscal reform they were soon dispelled, for on at least one occasion while in South Africa he outlined in conversation with Sir Percy Fitzpatrick and Sir Alfred Milner—possibly for the first time to anyone—practically the whole case for Tariff Reform as he was later to unveil it at home. Certainly he returned to Britain in 1903 with very definite ideas of the lines on which he hoped to steer British Imperial and economic policy.

Details concerning the actual inauguration of the Tariff Reform campaign have already been presented. The significant point to record here is that the basis of Chamberlain's action was his imperialism. His speeches themselves are proof enough of this point—but there is plenty of other substantiating evidence. Hewins repeatedly emphasizes it—while recording that Chamberlain was realist enough to remark to him "'we shall have to do something for the manufacturers.'" H.A. Taylor, Bonar Law's biographer, makes the same point. He declares that on the very next day after the May 15, 1903 speech in which Chamberlain launched Tariff Reform, Law personally gave his support to Chamberlain, and referred

59. Fitzpatrick recorded their conversation in a remarkable memorandum which he published in The Times on November 28, 193, pp. 13 - 14.

60. Taylor, op. cit., p. 78.
to his own conviction that English working men hated to see their products challenged at home while abroad they were excluded. Taylor adds:

Chamberlain replied: "That may be true, but if that were all, I should not have moved in this question. I should have left it to younger men. I have taken this step because I believe it is the one way by which it is possible for us to secure the real union of the British Empire." 61

Certainly, Chamberlain's action in setting up criteria for membership on the Tariff Commission which he created at the end of 1903 was in line with this stand. His one requirement was that members believe in and be keen about his Imperial policy. He did not require acquiescence with his fiscal proposals, and, indeed, on Hewins' authority a number of Free Traders were on the Commission and others were on its staff. 62

Austen Chamberlain clearly illustrated the extent to which the Imperial dream inspired Tariff Reform when he wrote to Balfour in 1904 as follows:

I believe in the policy of Colonial Preference. I believe it to be the greatest object to which we in our time can devote ourselves not only for itself but for all to which it may lead and which we cannot realize without it. I believe it to be worth great immediate sacrifices, if such were called for, both from the Party and the nation, for the sake of the future advantages it promises. 63

61. Taylor, Bonar Law, p. 78.
62. Hewins, op. cit., p. 68.
63. Austen Chamberlain to Balfour, Chamberlain, op. cit., p. 32. (September 12, 1904).
The evidence of Lord Birkenhead's biographer is equally definite. When the young F. E. Smith met Chamberlain early in 1905, he said to the great man:

Cannot you postpone the proposal to tax food until we are politically stronger? Cannot you, in the first place, use the Protectionist argument which has great value in the industrial constituencies, and postpone, until we are stronger, the full and ultimately indispensable programme.

To this Chamberlain replied:

My young friend . . . you have mistaken my purpose, all these matters were deeply considered by me before I conceived and declared my proposals. 64

Tariff Reform to Chamberlain and his closest supporters was first and foremost a means towards the consolidation of the Empire. It is true that the campaign also had a Protectionist slant from the beginning; it was inherent in Chamberlain's gloomy reviews of the prospects of British industry. It was also at the heart of the following declaration which he was reported to have made during the speech at Glasgow on October 6, 1903—in which he launched his appeal to the public:

The Colonies are prepared to meet us. In return for a very moderate preference, they will give us a substantial advantage. In the first place I believe they will reserve to us the trade which we already enjoy. They will arrange for tariffs in the future in order not to start industries in competition with

those which are already in existence in the Mother Country. 65

Nevertheless, as directed by him, Tariff Reform was never an out and out attempt to remake the fiscal system of Britain for the direct economic benefit of Britons themselves. From the outset of his campaign, in fact, Chamberlain did not hesitate to lay stress upon the sacrifice which he felt Britons were being called upon to make—to the dismay of such 66 advisers as Hewins, who profoundly disagreed with his estimation of the effect of Preference here. Furthermore, for quite a time he sought to appeal to the British public as a Free Trader campaigning for a great extension of their principle. In this he was not deceptive, for he saw the strengthening of the ties of Empire (however achieved) as leading to an accelerated and easier flow of goods from one end of the Empire to the other. But the over all point is that his basic appeal called upon the Briton of his day, for the time being, to put the economic interests of others before his own—for the sake of a great ideal. That he did so is important, for in a real sense it compromised his arguments from the beginning.

65. The Annual Register, 1903, p. 207. At the time this suggestion aroused much unfavourable comment in Britain "... as connecting Imperialism with the economic stunting of the Colonies." A.R., p. 207. It was considerably watered down when a corrected version of the speech was shortly thereafter published.

Obviously, once he had admitted that a Preference on Colonial produce coming into Britain meant a sacrifice on the part of the British working man, he and his followers were hard put to it to answer logically the 'Dear Food' cry which the Liberals immediately raised. How, for instance, could Tariff Reformers stoutly deny the claims of an inevitable rise in the cost of living when their leader spoke of sacrifices? The way was thus opened for such critics as Lord Welby, who attacked Chamberlain's scheme as "... that dream of a prematurely forced confederation which would stimulate Colonial loyalty by taxing, for Colonial benefit, the working classes of this country."

Chamberlain's plan, nevertheless, was to appeal to the sentiment of all sections of the public at home, and in this he was remarkably successful. Not a little of his early support rose directly from the great picture of Imperial Unity which he painted. His thesis—that the only eventual alternative to unity lay in the complete break-up of the Empire—was widely accepted, and gave a proselytising zeal to the Tariff Reformer which should not be under-rated. Benjamin Kidd, writing in the Contemporary Review of July, 1903, was typical of a large number of Unionists who accepted Chamberlain's views completely. Lord Brassey was another;

he hoped additionally to see Tariff Reform leading to a shar-
ing of the burdens of Imperial defence. Dr. Cunningham, the
Cambridge economist came out in support of Tariff Reform
both on an economic and a political basis, "... holding that
our present fiscal policy was tending towards Imperial dis-
integration." Lord Esher, so close to the King, was much
disturbed by Chamberlain's resignation in September, 1903,
but hoped that through it Chamberlain might become another
Pitt by preventing "... a disruption which is inevitable
unless fiscal unity is established."

While Chamberlain soon won the vast bulk of organi-
zed Unionists to his cause, he did not win them all. The
majority of those who refused to join him remained aloof,
undoubtedly, because they were not prepared to renounce Free
Trade and to endorse Protection. A small but thoughtful
minority--which was to grow in time--had their doubts of his
views on Imperial policy. Some, like Milner, who in time to
become a very enthusiastic Tariff Reformer, were both dazzled
by and enthusiastic about Chamberlain's vision, but felt
that he was much too sanguine about the prospects for success
in the near future. From the moment that Milner heard of

70. The Annual Register, 1903, p. 188.
71. Brett, M. V., ed., Journals and Letters of Reginald,
Viscount Esher, London, Ivor Nicholson & Watson, 1934,
Chamberlain's views first-hand in the winter of 1902-3 he was convinced that the Colonial Secretary had under-estimated the strength of the Free Trade appeal to the British public. So was Professor Dicey, an otherwise sympathetic critic. Dicey realized only too clearly the extent to which the Opposition would capitalize on the 'Dear Loaf,' and felt that Chamberlain, by proposing his scheme in such a way that the chief immediate economic benefits would go to the Colonies overseas, had unwittingly been sowing seeds of future dissen-

Some Unionists at this time had no great quarrel with the Protection in Tariff Reform at all, but challenged completely its claims on the future of the Empire. They were few in number, and not widely listened to in their own party—even though time was to prove them right. Typical of them, and indeed later the leader of them was Curzon, who admired Chamberlain's courage but not his judgment. From far-off India in 1903 he wrote to Arnold Foster:

I do not believe that the continued existence of the Empire depends upon Preferential Tariffs (though I am personally ready to throw away any number of 'fly-blown phylacteries'). But it looks to me as if the future existence of the Unionist Party for some years at any rate, were likely to be compromised by the manner in which the question has been raised. 74


If the march of events was to render obsolete the Tariff Reformers' view of unity within the Empire, as of course it did, in one respect at least Chamberlain and his supporters were much more far-seeing in matters Imperial than their critics. This concerned their view of the ability of the Colonies to expand their food production. While the Tariff Reformers were quite convinced that the Overseas Empire could, in time, satisfy all of Britain's needs, and did not hesitate to say so, there were numerous Unionists and very many Liberals who just frankly did not believe it. Thus, they argued, a scheme of Preference was a snare and a delusion, for in practice the Colonies would obtain little economic advantage from it. Sir Robert Giffen, a Unionist who disliked the excesses of the Tariff Reformers and their Free Trade opponents, and who had been for years an adviser to Chamberlain, was typical of those who held this view.

To what extent the Liberals' denunciation of Chamberlain's view of the Empire was the result of its being proposed by a Protectionist, to what extent it was the reflection of a desire to simply leave things alone, and to what extent it was the expression of a more enlightened view of the Empire as a league of completely sovereign states—-it is impossible to say. Very probably the first two considerations were paramount for most Liberals. Nevertheless it is undeniable that the leaders of the Liberal Party showed considerable prescience in their attacks on the Imperial aspect
of Tariff Reform. During the early days of the controversy the substance of their stand was clearly put by Harcourt:

To forecast a future of separation seemed of all things the most absurd, it was self-government that held them together. You might as well take immediate precautions to save the Empire in view of an insurrection by the Primrose League to overthrow the Monarchy. 75

Asquith, who dogged Chamberlain's footsteps in the years 1903 to 1906, repeatedly challenged Chamberlain's thesis re the Empire. Campbell-Bannerman did likewise, describing as a 'wicked slander' the view that the Empire could only be held together by a revolution in British fiscal policy. Rosebery, still regarded as the spokesman of Liberal Imperialism, also came out heavily against Chamberlain, arguing that "... this proposal would tend to dislocate, and in time to dissolve, the bonds of Union of the Empire.

In spite of pre-eminent place which—to use Sir Edward Carson's words-- the "glorious edifice of a world wide economic Empire," occupied in Chamberlain's plan and in the objectives of the Tariff Reform League, it remains a fact that almost from the moment that Chamberlain began his

76. The Annual Register, 1903, p. 209.
77. Ibid., p. 213.
great campaign in October, 1903 there was a steady tendency on the part both of the Tariff Reformers and their opponents to debate the issue less and less on Imperial lines, and increasingly as an extension of the old Protection vs Free Trade argument. This was probably inevitable. Protection was at the heart of Chamberlain's proposals; it was fundamental to the whole concept. Furthermore, it soon became apparent that any economic change of the size proposed by Chamberlain had to be justified to the voting public on 'national lines.' The British working man, in other words, was more concerned with the present and future level of his standard of living than he was with Imperial consolidation. This Chamberlain soon realized; he was quite convinced that in the long run Tariff Reform would be of great material benefit to every Briton. But the point is, that in attempting to prove it he and his associates had to concentrate on Protectionist arguments. There was another explanation for this drift. Most Liberals—from the beginning of the dispute chose to ignore the Imperial side of Tariff Reform. They fought it as sheer Protection—destined to ruin the country and to revive the horrors of the 'Hungry Forties.' What was more, on this basis they began to win by-elections. Was it any wonder, therefore, that as time went on less and less was heard from the Tariff Reformer about the Preferential side of his programme and the duty on food which it involved.

An interesting illustration of this change in the
Tariff Reform campaign appeared in 1905. It arose out of a meeting between Sir William Mulock, Joseph Chamberlain and W.A.S. Hewins on July 21. Mulock informed the other two that Canada was about to revise her tariff, that a Tariff Commission had been set up to gather evidence on which the changes would be based, and that (in Hewins' words):

...Canadian Ministers, before making their recommendations should be informed as to the lines upon which Chamberlain's policy from the British point of view would work out. 80

As a result Chamberlain decided (with the approval of the Canadian Government) to send Hewins to Ottawa to determine exactly what the Canadian Government would offer in return for Tariff Reform in operation, and to determine if the Food Duties were needed after all. Hewins went, accompanied by the Hon. Vere Brabazon Ponsonby (later the Earl of Bessborough), and had numerous meetings with Laurier, Fielding and leaders of the Canadian business world. He eventually reported to Chamberlain

(1) that the Canadian offer of Mutual Preference was quite genuine,

(2) that Laurier and Fielding were emphatic in their plea that the British proposal to grant a preference on wheat be retained,

(3) that Canada had not a careful idea of the concessions which she would like from Britain,

(4) that the Laurier government was prepared to admit British goods not produced in Canada free, or else over a low revenue tariff, and that in the case of other goods, was prepared to examine each case on its merits to make the

80. Hewins, op. cit., p. 111.
competition between the Canadian and British produced articles as fair as possible. 81

Chamberlain, who apparently had hoped to see Hewins enlist Laurier wholeheartedly in his campaign, was disappointed with this report. Hewins found him depressed when he, Hewins, returned to England just before the January, 1905 election. "He had taken up the question," Hewins describes Chamberlain as saying, "because they had asked for preference and he thought Laurier ought to back him up strongly. He considered the results of the negotiations rather vague, and hoped the Canadian Government would make an optional tariff which we could accept or refuse." Chamberlain's spirits rose when he was assured that his outlook was unnecessarily gloomy—yet it is noteworthy that he placed only secondary emphasis on his Imperial policy in his remaining campaign addresses.

After the great Unionist defeat in the January 1906 election the tendency in Tariff Reform circles to 'play down' the Imperial phase of the programme increased noticeably.

81. Hewins correctly noted: "... it is impossible not to see that the rapid changes taking place in Canadian business must make it more difficult with the lapse of time to select suitable commodities for preference." Hewins, op. cit., p. 151.


It was evident, for instance, in the first debate which the new parliament had on the subject of fiscal reform on March 12 and 13. It was equally evident at the end of the year when J.L. Garvin was reviewing the future of Tariff Reform in the *National Review*. Nevertheless, it was still a very important item in Tariff Reform policy. Chamberlain, again convinced of the necessity of the Food Duties, championed the whole programme vigorously during the first six months of the year, and sought to bury the Little Englander with Free Trade in the last public speech which he delivered on July 9, 1906. But his illness followed soon thereafter, and was, of course, a tremendous blow to the cause of closer commercial union within the Empire. As has been seen, even Chamberlain had an imperfect grasp of the highly involved Imperial problem. Neither of his successors in the Tariff Reform high command--his son Austen, and Andrew Bonar-Law--were to have even his knowledge or perspicacity when dealing with the Empire. Balfour, Hewins declares, was the only Conservative leader after Chamberlain's retirement who really appreciated the magnitude of questions affecting the whole Empire. Only in February of 1906 in the Valentine letters, however, had Balfour closely associated himself with the Tariff Reform


86. Hewins, op. cit., p. 281.
movement in its details, and, although he and Chamberlain were colleagues for years, they had never been intimate personally. Balfour thus had much to learn before he had mastered the ramifications of Preference on an Empire-wide basis.

It was against this background that the Tariff Reformers watched the making of preparations for the 1907 Imperial Conference—the gathering at which they had so hoped Chamberlain would preside. Their chagrin at being on the outside was only heightened by the knowledge that Preference was 'in the air.' Australia and New Zealand had recently been engaged in reciprocity negotiations, and Canada had just adopted her new tariff—with General, Intermediate and British Preferential levels. It was obvious to those 'in the know,' furthermore, that the Colonies had trade treaties in the offing which would have the same effect as the recent Canadian tariff change—namely, a general diminution of the Preference formerly granted to British goods. The Tariff Reformers were thus as convinced that action by Britain was as imperative as they knew it was impossible—with a Liberal government in office.

They were determined to make use of the gathering in local party warfare, and sought to do so in various ways. The Unionist Press was particularly bitter about the opportunities which it felt the British Government was missing;
indeed, some of the more extreme Tariff Reform journals went so far as to hint sensationalistically that the Colonial Prime Ministers might have a Colonial Conference of their own to let the people of Britain know what the Overseas Empire thought of the Home Government. When the Conference ended these same extremist papers played it up as a failure, and questioned the sincerity and accuracy of those issuing the official précis. This last cry ceased when a full report on the proceedings was published on June 5.

The Tariff Reformers were delighted to find that almost all of the visiting Prime Ministers were keen on Preference, and that some were prepared to campaign outside the Conference for it. Laurier, who led the Canadian delegation, was much too astute to follow this policy. On April 19, 1907 he spoke at the Imperial Industries Club in London explaining Canada's Preferential tariff and her willingness to go further with it--matching concession for concession. But he also made it clear that British policy was a matter for Britain to decide; he refused to interfere. Deakin of Australia, Jameson of the Cape and Moor of Natal, however, were prepared to go much farther, and both before and after the Conference--at which the British Government refused to consider any measure of fiscal change--they stumped London in the cause of Preference. Deakin especially was displeased with the attitude of

87. The Annual Register, 1907, pp. 90-91.

88. Hewins was an exception. Hewins, op. cit., p. 217. --in that he doubted the wisdom of those Premiers who stumped London for Tariff Reform.
Elgin (the Colonial Secretary), Asquith and Laurier, and with the semi-secrecy imposed on the Conference. He was hand-in-glove with the Tariff Reformers and encouraged them greatly.

The Liberal Government in Britain was, of course, none too pleased by these tactics. The efforts which Chamberlain's Tariff Commission made to provide all Colonial delegates with memoranda on almost every economic issue raised during the proceedings, the huge rally which the Tariff Reformers staged on April 25 to focus public attention on the opportunity of the Conference to initiate Preferential negotiations, and even the extra-sessional activities of the visitors were irritating to it, but little more. The claims of the critical Unionist journals, however, angered it, and eventually evoked a notable reply on May 18 from the Under-Secretary for the Colonies. Winston Churchill denounced what he called the 'pothouse' Press; he suggested that the Colonial Prime Ministers; as guests of the Home Government, had obligations, as had their hosts, and he boasted that the Government had "banged, barred and bolted the door" against the Imperial taxation of food. This latter phrase in particular was often thrown up at the Liberals in succeeding years.

89. Austen Chamberlain wrote to his step-mother on May 9, 1907: "...a meeting has been arranged for Deakin at the Baltic, which gives him a good non-party platform. The Chairman happens to be a good Tariff Reformer." Chamberlain, op. cit., p. 84.

90. The Times, May 20, 1907, p. 10.
The years 1907-8-9 were a period of great Tariff Reform activity, and of rising approval for Tariff Reform amongst the populace. While this was undoubtedly true, the steady transformation of Chamberlain's programme continued, and by the end of 1908 Chamberlain was commenting sadly to Hewins on "...the neglect of the Empire in Tariff Reform speeches."

To this generalization, of course, there were exceptions, and, on occasions, it was reversed. Milner's adherence to the ranks of the Tariff Reformers in 1907 was a case in point, for while he accepted the whole programme, he placed particular stress on its role as a bond of Empire, and championed it energetically thereafter. Indeed, this attitude was far more prevalent in the Lords, where Imperial aspects of the problem were much more frequently raised and sanely debated than in the Commons. There were other outspoken champions of the Preferential cause. One, Norman Chamberlain, published a particularly forceful article in the National Review of June 1908 on "The New Imperialism and the Old Parties" in which he argued: "... it is the fight for Tariff Reform which will decide the fate of British Imperialism, at any rate for many years." Equally enthusiastic were

93. e.g. in speeches on October 24, 1907 and June 26, 1908. Milner, Lord, The Nation and the Empire, London, Constable and Company, Ltd., 1913, pp. 204-5, 300.
94. e.g. Hansard, (4th Ser.) House of Lords, May 20, 1908, vol. 189, col. 211.
the newly organized Confederates, who saw themselves at this time as "...a body that places Imperialism before everything else and is determined that nothing shall come before it."

Other factors which tended for a time to re-assert the Imperial side of Tariff Reform were the result of overseas developments. One was the recommendation in 1909 by a British Royal Commission headed by Lord Balfour of Burleigh favouring the inauguration of Preferential trade between the West Indies and Canada. This suggestion attracted much attention in Unionist circles, where it was regarded as a great vindication of their policy. Another and more important development was the projected extension in 1909 of the new Canadian commercial treaty programme—especially in the direction of reciprocity. vis-à-vis the United States. As early as February, 1909 Milner was alarmed at this proposal, and was urging Balfour to warn the public of the dangers inherent in it. Hewins, to whom the suggestion was relayed, advised against any such move, and noted in his diary: "I think Milner is doing harm by the line he is taking, and it would be disastrous if Balfour imitated him." At the time, Balfour wisely remained silent.

A year later, as the Canadian-American negotiations proceeded, interest in them mounted considerably amongst the


97. Hewins, op. cit., p. 245.
Tariff Reformers—even though the constitutional and financial issues raised over the Lords and the Budget were a powerful distraction. On Hewins' evidence "...it was extremely difficult to keep the Conservative party solid on an Imperial policy in so far as it concerned the steps which—in the spring of 1910 would have to be taken in this country." 98

The Tariff Commission reflected the rising interest in Reciprocity in May of 1910 by publishing a memorandum on Preferential policy, the course of Canadian trade under it, and the Canadian tariff arrangements with France, Germany and the United States. The Standard of Empire—a strongly Tariff Reform paper which took a very sane view of Canadian trade policy--drew from this memorandum the moral "...that preferences which are not reciprocated cannot endure." 100

It also approved Canada's action, although its comment was typical of Tariff Reform sentiment: "From the point of view of the Mother Country our congratulations are tempered with some regrets." 101 Much less moderate and considered was the view of that organ of Tariff Reform in extremis, the Morning Post, for it went so far as to describe the action of the Canadians as treasonable.

100. The Standard of Empire, May 20, 1910, p. 3.
101 The Standard of Empire, April 1, 1910, p. 3.
102. The Annual Register, 1910, p. 205.
As the drafting of the Reciprocity Agreement drew to a close in January, 1911, the discomfiture in Tariff Reform ranks—already heightened by the adoption of the Referendum and the two electoral defeats—was increased considerably. Those who still adhered to the complete Tariff Reform programme felt that the implementation of Reciprocity would be a serious blow to their cause. In the words of the Annual Register, "...the Imperialists expressed the gloomiest apprehensions of its possible effects in drawing the two countries together to the detriment of Anglo-Canadian trade and the Imperial connection."

They were thus happy to see Balfour enter the lists on their behalf. On February 6, 1911 at the Constitutional Club the Unionist leader referred directly to the Reciprocity Agreement. "The fault does not lie with Canadians," he argued, "it lies at Westminster. It lies with a party who have consistently refused to listen...." From this position he went on to "... the verge of taking a side in Canadian politics." Other Unionists went even further at this time, "...notably Mr. Justice Grantham and Mr. Joseph Chamberlain."

103. The Annual Register, 1910, p. 205.
103a. The Times, February 7, 1911, p. 15.
104. The Annual Register, 1911, p. 18.
105. Loc. cit.
Garvin, though in a sense the progenitor of the Referendum, nevertheless remained keen on Tariff Reform, and followed the Reciprocity negotiations carefully. He regretted the earlier loss of glorious opportunities, but rejoiced that Canada had kept the British Preferential principle in spite of American pressure. He admitted frankly in the March, 1911 issue of the *Fortnightly Review* that "...the 'food-duties' as Mr. Chamberlain originally proposed them, may or may not be practicable." But he was still Imperialist and Protectionist enough to argue:

If Imperial preference is to be permanently harmonized with American reciprocity the Mother Country will have to do her part by emancipating herself from fiscal impotence and adopting a tariff policy even wider and stronger than Mr. Chamberlain's own. 107

Mr. Bryce, the British Ambassador at Washington, was a noted opponent of Tariff Reform at home. This caused considerable dismay to the supporters of the Chamberlain programme, and they suspected him of all sorts of Machiavellian tactics, and attacked him so strongly in and out of parliament that the British Government issued a Parliamentary Paper on the Negotiations on March 8, 1911. The paper showed that the initiative had come from President Taft in Washington, not from Bryce, that the Ambassador had kept Imperial interests before the Canadians, and that he thought


107.a. e.g. in the Lords on March 6, in the Commons on March 8.
"...the Agreement would affect British trade but little and the political independence of Canada not at all." This failed to satisfy the Tariff Reformers of course, and they continued their personal attacks on Bryce--especially in the House of Lords.

As the year progressed, the situation was further complicated in other ways. First, on April 3, 1911 a new Anglo-Japanese Commercial Treaty was signed providing for a considerable number of reductions in Japanese duties on British goods. This emphasized the Liberals' view of the importance of non-Empire markets and seemed to deny the Tariff Reformers' claims over the impotence of Free Trade Britain in fiscal negotiations. A further complication was the advent of another Imperial Conference. Still on the outside, and with their programme farther away from realization than in 1907, the Tariff Reformers were nevertheless undaunted, and planned a great meeting at the Albert Hall to begin an 'Imperial Preference Campaign' on May 23, 1911--the very day of the opening of the Conference. The meeting was duly held, with the Earl of Selborne presiding. The first high light of the meeting was the reading of a telegram from Joseph Chamberlain, in which Chamberlain declared:

108. The Annual Register, 1911, p. 44.

109. e.g. Lord Ampthill, was particularly bitter in his attacks on Bryce.
The offer made by the United States to the people of Canada must, I think, convince those who have hitherto been hesitating that we are at a parting of the ways, and the meeting of the Imperial Conference is one opportunity our friends should take advantage of. It is for us to bring home to the electorate the necessity of accepting the offer of the Dominions while there is yet time...." 110

The second feature of the gathering was Balfour's key-note address, in which he elaborated Chamberlain's theme, and laid particular stress on the extent to which under most-favoured-nation treaties, Britain was prevented from bargaining on equal terms. Lord Ridley later moved and F. E. Smith seconded a resolution pressing Imperial Preference on the consideration of the forthcoming Conference. It was carried unanimously. The results of this venture, however, were laconically described by the Annual Register as follows:

"...the Conference took no notice, the commercial treaty difficulty was met with in another way, and no more was heard of the 'campaign.'" 111

Eventually, of course, the Reciprocity Agreement fell before the Canadian electorate—to the great joy of those Tariff Reformers who had seen in it the veiled hand of the annexationist, and who had been only too willing to believe the cries of Canada's Conservatives. It should be

110. The Times, May 24, 1911, p. 9.

111. The Annual Register, 1911, p. 20.

112. e.g. Maxse, L., "Episodes of the Month," The National Review, October, 1911, vol. 58, p. 177. "What a magnificent vindication of Mr. Chamberlain's foresight, what a crushing condemnation of the pigmies who have managed our affairs since his enforced retirement from public life."
noted, however, that the collapse of Reciprocity did not lead to any increased enthusiasm for Imperial Preference in Britain. There is a ready explanation for this. By 1911, certainly by November of that year when Balfour fell, it was no longer possible to say that the programme of the Tariff Reform League and the fiscal policy of the Unionist Party were synonymous—as, by and large they had been during the years 1906 - 1910. Now official Unionist policy differed from that of the League in that, with the Referendum, it placed national rather than Imperial interest first. It was, in other words, now fundamentally Protectionist. At this time the extent to which the new position had been adopted by the Unionist rank-and-file was not widely appreciated, it had been overshadowed by other more pressing issues—notably the Parliament Bill and the rising Irish question, by the undeniable expediency involved in the adoption of the Referendum in 1910, and by the fact that those who stuck to the Tariff Reform League were amongst the most vocal of Unionists, were still able, as an organized group, to wield great power, and were still determined to adhere to the whole Chamberlain programme.

It will be remembered that the 'old-guard' of still zealous Tariff Reformers, led by Austen Chamberlain, made one more vigorous attempt to re-assert the full Imperial programme

113. The author of an excellent article on "The Unionists and the Food Taxes" published in the March, 1913 (vol. 3, pp. 232-276) copy of the Round Table made this point particularly clearly.
in Unionist policy—when in November, 1912, they induced Bonar Law and Lansdowne to scuttle the Referendum.

Lansdowne's announcement of this change was couched in notable terms. He referred to bargaining between Britain and the Dominions, and added:

And if...the great Dominions ask us to grant them in return for substantial advantages which they will be prepared to give us, if they ask us to give them a moderate duty upon foreign wheat, sufficient to bring into our markets the great unlimited granaries of Canada and Australia, we shall not be deterred from examining their purpose by the mere statement that it will involve the taxation of food, and that all food taxes are unholy things. 115

The crux of this declaration is that it put the onus for the taxation of food upon the Dominions. Understandably, this aspect of it was anything but enthusiastically received overseas; the Canadian Press, both Liberal and Conservative alike, were anything but pleased at the idea. Austen Chamberlain was naturally disturbed at this Canadian reaction, although he failed to see the cause of it, and consulted Hewins accordingly.

114. It was no accident that the audience which applauded this decision had been regaled before this mass meeting of the National Unionist Association began with the singing of "Hearts of Oak," "Rule Britannia," "Land of Hope and Glory," and the sight of the largest Union Jack in existence—that flown at Belfast when the Covenant was signed.

115. The Times, November 15, 1912, p. 8.


In any case, the new status of the Food Duties was short lived, for a Party crisis blew up in a matter of weeks, and Bonar Law and Lansdowne were only prevented from resigning by the circulation of a 'round-robin' memorial. Only now did all concerned appreciate the extent of the drift from the 'Birmingham programme.' The eventual result in January-February, 1913 was that the suggested Food Duties were again buried behind a proviso to call a Colonial Conference after a Unionist victory at the polls. Later, if it turned out that such duties were necessary, an election could be held on the issue. Well might Ivor Maxse now bewail "...the half-masting of the Imperial flag...."

Some explanation for this development which Maxse and his Tariff Reform friends so bitterly lamented have already been given. The need for a purely national justification of Tariff Reform, and the expediency involved in dropping the Food Duties were certainly important considerations; but there were others. There is reason to believe, for instance, that by 1911 the average voter in Britain, and presumably the average Unionist, was beginning to wonder why proposals involving any sacrifice on his part should be


119. p. 235.

120. Austen Chamberlain was still talking of a sacrifice as late as January 26, 1912. The Times, January 27, 1912, p. 10.
necessary when it was obvious that citizens in the Overseas Empire were rapidly attaining a standard of living higher than that enjoyed by their counterparts at home. Coupled with this attitude was a growing realization that Britain was already assisting the Empire—for instance, by providing capital at reasonable cost (according to Asquith at least £1,800,000,000 in the generation then living). The increasing disparity in the contributions made to naval defence only accentuated this feeling. Still another consideration was the growing realization in Britain that Preference as it had already been suggested would not benefit all parts of the Empire to the same extent, and might indeed benefit Canada, the wealthiest, most of all.

Not the least factor in the decline of the Imperial side of Tariff Reform was a growing conviction even amongst those who were ardent champions of Imperial Consolidation that Chamberlain might be wrong in arguing that closer economic ties were the only alternative to Imperial disintegration. In any case, the Tariff Reformers were often conspicuously unrealistic in their interpretation of colonial nationalism. The doubts about consolidation on economic lines were reflected in various alternative proposals put forward from and after 1910, when a new interest in the topic of Imperial

121. Peel, _op. cit._, p. 143.
122. _Ibid_, p. 142.
Federation began to appear. Typical of these was Sir Gilbert Parker's proposition that attention be concentrated on an Imperial Council of Defence—coordinating the naval development of the Empire states—from which Parker was sure an Imperial parliament would eventually emerge. Even more important were the proposals of The Round Table group, dominated by Lionel Curtis, who was keen on Imperial unity, but inclined to discount Preference as a route thereto. By April 17, 1913 Austen Chamberlain was exasperated by the stand of this brilliant coterie, and wrote to his step-mother:

I had a pleasant dinner with the "Round Table" last night—a mixed company, including two Canadians, Milner, Lovat, Albert Grey, Abe Bailey and others. I went there determined to let them know as politely as I could that while they had done a lot of good work, they had also, in my opinion, done a lot of mischief and to beg them in future not to "crab" any movement which led in the direction of Imperial Union. I expect some of them did not like it and it was not exactly a proper speech, but I am sick of being told that this or that Round Table man, or the Round Table as a whole does not want Preference. It is really all traceable to Curtis, of whom they have a tremendously high opinion, who is certainly very much in earnest and wholly unselfish, but seems to me to think that he discovered in 1909 what Father preached from 1895 onwards, and because he had a share in framing the South African Constitution thinks that he can settle a policy for us on every conceivable subject. If the cobbler would stick to his last, I should have no complaint, but he at once annoys and amuses me when he tells me that what Birmingham needs is a parliament for the midland countries, and he does not amuse me at all, but simply irritates me—nay rather angers me—when, because he thinks

he can get organic union without our policy, I have him flung at my head at every turn as saying that Preference is unnecessary, undesirable, bad. His business is, on his own showing, to encourage every movement towards Union and to discourage none. 124

Remarkably enough, it was the same Austen Chamberlain who with so many other Tariff Reformers failed to appreciate the strength of colonial "sensitivity," and who on occasion delayed the progress of Imperial Unity. The most noted example of a slip of this sort arose out of one of Chamberlain's finest speeches—the one he delivered at Acocks Green on January 12, 1913 after the cause appeared to be lost. In the course of this address he referred to the ill-fated Reciprocity Agreement, and added:

By Liberals the conclusion between the late Government of Canada and the United States of America of a similar reciprocal arrangement from which the Mother Country was excluded was hailed as doubly blessed. By us it was felt to be a calamity from which the patriotism and the Imperialism of the people of Canada have happily delivered us. 125

This statement, intended though it was to refer solely to the situation in Britain, brought forth immediate letters to The Times, first from Lord Grey, and then from W.S.Fielding (then in London). Chamberlain replied to the former on January 16, disclaiming any intention of doubting Sir Wilfrid Laurier's loyalty, and affirming that when he spoke of the Canadian action he "...not of their motives, but of the results of a measure...." 126

On the same page The Times published

125. The Times, January 14, 1913, p. 6.
126. The Times, January 16, 1913, p. 7.
Mr. Fielding's letter, in which the former Canadian Minister pointed out the political background of some of President Taft's actions, and the error involved in inferring that Britain was excluded from the benefits of the proposed Canadian-American Agreement. Fielding concluded with these words:

I need hardly say that I, of course, acquit Mr. Chamberlain of any intention to mislead the British public. His high character gives abundant assurance that his desire would be to deal with the question fairly according to his knowledge. The misfortune is that for party interests here and in Canada the Reciprocity Agreement has been systematically misrepresented, to such an extent that even a leading statesman like Mr. Chamberlain has been deceived and misled. Yet candour obliges me to say that such statements as those I have just quoted, far from promoting the good cause of Imperial unity, are most mischievous, inasmuch as they are unfounded in fact, offensive to practically one-half of the Canadian people, and calculated to destroy the respect for and confidence in British statesmen, without which it is certain the Imperial ideal will never be realized. 127

With this sharp rebuff and those which the Tariff Reformers' opponents were pleased to add, the question of Preferential trade practically vanished from the active policy of the Unionist Party in the brief period left before the War. It still retained the aura of a crusade for those who stuck to the Tariff Reform organization, and for Joseph Chamberlain himself, but as a movement it was simply overwhelmed by the march of events. Much of the enthusiasm once directed towards

128. E.g. Sydney Brooks, who declared: "Towards the Dominions, towards India, and towards Ireland, the party that delights above all things to call itself Imperialist is taking a line that all history and experience show to be the flat negation of Imperialism." "The Anti-Imperialism of the Imperialists," *The Fortnightly Review*, February 1913, vol.93, p. 349.
129. See page 256.
it was now devoted to the Irish question, and to the great political battles waged thereon.

In 1914 events of even greater importance were to relegate it further from the public eye, and it was rather indicative of its status that on July 6 of that year when Asquith, Bonar Law and Balfour rose in the House of Commons to eulogize Chamberlain on the day of his burial, only one of the three—Balfour—referred to Chamberlain's first claim to fame as being that of an Imperial statesman.

129. (From page 255) Hewins had his last interview with Chamberlain on November 19, 1913. Chamberlain had Hewins promise to 'stick by the cause.'

Chapter VI

Tariff Reform and Industry, Labour and Agriculture

We have thought that an offensive policy, a definite concrete policy of reform, was the best weapon we could have to our hands in order to meet the purely destructive policy of our opponents.

Chamberlain—in his last speech, July 9, 1906.

INDUSTRY

As the Tariff Reform campaign was launched by a manufacturer, and as its early years coincided with the final eclipse of the land-owning element as the first group in British political life, one might well assume that the business classes, who henceforth were to be so effectively represented in parliament, were, from the outset, all ardent champions of fiscal change. Particularly might it have been so in view of the fact that the bulk of the leaders of industry, who had been Liberal in 1870, were by 1903 in the Conservative--Liberal-Unionist fold. This, however, was not the case.

There are at least three basic explanations why Chamberlain was not automatically joined by every manufacturer
in the country in 1903. In the first place, the drift of the business community from Liberal ranks after 1870 was not the direct outcome of a growth in Protectionist sentiment. Rather, as R.C.K. Ensor has pointed out, it was the result of a deep resentment of the English bourgeois at "un prevented and largely unpunished crime" in Ireland, and at the resulting impression "...that England's reputation for fair dealing had been compromised." It was particularly the result of "... a peculiar kind of patriotic impulse.... The English business class was intensely patriotic, it resented the Irish events as an affront to England, and as the affront—-with others, e.g. Majuba and the loss of Gordon—-occurred under a Liberal Government, it withdrew its allegiance from the Liberal Party." Thus the transformation of the British industrialist did not necessarily involve his renunciation of Cobdenite philosophy. Indeed, a further explanation of the business man's coolness to Chamberlain in and after 1903 was the simple fact that Cobden's appeal was all pervading. His views continued to have a great hold in the British business world, which rejoiced in the fact that, despite Chamberlain's warnings, Britain was still the world's greatest trading nation, and an immensely wealthy state. Under these circumstances, finally, a considerable section of the business world had—or thought it had—a vested interest in Free Trade. Large

numbers of business men—in fact Ensor feels a majority of them were persuaded that their well-being would be endangered under Tariff Reform. As a result, when Chamberlain launched his campaign in 1903, not only did it fail to appeal to British industry, but it actually inspired a drift in the business world back to the Liberal fold. Thenceforward, down to the outbreak of war in 1914 both major parties had a commercial background.

On the other hand, there is ample evidence to prove the existence of a widespread and growing uneasiness about the future of British industry before Chamberlain reached his conclusions and acted on them in 1903. As early as 1896, for instance, The Economist, spoke of "... the dolorous dirges of departed greatness in which it is so much the fashion to indulge," and it challenged the figures on the basis of which a contemporary publication (appropriately entitled 'Made in Germany,') had arrived at numerous depressing conclusions which were being widely accepted by Lord Rosebery and others. In 1897 Lord Salisbury felt impelled to reply to criticism alleging that the Foreign Office did little for British commerce. He pointed out to the Associated Chambers


3. Ensor points out that this return to Liberalism was influenced also by the limited reconciliation of Irish feeling which resulted from the working of the Wyndham Act.

4. The Economist, August 1, 1896, p. 997.
of Commerce of the United Kingdom that as matters stood the Government had no effective means of retaliation whatsoever in international fiscal controversies. Two years later a petition calling for 'reciprocity in Free Trade' from one Charles Whitman Stokes, a manufacturer in one of the trades hardest hit by Free Trade—silk—was presented to Parliament. (It provoked no discussion). In 1900 and again in 1901 articles appeared in the learned journals which further reflected the views of those industrial leaders who were worried about the prospects of Britain's economy. One published in the Fortnightly Review for July 1901 indicated clearly the difficulties facing the British steel industry, how the U.S. Steel Trust was outbidding it all over the Empire on notable contracts and even making sizable sales of steel and locomotives to Britain herself. The shock which J. P. Morgan's North Atlantic Shipping Combine was to the British business world in 1902 has already been mentioned. Equally significant was the fact that when Col. George Denison wound up a speak-


9. See Page 215
ing campaign in the U. K. before the London Chamber of Commerce on June 13, 1902 with a bold assault on the principle of Free Trade, only one member of that body openly challenged his views. Even Mr. Punch was disturbed at the rate of Britain's progress when compared with the strides being made by her competitors, particularly Germany. He blamed no one class in Britain, but warned of "... our national complacency."

It is quite evident, therefore, that when Chamberlain began to speak of dying industries in 1903, his was no mere voice crying in the wilderness. He undoubtedly received strong support from an element in British commercial life from the beginning--from those industries which had been hardest hit by foreign competition. Unfortunately, in view of the limited source material available, it is difficult to be very precise about the exact extent of this support to Tariff Reform. The reaction of Chamber of Commerce meetings throughout the country is none too reliable, for the Tariff Reformers were past masters at the art of packing a meeting and, in any case, Tariff Reform became such a contentious issue that many Chambers refused to allow theoretical discussions of it. This in itself is indicative of the strength of the opposition to fiscal change. On the other hand, the evidence from this source cannot be ignored completely.

On March 1, 1905 the annual meeting of the Association of Chambers of Commerce of the United Kingdom, after lengthy debate, passed a resolution which endorsed the fundamentals of Chamberlain's programme—forty-two Chambers supporting and twenty-one opposing it. Significantly, thirty-nine Chambers, including two of the most important—London and Liverpool—remained neutral because they were sharply divided. "The most considerable individual names were against Mr. Chamberlain," declared the Annual Register of this gathering, "but numerically the balance appeared to be in his favour." Much the same situation existed in July of 1906 at the Sixth Congress of the Chambers of Commerce of the Empire held in London. Here, a resolution favouring Preference passed, on a Chamber basis, by 103 votes to forty-one, with twenty-one Chambers neutral. In similar manner, the Associated Chambers returned to this question in 1908—again passing a motion favouring Tariff Reform—forty Chambers to thirty, with thirty-one not voting. It is thus quite clear that Chamberlain's views received substantial—if by no means unanimous—support from the business community.

12. The Annual Register, 1905, p. 57.

13. Denison, op. cit., p. 367. After the Liberal victory earlier in the year, Denison was amazed and delighted at the result of this vote. On a personal vote, he declared, the majority was five or six to one.

Interestingly enough, especially in the early days of the Tariff Reform campaign, this support remained very much in the background. When the composition of the first Executive Committee of the Tariff Reform League was announced in July, 1903—only one of the twenty-two members, Sir T. Wrightson, was actively engaged in manufacturing (steel); one, Sir Alfred Jones, was the senior partner in Elder Dempster Ltd., a banker of note, and the president both of the Liverpool Chamber of Commerce and of the Liverpool Ship Owners' Association. Two other members were active in the business world: Sir Vincent Caillard, a former governor of the Ottoman Bank and a financier of note; and Sir Arthur Pearson, the head of a newspaper empire. None of the other eighteen had important commercial ties.

Gradually, particularly after Chamberlain launched his first campaign in October, 1903 and made it clear that there was outright Protection as well as Imperial sentiment in his programme, the commercial support for him seems to have

15. At least worthy of recording in 'Who's Who?'

16. Although as early as July 21 a group of five Liberal (probably Liberal-Unionist) manufacturers had written to The Times announcing their conversion to Tariff Reform. The Times, July 21, 1903, p.
become more open, and certainly, when he set up his Tariff Commission in December of 1903 and January of the next year, he had no trouble in enlisting the cooperation of leading figures from all the major industries. It is equally evident—though difficult to prove—that the assistance which he received from this quarter must have been financial—for the League required and raised during the years 1903-1914 very considerable sums of money.

It is not much easier to assess precisely the reaction to Tariff Reform on an industry—by—industry basis than it is to evaluate the reaction of the business community as a whole. Those industries which had been hardest hit by foreign competition, and particularly those which had been hit by imports into Britain, saw in Tariff Reform at least a partial solution to their difficulties. Steel manufacturers and those in various branches of engineering seem to have shared this point of view. The strong support given to the Tariff Commission by Joseph Rank, the miller, is probably another case in point—arising out of Chamberlain’s proposal to revive his trade in Britain by taxing imported flour.

17. The Tariff Reform League’s subscribers list was never published—although Lord Ridley, when challenged about the League’s financial resources, agreed to release it—if the Free Trade Union and certain associated organizations would do likewise. The Times, November, 28, 1910, p. 12.
On the other hand, those industries which relied almost entirely on imported raw materials, and/or those which sold a very large proportion of their produce abroad, and were afraid of the retaliatory measures which foreign states might apply against the products of a Protectionist Britain, were either indifferent to or opposed to Tariff Reform. For instance, the starch trade began its protests with the imposition of the Hicks Beach duty in 1902. The Lancashire cotton spinning industry showed a similar reaction. To the Tariff Reformers its stand was so vital that they organized a special Cotton Trade Tariff Reform Association, and through it laboured zealously (without much success) to combat the stand of such citadels of Free Trade as the Manchester City Chamber of Commerce—which from 1902 onwards was adamant in its opposition to any form of Protection. The carrying trade, fearful of a reduction of the volume of goods which it handled, and yet keenly aware of the increasing effectiveness of foreign shipping, was typical of those industries which remained 'neutral.' At the annual meeting of the Chamber of Shipping of the United Kingdom on February 5, 1904, for instance, the retiring president expressed very strong doubts about the wisdom of Chamberlain's proposals. At the same gathering another member read a paper which was very friendly to

countervailing duties, and there was certainly Protectionism enough in this body to let it pass a motion endorsing the restriction of the Colonial and British coastal trades to Empire shipping. The chocolate and chemical industries were two others which seemed to enjoy peculiar advantages under Free Trade; in any case they were very prosperous at this period, and, on the authority of Richard Jebb, openly hostile to Tariff Reform. Furthermore, according to Jebb they were peculiarly able to express their views, for he claims that soon after the launching of Tariff Reform these interests "...acquired control of the best part of the Liberal press." To all of these generalizations, of course, there were noted exceptions within each industry. In January of 1910, for instance, W. H. Lever, the soap king, was declaring that Tariff Reform would ruin the soap industry—while another soap manufacturer, J. W. Hope, was just as dogmatically stating the reverse.

Jebb's observations being contemporary are worth noting. He claims that there were two further explanations for the hostility of a section of the business world to Tariff Reform. Vested interests in the world of finance and


22. The Times, June 20, 1910, p. 10.
commerce, he declares, and particularly those concerned with the marketing of foreign securities in England, were anything but friendly to a proposal which might raise the value of production at home to the detriment of that overseas. Consequently they went along with the 'Dear Food' cry "...and did not desist until the Lloyd Georgian taxes began to suggest that the fire might be a worse place than the frying pan." Furthermore, he argues, while many manufacturers "... supported the proposal of Protection, others were openly repelled by a policy which openly proclaims its expectation of raising the level of wages by increasing the competition for labour." Jebb, of course, was a Tariff Reformer, and a rather bitter one—like the rest of this group—by 1913. His conclusions, therefore, must be regarded as rather extreme, even though he appears to have had plenty of justification for them. Certainly he was correct when he referred to the later drift from the Liberal fold after Lloyd George sought to put the heaviest burden on the broadest back—although manufacturers as well as financiers were involved. W. S. Player, the tobacco king, C. Coggan, a South Nottingham hosiery manufacturer, and G. M. Royle, a leading figure in the Nottingham lace trade, were three of the industrialists who announced their secession from Liberal ranks and their adherence to the Unionist tariff

23. Jebb felt that these interests had practical control of both party machines. Jebb, The Britannic Question, p. 64.


25. Loc. cit.
policy at the end of 1909. Both Coggan and Player announced that they expected to make considerable additions to their staffs with the introduction of Tariff Reform.

Quite apart from those cited by Jebb, there are three further explanations for the limited acceptance of Tariff Reform by the British business world. One was the failure of many to appreciate the significance of the rise of nationalism in the Orient, and to realize that markets there—even when within the Empire—were not held in perpetuity. Hewins points out, for example, that in 1910 many British industrialists, and particularly those manufacturing textiles in Lancashire, seemed to feel that Britain could control indefinitely any Protectionist movement in India. Even Bonar Law had similar views; he opposed an Indian tariff on British goods in November 1912—arguing that as Britain had done great things for India her goods should be admitted duty free. This characteristic of failure to appreciate the realities of the world situation was by no means restricted to the Free Trade camp, but it was an important factor in checking the acceptance by commercial Britain of drastic fiscal change.

27. Hewins, op. cit., p. 255.
28. The Times, November 9, 1912, p.
Another feature of the unrealistic approach in Britain to the problems of world trade, and thus another explanation of the hard road which Tariff Reform had to travel, was the very incomplete state of the Board of Trade's statistics on the nation's economic position. Often during the Tariff Reform campaign, especially after 1909, the Liberals were able to score effectively by quoting annual trade returns which seemed to indicate tremendous increases in British trade and an apparently healthy domestic economy—when, as G.D.H. Cole later pointed out, the figures failed to take into account a rising price level and a drastic shift in the nature of exported goods (e.g. the sending of more coal and less machinery to Germany). It was here that Vincent Caillard, Arthur Pearson, Hewins and Chamberlain performed a notable service; they were amongst the first to appreciate the paucity of reliable official information. It was out of their determination to arrive at the true situation—on the basis of which they hoped to establish a scientific tariff—that the Tariff Commission was born. This body did remarkable work in the years between 1904 and 1914 in making a trade by trade investigation of the state of British industry, commencing with steel. It also attempted

29. e.g. The Economist saw in the rise in the total figures of the British export trade since 1902 the refutation of Chamberlain's and especially Balfour's stand in 1903. November 26, 1910, pp. 1073-1074.


to determine the economic results of past and contemporary British diplomacy. Its techniques were scientific, almost quasi-judicial at times; its reports were carefully drafted. In the long run its efforts had a considerable effect in persuading all but the most partisan figures in British business life that Chamberlain's declamations on the relative decline of British industry were more than theoretical phrases, and (even if exaggerated) were based to some degree on fact. Differences of opinion of course remained about his conclusions.

The third factor governing the attitude of the business world to Tariff Reform lay in the curious tripartite approach made by Chamberlain to the British public in 1903. From the beginning he presented together Preference, Freedom to Retaliate against hostile foreign economic policy, and straight Protection. In the early days he was inclined to lay great stress on the first two, and indeed sought to present his views as a means of greatly extending Free Trade. Furthermore, as the hostile criticism grew, he and his followers sought to minimize the magnitude of the change which would take place, and on the basis of this approach undoubtedly won numerous Unionists to a rather reluctant endorsement of the first two phases of the policy while they eschew-

32. In November, 1910 for example, the Tariff Commission issued a report on British trade and the most-favoured-nation arrangement. The gist of its findings was that what Britain had gained by most-favoured-nation agreements was much smaller than what other states had gained by direct negotiation. The Times, November 28, 1910, p. 6.
33. The Times, January 7, 1911, p. 9.
ed the third—Protection. Balfour himself was in this position for years. Consequently some manufacturers, even when themselves inclined to Protection, remained clear of the Tariff Reform campaign because they were either uncertain of its sincerity or else dubious of the relief which they felt it would actually afford. When these doubts were resolved, considerable numbers of them moved openly towards the Unionists' tariff policy—although as Protection came to be widely accepted in the Party, this action did not necessarily mean affiliation with the Tariff Reform organization itself.

In the last analysis, the manufacturer, merchant and financier did what many have done and always will do under such circumstances—they examined their own situation in the light of the new proposals. Those who felt (for this was as much a matter of the heart as of the intellect) the need for Protection most strongly eventually became keen for Tariff Reform; those who were only moderately enthusiastic about fiscal change gradually drifted towards it—or rather to the Unionist position on manufactured imports; while those who were content with the status quo and were prepared to passively accept adjustments were antipathetic to Chamberlain and his works. Jebb referred to a characteristic not confined to this sphere or to his day when he wrote:

The instincts of the corporation were instinctively regarded as the interests of the country. 34

LABOUR

By the year 1902 no one in Britain was more keenly aware than Joseph Chamberlain that the real political mastery of the state now rested in the hands of its workingmen, and that any major change in government policy must be widely supported by the labouring classes. Thus he deliberately sought to make his appeal as broad as possible, and the Tariff Reform organization continued this policy after he was incapacitated.

From the outset, however, Tariff Reform found the going heavy amongst the ranks of labour. As early as May of 1902, active trade unionists and representatives of the friendly societies had participated in rallies held in London and Newcastle to demonstrate against the prospect of a return to the semi-starvation of the Corn Law days which was inherent, they claimed, in the Hicks Beach duty. This was a minor development, and soon forgotten, but one symptomatic of things to come.

When Chamberlain made his great proclamation in May, 1903, it aroused the keenest interest amongst working people. Without exception, the collective voice of organized labour was hostile, and remained so throughout this period.

Before May was out, the Annual Congress of Dock Labourers 35. The Times, May 12, 1902, p. 9.
meeting at Liverpool, and the Amalgamated Society of Railway Servants meeting at Birmingham passed resolutions condemning Chamberlain's views. On June 2, 1903 the Co-operative Congress did the same. Eventually on September 8, 1903 the Trade Union Congress took up the question. Only two delegates from small unions—The United Pattern Makers and the Hosiers—were in favour of an inquiry into the fiscal system, and a resolution condemning Tariff Reform "as most mischievous and dangerous" was passed—with only two dissenting votes. The Trade Union Congress adhered to this stand for many years. At its meeting in 1905, for instance, three delegates—one from the potteries and one a miner—dared to oppose a motion endorsing Free Trade, but it was approved by 1,253,000 votes to 26,000.

This lack of success amongst the ranks of organized labour was certainly not the result of any lack of effort on the part of the Tariff Reform organization which focussed a large part of its zeal in this direction, and which organized a Trade Unionist Tariff Reform Association—with branches in all parts of the country. The venture made progress for a while, as it was sincerely and sanely directed (from the headquarters of the Tariff Reform League), and it had nothing

36. The Annual Register, 1903, p. 143.
37. Ibid., p. 193.
38. The Times, September 8, 1906, p. 7.
to do with the disruptive and indeed corrupt tactics which so
discredited the attempts of the Fair Traders to woo labour in
the 1880's. Lord Ridley was openly enthusiastic about its
progress in July 1905. In a typical branch—that at Liver-
pool in September, 1906—at least nine of the members of the
Trade Unionist Tariff Reform Association were delegates to
the Trade Union Congress itself. They represented the Typo-
 graphical, Carters, Slaters, Engineers, Papermakers and
Carpenters unions, recognized their minority position in the
Congress itself, wisely realized that they had an educative
job to do, were all for such T.U.C. objectives as the eight
hour day—but wanted fair competition between goods produced
under it and those imported from abroad. Interestingly
enough, some of the strongest of these working men's associa-
tions existed in Lancashire—where the employers gave the
Tariff Reformers particular difficulties. On a country-wide
basis, however, their effect was limited; their members
failed in their prosletyzing efforts, and the bulk of organ-
ized labour remained cold to Tariff Reform.

The attitude of the political arm of labour was
equally hostile. The Independent Labour Party opposed the
Corn Duty in 1902, and its successor maintained the same
position against Tariff Reform. Here the Labour and Liberal
Parties were on common ground, for they were both at this

40. The Times, September 8, 1906, p. 7.
time against any measure which "...threatened to lead to an increase of direct as against indirect taxation." Brougham Villiers expressed the view which Labour championed at this time, and held to until 1932, when he wrote: "Labour ... will never connive at any means whereby the possessors of unearned incomes can direct either new or old taxes on to the shoulders of the people."

Philip Snowden, who was to be for so long the financial spokesman of this group, and who had fought Tariff Reform from its inception in 1903, made clear the Labour view in his maiden speech to Parliament on March 12, 1906. He agreed with much that Chamberlain had said on the changed industrial conditions of the preceding sixty years, held with him that other factors as well as Free Trade had contributed to such improvement as had been achieved, and shared the view that Free Trade had not produced a workers' heaven in Britain. But he sharply differed with Chamberlain on the remedial policy to be adopted; although he repudiated any dogmatic adherence to Free Trade, he declared that the members of his Party stood "... as firmly as the most ardent members of the Cobden Club to the maintenance of our Free Trade policy...," and looked instead for a solution in the elimination of such evils as the burden of landlordism and of


43. Loc. Cit.

mining royalties.

Essentially the situation in England through the whole of this period was that Free Trade was still synonymous with Liberalism and radicalism in British political thought, and to the masses Protection smacked to a great degree of reaction. Try as Chamberlain might, he was unable to overwhelm this feeling in a great surge of Imperial enthusiasm— or, for that matter, in a resurgence of rational thought. Only in the Birmingham area did he succeed in this endeavour, and mass all of the ranks of Labour, organized and unorganized, solidly behind Tariff Reform. His interpretation of his ability to do this, however, was probably faulty. Like Hewins, he believed that the way to appeal to the Birmingham workingmen was to raise Imperial issues—"... not to appeal to their self-interest or try to win their support by political bribes." What he overlooked, however, was his own immense popularity in the area. Laurier made this clear when he wrote to Hewins in February, 1906, interpreting the results of the recent British election:

Another thing seems to me evident, and in this I also differ from you. It is not the policy but the personality of Mr. Chamberlain which triumphed in Birmingham. Whether right or wrong, my belief is that Mr. Chamberlain would have triumphed there on any policy which he would have chosen to adopt. 46

It can be argued, therefore, that to some degree Chamberlain and his closest associates were victims of a measure of self-deception—for they undoubtedly believed that in a modified

45. Hewins, op. cit., p. 64.
46. Laurier to Hewins, February 7, 1906--cited in Hewins, op. cit., p. 159.
form the 'Birmingham approach' would appeal to the rest of industrial Britain. Had Chamberlain first launched his appeal in a less favourable and more typical environment, the Tariff Reformers might have been more successful in the long run in winning the labour vote. Certainly from the start they might have taken their opponents' 'Dear Food' cry more seriously.

An interesting sidelight to the Tariff Reform appeal to labour arose out of the Liberals' attempts to ridicule living standards in Protectionist countries—especially during the years 1909 - 1910. In an attempt to combat these claims, the Tariff Reform League began to send groups of workingmen to Germany to ascertain for themselves the social condition of the German worker, the prices and quality of his food and clothing, and the state of his employment. By November, 1910 at least nine parties had been sent, and the Tariff Reform League executive was highly pleased with the results. Apparently the move seemed to be having some success, for the Free Trade Union began to send workingmen to the Continent to read just the reverse conclusions from

47. In 1913, for example, North Staffordshire Unionists were complaining of the great capital which Liberal and Labour politicians had been able to make amongst the miners and pottery workers with this cry. The Times, January 7, 1913, p. 7.
the same evidence. Even the Labour Party felt constrained to send an investigating commission to examine industrial conditions in Germany.

Certainly not the least important explanation for the weakness of the Tariff Reformers approach to labour was their failure to make their fiscal policy complementary to one of social reform. Numerous individual Tariff Reformers sought to do so - especially after 1906 - but neither the Tariff Reform organization nor the Unionist Party embraced concrete proposals on these lines. By 1911 such far-sighted Tariff Reformers as George Lloyd, Austen Chamberlain and Jasper Ridley realized the importance of a liaison - and sought to argue before the electorate that as Germany's Bismarckian Social legislation was based on a tariff, so Britain's must have similar resources and protection. But they were unable to alter the spirit of their party radically - for it was still heavily dependent upon the support of the middle classes in the large cities, amongst whom the laissez-faire approach to social problems

45. The Daily Express, May 5, 1910, p. 4.
46. The Daily Express, May 14, 1911, p. 4.
47. The Times, November 9, 1911, p. 10.
was very strong, and amongst whom also, particularly after the Taff Vale dispute, there still existed considerable hostility to trade unions. In other words, in this vital field the Unionist Party had so far completely failed to appreciate the new spirit of the new century.

Many of Joseph Chamberlain's difficulties arose from the fact that he was far ahead of his own Party. For this reason, Amery declares, he set aside the social legislation which he had championed in the late 'nineties, and which he had made into a bi-partisan issue politically. For this reason also he had great difficulty with some Unionists when he sought to convince them that all was not well with Britain's economy. Interestingly enough, on this topic he had a ready audience in the ranks of labour, for the long slow advance in the British standard of living which had been maintained even through the depression of the 'eighties and 'nineties (because prices had fallen more drastically than wages), was halted soon after the Boer War, "and the workers, who had been used to a slowly rising standard, found themselves faced with a real, though slight decline in

their purchasing power".


50. Amery, Chamberlain, pp.393-4. Amery declares that the other main explanation for Chamberlain's turning from social legislation was the adamant stand of the Chancellor and the Treasury on the need for fiscal retrenchment.

Here, as G. D. H. Cole points out, lay the weakness of Free Trade in the eyes of the British worker. He listened carefully as a result to Chamberlain—although he did not in 1906 (or later) accept Protection as the cure for his troubles. He did, however, begin to look seriously for one, and the result has been of immense significance to Britain. "Modern British socialism", Cole rightly observes, "may have been the child of the depressed eighties; it actually threw on the revival which followed".

**AGRICULTURE**

The most solid core of Protectionism in 1903 existed in the ranks of British farmers; yet, curiously enough, it was to them, on a purely practical basis, that Tariff Reform made its weakest appeal. The explanation lies in the magnitude of the disaster which had befallen them in the last century (and in the nature of Chamberlain's appeal). Since 1875 over 2,000,000 acres of wheat land in Britain, and another 2,000,000 acres of arable land had reverted into permanent pasturage, as the price of wheat had dropped from 50s. to 20s. a quarter.


53. This fall alone Henry Chaplin estimated had cost the British farmer £40,000,000. *Hansard* (4th Ser.), May 13, 1902, vol. 138, col. 135, (The quarter = 8 bushels. Approximately 480 lb.).
There had been a modest increase in the country's stock of cattle, but the number of sheep had declined by over 4,000,000 head. Much the same was true of Ireland. Perhaps the most startling way to describe the situation is as follows: in 1700 Britain was self-sufficient in wheat with a population of 5,500,000 people. In 1831-35, although her population had risen to 24,000,000 she still provided 96% of her needs. By 1897, however, her production of wheat was back to the level of 1700. Most other branches of British agriculture had a similar story to tell.

There is thus no cause for wonder that many farmers were, as Peel described them, "...immemorial Tariff Reformers". They were also amongst the shrewdest of observers of the British political scene. Many who leaned towards Protection after 1895 saw few prospects of attaining it, and often, consequently, were not prepared to waste their time chasing this elusive panacea. Typical of them was F. W. Wilson, a Norfolk farmer handling 105 acres, who

56. Hewins, op. cit., p. 103
57. Peel, op. cit., p. 177
wrote in 1896:

The first essential for the improvement of agriculture is to show the farmer whether there will or will not be Protection. While Protection is kept dangling before his eyes, he clings to it for relief, and other remedies are neglected. 59

He was under no delusion as to its chances. "What," he asked, "would all the Tory members for London, Bradford and Liverpool say to legislation designed to raise the price of food to their constituents? The Government depends largely upon the Conservatism of the towns, and must pursue a town policy". Wilson consequently looked elsewhere to see the salvation of British farming - to the introduction of more capital, to a return to more resident farm ownership, and to the application of the "...pluck, spirit and constancy of the English race".

Another representative British farmer, and a particularly outspoken champion of Government assistance for agriculture, was the well known writer, H. Rider Haggard. When Haggard spoke on the need for such help before the Norfolk Chamber of Agriculture in December, 1898, he found himself almost immediately assailed by a local paper as a Protectionist. This in subsequent published corres-


60. Loc cit.

ondence he readily admitted, though the degree of it involved was infinitesimal, and, he pointed out that he had never advocated a duty on imported wheat or meat. He claimed at this time to have an open mind on the Free Trade vs. Protection issue, but he did advocate the introduction of a government bounty whenever the price of wheat fell below a set level - which he suggested be 30s. a quarter. The trend of his thinking can be readily gaged from this entry in his *Commonplace Book* for December 8, 1898:

What I have never been able to understand is why those who, owing, let us suppose to some mental twist are unable to accept as wise or advisable all the strict and far-reaching consequences of the Cobden doctrines should be spoken of as if they were evil doers?" 63

He noted the repudiation of Cobdenism in foreign lands, and in the Colonies, and the questioning of its theories by "...a great many thinking men in this country, as is evidenced by the articles which now appear in some of the leading papers".

The views of Wilson and Haggard appear to have been shared by many, if not most British farmers. Their approach to fiscal policy was essentially practical, and it was this feature of it which made them defeatist or indifferent when the subject of Governmental assistance was

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64. Loc. cit.
raised - for they were well aware of the obstacles in the way of any Unionist or Liberal action on their behalf. They were thus in a 'skeptical' mood when Chamberlain launched Tariff Reform in 1903.

The precise nature of the agricultural proposals of the Tariff Reformers explain their mixed reception in rural Britain. They were, essentially, the reapplication of the two shilling duty on foreign grain, (with Colonial produce exempted), a small duty on flour (to retain or regain milling and its by-products for British mills and farmers), and a 5% ad valorem duty on imported meat. Examined superficially these proposals involved only a meagre degree of Protection - the duty on meat, for instance, amounted to less than one farthing per pound. Examined in the light of Tariff Reform assertions - usually denials that they would involve any increase in the price of food - they were even less encouraging to the British farmer. He was quite prepared to believe the Tariff Reformers' claim that in time the Colonies could produce all of Britain's imported food, and to agree with Chamberlain that in the interim the foreign producer would often absorb the duty to match Colonial

65. Lord Rosebery declared in October, 1897 that British agriculture had improved under Free Trade, and was just as prosperous as that of Protected nations. The Annual Register, 1897, p.205. The typical Liberal approach was that of Mr. Channing, a Liberal M.P., who described the Hicks Beach duty of 1902 as "nothing more than another dole to the agricultural landowners of about £1,300,000 a year". Hansard (4th Ser.), May 13, 1902, vol.108, col.128.
ON HIS HOBBY.

FIRST AGRICULTURIST (to SECOND DITTO). "THAT AIN'T A REAL 'OSS! WHY, I CAN SEE HIS BOOTS!!"

[Mr. Chamberlain addresses a large agricultural audience in the Riding School at Welbeck Abbey, August 4.]
competition. This, the farmer realized, left him with little or no prospect of a rise in the price of his product.

Essentially, and the farmer was the first to see it, the Tariff Reform programme largely ignored the needs of British agriculture. About the only benefit which it seemed to offer in this direction was the prospect of a reduction in taxation - made possible by the new tariff-produced government revenue. This anomalous approach to fiscal reform was of course understandable. At first it was primarily the result of Chamberlain's desire to unite the Empire on economic lines. Later, when the enthusiasm for this had perceptibly declined, the vulnerability of the Unionists to 'Dear Food' perpetuated the apathy towards local agriculture. But understandable or not, it was exasperating to the farmer Protectionist, who justifiably claimed priority in any state assistance to depressed occupations. As a result, the place of agriculture in their projected fiscal revolution harassed the Tariff Reformers through the whole period 1903 - 1914 (and, indeed, again after the War). The following extracts from letters written in 1904 show very clearly the problem facing the Tariff Reformers, and the criticisms to which their policy made them vulnerable. Lord Heneage, who was otherwise favourable to Chamberlain, in a letter to The Times about a recent appearance of the Tariff Reform leader before an audience of miners and labourers, declared:
...but he appeared to take for granted that all owners and occupiers of agricultural land are supporters of his fiscal policy and a scientific tariff; but I can assure him that this is not the case, quite the contrary at the present moment, except in the case of the old protectionists who look upon him as a convert to their views, and whose only prescription for agricultural depression is a 5s. per quarter duty on corn which is quite impossible, and since the appointment of the Tariff Commission agriculturalists have been waiting anxiously and still ask Mr. Churchill's own question, Where does agriculture come in? 66

Sir Michael Hicks Beach wrote to his son on September 8, 1904:

And while the "Tariff Reform" people are afraid to propose duties on food high enough to protect our farmers (who certainly want Protection if any industry does), they are framing a tariff to protect the iron and steel manufacturers and other industries as well - so that the agriculturists will have to pay more for implements and other things they want to buy, while the price of wheat they have to sell will by no means be raised in proportion. 67

Nevertheless, an important section of the agricultural community from the beginning saw Tariff Reform as a step in the right direction, and consequently gave it strong support. On December 9, 1903, for example, Henry Chaplin and Rider Haggard were able to obtain an almost unanimous vote favouring Chamberlain's policy at the annual meeting of the Central and Associated Chambers of Agri-

66. The Times, August 16, 1904, p. 4.
culture. This stand was maintained in succeeding years, and as late as 1909 had never been challenged by any of the Provincial Chambers in England. The Annual Register commented on the strong support given to Tariff Reform by the rural constituencies in the January, 1910 election, although the penal land clauses of the 1909 budget were also a factor of undetermined importance in rising Unionist strength here.

Elsewhere in the British Isles the situation was similarly complicated. On the authority of such observers as Hewins and Bear, large numbers of farmers in Ireland were favourable to Chamberlain's policy, and made no secret of the fact. They were held in check, however, by their parliamentary representatives, the vast majority of whom saw Home Rule and opposition to all that Chamberlain stood for as the great goal and necessary policy of Ireland at the time. In Scotland, Bear declared in 1909, there was an additional consideration, for north of the Cheviot Hills grain growing was of limited importance; meat, milk and cheese were the chief agricultural products, and fiscal

68. The Annual Register, 1903, p. 229.
69. Bear, op. cit., p. 28.
70. The Annual Register, 1910, p. 27.
71. Bear, op. cit., p. 29.
reform consequently obtained much less support than it did in rural England.

Indeed, this change in the nature of farming was a major obstacle to Tariff Reformers in all parts of the British Isles, for the great influx of cheap grain in the preceding century had meant that the production of milk became the mainstay of the average British farmer - and in this commodity there was no effective foreign competition. Furthermore, with the drastic decline in the amount of cultivated land, many farmers grew only a fraction of the feeding stuffs which they required, and imported the rest. Thus the dairy farmer was displeased at the prospect of a tax on imported grain, and echoed the sentiments of the Bolton Dairy Farmers' Association, which sent Ritchie, the Chancellor of the Exchequer, this memorial in 1903.

This meeting, representing the dairy farmers of Bolton, cordially approve the action of the Government in withdrawing the tax imposed on corn last year, as they regard it as a most unjust and inequitable tax on the dairy farmers of the country, compelling them to contribute a most unwarrantable proportion of the increased taxation required by the nation. 73

Richard Jebb drew attention to another complication in 1913. Many a farmer resented the way in which Chamberlain had raised Protection in 1903 not only because

72. Ibid. p. 28.
his interest was largely ignored but because it paved the way for a revival of all the old accusations of the Corn Law days describing them as the oppressors of the poor. This Jebb rightly pointed out, they never were.

No one was more clearly aware of the dilemma than the Tariff Reformers themselves. As fiscal reformers many of them had no objection to Protection for agriculture, but as practical politicians in an overwhelmingly industrial land, and as advocates of a Preferential policy in which agricultural produce figured largely, their freedom of action was strictly limited. Chamberlain was particularly aware of the awkwardness of their approach, and of the consequent restlessness of the farmers. At the first meeting of his Tariff Commission in January, 1904, he announced, consequently, the appointment of an Agricultural Committee under the chairmanship of Henry Chaplin - with terms of reference specifically requesting it to examine the implications of the Tariff Reform proposals upon British agriculture, and to recommend any desirable changes. This Agricultural Committee worked zealously over the next two years, held thirty-three meetings (some in Ireland), examined 147 witnesses - many of whom were nominated by local Chambers of Agriculture - and received replies to a questionnaire from

2103 farmers and others interested in agriculture. In its report, which was, incidentally, the most exhaustive of any issued under the auspices of the Tariff Commission, the Committee concluded a lengthy survey by recommending a provisional scale of agricultural duties—none strictly protective, but just enough, as Hewins put it, to give "...a slight turn to the market."

Meanwhile, during the two and a half years between the constitution of the Committee and the release of its report (in July, 1906) the Liberals made great political capital on such Protection as the Tariff Reform programme did contain, and at one time in 1905 even Chamberlain wondered if it would not be possible to pursue his goal without the hindrance of the duty on grain. This he finally decided was impossible, but although he stood by his original levies on food, it must not be assumed that the release of the Agricultural Committee's findings (which he delayed as long as possible) meant any new willingness on the part of the Tariff Reform organization to espouse agricultural Protection. Far from it—for at least another six and one-half years the official stand of the Tariff Reformers went no farther than Chamberlain had gone in 1903, and even this much Protection was only kept in the Unionist programme with extreme difficulty, especially after the Referendum appeared.

75. The Times, July 3, 1906, p. 15.
76. Hewins, op. cit., P. 108.
in 1910.

Both Hewins' and Austen Chamberlain's writings at this time contain references which well illustrate the reluctance of Tariff Reform officialdom before 1913 to go further in advocating additional tariff assistance for agriculture. In 1910, for instance, Austen Chamberlain received a letter from the editor of Farm & Home protesting the assumption by most Tariff Reformers that their programme necessarily meant the free entry of Colonial wheat and declaring that this suggestion "...was causing great dissatisfaction and alarm in agricultural circles...". Chamberlain in reply sought to deny his whole case by arguing:

There may be a few parts of the country where the agriculturalists would like Colonial corn taxed, but the representations which have come to me on the subject come largely from country members who find the proposed tax on Colonial wheat unpopular both with labourers and farmers. We grow so little wheat in these days that even the farmer in most parts of the country is to be reckoned a consumer rather than a producer of wheat.

In actual fact, both the editor and Chamberlain could find plenty of justification for their views - although neither explained the situation completely. William E. Bear did analyze it remarkably well in an article published in the preceding year in The North American Review.

In part he wrote:

79. Loc. cit.
...while generally recognizing the fact that the agriculture of the United Kingdom has been half ruined by foreign and colonial competition, the farmers are not by any means unanimous in their desire for a change in the fiscal policy of the country. So far as England alone is concerned, there is abundant evidence to show that the great majority of farmers would welcome such a change; but not a few, even in that kingdom, are distinctly adverse to it, while others are indifferent concerning it. That this division of opinion would not exist to an important extent if there were any prospect of substantial duties on farm products is more than probable; but there is a common conviction that the nation will never agree to taxes on imported food sufficiently high to compensate certain sections of agriculturalists for the disadvantage of duties on commodities that they purchase, and this renders some farmers antagonistic to the disturbance of the existing system, and others doubtful as to its desirability. 80

A major result of the effectiveness of the 'Dear Food!' cry in industrial Britain was the determination of both major Parties to win the rural voter by advocating programmes of land reform. These programmes were actively debated in the years after 1906, although they did not become matters of major concern for the public until 1913, when David Lloyd George did much to publicize them with his strictures on tithes and rents – undoubtedly with a view, to some extent, of 'calling off the hunt!' from Ireland. By 1913 both Parties were advocating state aid to tenant farmers in extended Small Holdings schemes.

In addition, even the Unionists had gone as far as embrac­
ing subsidized rural housing, land banks and ready credit for farmers, agricultural cooperation, a readjustment of local rates - taking the excessive burden off the land, more efficient and economical transportation and distribu­tion of agricultural products and requirements, liberal expenditures on agricultural education and the encouragement of agricultural science. Here were proposals which were widely endorsed throughout the land, and which were free from the contention associated with 'Dear Food'. It is little wonder, therefore, that amongst those Unionists who took agricultural problems seriously they became increasing­ly popular as the prospects for any real measure of agricul­tural Protection dimmed. By December of 1913 the writer who saw the problems of rural Britain as ones to be solved "...broadly speaking by higher farming, by the application of more capital, under the guidance of increased scientific knowledge...." undoubtedly spoke for the majority of Unionists - and Liberals alike.

Those who were prepared to accept means other than tariffs as remedies for the ills of agriculture were con­sequently, not at all perturbed by the fact that between November of 1910 and January of 1913 the Unionist Party gradually drifted to a policy of straight industrial Pro-

tection. However, a considerable rural element, made up both of the old-line Protectionists and of many farmers who had not been too keen for Chamberlain's programme, were highly incensed at the complete elimination of any real consideration for their interests in the fiscal proposals which the Unionist Party now espoused, and became increasingly restless at their treatment. Bonar Law twice tried (and failed) to assuage their feelings early in 1913 - by arguing that an industrial tariff alone would work no hardship on agriculture, and that if it did, a compensatory easing of the tax burden on the land could be made.

The new stand of the Unionist Party and its leaders dismayed the champions of a tariff on imported food as well as the remaining adherents of the Tariff Reform League, who now saw the Imperial side of their policy largely discarded. Rather naturally, therefore, the two groups drew more closely together. By August of 1912, for instance, F. E. Smith had come out flatly for agricultural Protection in these words:

82. First at Edinburgh, as he enunciated the Party's new fiscal policy (The Times, January 25, 1913, p. 10); later in the Commons (Hansard, (5th Ser.), April 2, 1913; vol. 51, col. 516). One reason for the unwillingness of the farsighted farmer to eschew Protection completely was cited by H. W. Wilson in 1896. It was the very minor degree of relief which other reforms would afford, if brought into being. He estimated that the removal of his Land Tax would have saved him only 10d. per acre, and the elimination of all his rates would only reduce his burden £7.35s.4d. per annum. On the other hand an increase of 5s. a quarter in the price of barley and wheat would have raised his annual income £60.10s. in all.

Wilson, op. cit. p. 477.
No Government of whatever party complex- 
on can afford to ignore the agricultural 
industry....There must be a tariff destined 
to help agriculture just as much as manu-
ufacturing industry....A tariff is the first 
essential of such a comprehensive agricul-
tural policy. 83

Even Austen Chamberlain used the argument that "...we must do 
justice to our own agriculture...." when supporting the 
Food Duties in January, 1913 - although he refused to aban-
don the Party's official programme. In March of that year, 
Hewins, Caillard and Chaplin decided to reconstitute the 
Agricultural Committee of the Tariff Reform Commission, and 
put it to work drafting a supplementary report. Late in the 
year the Tariff Reform League itself took up the cudgels, 
and in the hopes of pressing Bonar Law to endorse a more 
effective agricultural policy, wrote to him asking that he 
receive a national deputation on the subject . When he 
declined to do so, when Austen Chamberlain refused to count-
enance any 'bolting of the party line' by the Tariff Re-
form League, and when the League's executive held up the 
report of the Agricultural Committee the wrath of the agri-
cultural Protectionists was immediate and real, and they 
decided to stage an "...open and avowed revolt". It took 
a remarkable form, for they organized a Tariff Protest Lea-
gue to protest against the exclusion of agricultural Pro-

83. Smith, F.L., "Tariff Reform", The Fortnightly Review, 
84. The Times, January 14, 1913, p. 8.
85. The Annual Register, 1913, p.
86. Sir Henry Buckmaster; Hansard (5th Ser.) February 16, 
tection from Unionist policy, and early in 1914 - led by Henry Chaplin and Rowland Hunt - went so far as to appeal in advertisements to Unionist agriculturalists and to those dependent on fixed incomes to vote against Unionists supporting the Party's existing fiscal policy. Hunt was particularly vehement in his attacks on Unionist policy; he was an extremist, of course, and an irresponsible Unionist, but as the Annual Register noted "...he did not stand alone".

It is not surprising that the malcontents were unable to bring about a change in official Unionist policy. They were a minority group in their own party, and as such were simply ignored. But they were persistent, and did score one minor success in convincing most of the remaining adherents to the Tariff Reform League that all of the wealth producing sections of the community should be considered in its proposals. Undoubtedly they played a leading role on March 16, 1914 when the League defied Austen Chamberlain and repudiated Bonar Law's views. Undoubtedly they continued to press for the release of the Agriculture Committee's report. Undoubtedly they at least cheered when it finally appeared, and they read its declaration that "...the restoration of British agriculture to its proper and historic place in the national economy requires the adoption of an agricultural tariff".

87. The Annual Register, 1914, p. 8
Chapter VII

Retrospect

Others I doubt not, if not we
The issue of our toil shall see.

It is not at all easy for anyone without first hand experience of late nineteenth and early twentieth century Britain to appreciate fully the major difficulties which Chamberlain encountered in 1903. It is particularly difficult to grasp the breadth of the appeal of Cobden's philosophy, to realize that it had gone far beyond the realm of business and commerce, that it had obtained a remarkable hold on the emotions and conscience of the people as a faith with an unquestionable dogma. Yet this is vital in understanding why, "when Joseph Chamberlain first dared to break away from this unanimous reverence, he was greeted with a positive outcry, in which even moral condemnation was included." Only against this background is there a ready explanation for the tendency of so many even amongst those who followed Chamberl-

1. With these words Joseph Chamberlain concluded his last speech—July 9, 1906.

ain politically to profess to be continuing Free Traders—if only others would follow suit. It is equally important to appreciate the extent to which Cobdenism in Britain—in the economic sphere at least—had become synonymous with a benevolent internationalism by 1900. "The very capacity to think nationally had died out...," and consequently, when Chamberlain pleaded for a restricted, though still Empire-wide view, his appeal was regarded by many voters "...as almost equivalent to a sudden invitation to change their religion." As Leopold Amery has pointed out, it is imperative to appreciate the magnitude of this fact, to understand not only the reaction to Chamberlain, but also the incredible timidity of his successors in both pre and post-War years.

Undoubtedly Chamberlain added to his difficulties by making some major mistakes. He certainly underestimated the strength of the nation's adherence to Free Trade—just as he over-emphasized the intensity of the Imperial enthusiasm remaining after the Boer War. He probably erred by not closely linking fiscal and social reform; his reception amongst the masses might have been very different had he done so. It can be argued, furthermore, that his whole approach to Tariff Reform was the result of a misinterpretation of the

Colonial 'offers' in the field of Preference. At no time did the Colonies suggest that they were placing any interests except their own first, and at no time did they suggest that Britain do otherwise. But Food Duties seemed to offer no direct material benefit to Britain, and, indeed, for a considerable time stress was laid upon the concession involved. Thus the feature of his programme which attracted most attention from the start was challenged by the very practical national outlook which he, above all his contemporaries, was responsible for re-arousing. He made another mistake if he assumed before 1903, as at least one critic, Arthur Baumann felt he did, that the Irish question had been settled—for while economic distress in Ireland helped to carry Cobden and Bright to success in 1846, the re-appearance of Irish nationalism as a major factor in British political life after 1906 was a fundamental cause why Tariff Reform was relegated to a subordinate position. Finally, Chamberlain made a great tactical error in allowing Tariff Reform to become a test question in his own party, and in apparently condoning the witch hunts instituted by his followers. This move gained him and his movement little practical power in the long run. It did for a time practically eliminate the Free Food wing of the Unionist Party from the Commons, but in the process it aroused great bitterness—not only amongst those

who found themselves proscribed, but amongst many of their friends who could only be described as luke-warm Tariff Reformers. It was no mean factor in preventing Austen's succession to the leadership of the Unionist Party, and in thus passing on to another generation the note of tragedy which has dogged the fortunes of this remarkable family.

It is interesting to speculate on what Chamberlain might have done to have avoided some of his pitfalls. Ignoring for the moment his primary aim of Imperial Consolidation, he might have started by simply advocating a straight tariff on imported manufactured goods. In that way, Lord Newton argues, he would never have been harassed on the subject of food, and in time "... common sense would gradually have brought the electorate around to the principle of his policy." But, of course, with such a policy there would have been no practical basis for Preferential trade within the Empire. On the other hand, the logical—though not necessarily the prudent thing would have been to have devised a Protective scheme applying to all British interests including agriculture—and then to have seen what could be achieved in the

7. To Baumann the Confederates were those "...insects of intrigue...." (p. 219). A.L.P. Dennis noted from his perspective in mid-western America in 1911 the "contemptuous laugh" and the "vitriolic comment" directed against the Chamberlains by their Unionist opponents. "Impressions of British Party Politics," The American Political Science Review, November, 1911, vol. 5, pp. 531 - 532.

Way of Preference. This at least would have had the merit of consistency, and might have avoided some of the "vain logomachy" of which Hillaire Belloc complained at the time. In any case it was not done, and it is as impossible to be assuredly wise after the event as it is to tell what would have happened if Hicks Beach had not chosen to raise the Food Duty at all in 1902, if, when Beach retired, Chamberlain had succeeded him at the Exchequer, or if, finally 1903 had been followed by seven lean years.

In spite of his apparent failure, Chamberlain's work was not in vain. He had started the British public on the road to re-learning—what they failed to grasp until they had been beset by the twin disasters of a World War and a major depression, that the tariff problem is a matter of practical self-interest—which in Siegfried's words, "... is really all that it amounts to." But he did more than this with Tariff Reform. Together with Balfour, he re-emphasized the urgency of the problem first raised by Goschen in 1889—that of considering ways and means of broadening the financial resources of the state. He also performed a great service, by drawing attention "...to the vast multitude of men, women and children for whom the earning of a comfortable living, and often a bare subsistence, is difficult and

10. Siegfried, op. cit., p. 172.
precarious "and by calling for powerful remedial action ... not in voluntary effort, but in bold and comprehensive action on the part of the State." Not the least of his contributions he shared with Lloyd George—for, as Max Beer has shown, these, the two most dynamic men of the age, "...taught the masses to think in economics."

Hewins aptly described Chamberlain in 1908 when he wrote:

He is pre-eminently a man of action. He decides first and finds reasons and methods afterwards. 13

Herein, of course, lay the source of many of his troubles. But he was first of all a dreamer, and it was the loftiness of such conceptions as that behind Tariff Reform which aroused such admiration amongst those who knew him well. He was frank to a degree, human enough to be gloriously inconsistent, and courageous enough to be willing to change his mind. For such people, especially when they are in the world of public

14. In Sir Edward Carson's considered judgment, for example "... Chamberlain was the finest man whom he ever met in political life."
affairs, the road is never easy. It is particularly difficult in a democracy when they try, as Chamberlain did in a race with his advancing years, to effect a great change in party and national policy from the top down rather than from the bottom up. Here was a major explanation for the willingness of the majority of Unionists to follow when their leader wavered. Surely, however, there was an even more fundamental reason for Chamberlain's failure to triumph in the years before the War. A policy of radical change—such as Tariff Reform—should have emerged amongst the liberal rather than the conservative element in the state. As Chamberlain's earlier career had shown, such indeed might easily have been the case—with drastically different results on the economic and political history of modern Britain—had it not been for Ireland.
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THINGS AND THE MAN

And Joseph dreamed a dream, and he told it his brethren: and they hated him yet the more.—

Genesis XXXVII, 5.

Oh ye who hold the written clue
To all save all unwritten things,
And, half a league behind, pursue
The accomplished Fact with flouts and flings,
Look! To your knee your baby brings
The oldest tale since Earth began—
The answer to your worryings:
"Once on a time there was a man"

He single-handed met and threw
Magicians, Armies, Ogres, Kings.
He lonely 'mid his doubting crew,
'In all the loneliness of wings,'
He fed the flame, he filled the springs,
He locked the ranks, he launched the van
Straight at the grinning Teeth of Things.
Once on a time there was a man.

The peace of shocked Foundations flew
Before his ribald questionings.
He broke the Oracles in two,
And bared the paltry wires and strings.
He headed desert wanderings;
He led his soul, his cause, his clan
A little from the Ruck of Things.
Once on a time there was a man.

Thrones, Powers, Dominions block the view
With episodes and underlings.
The meek Historian deems them true
Nor heeds the song that Clio sings—
The simple central truth that stings—
The mob to boo, the priest to bah:
Things never yet created things—
Once on a time there was a man.
A bolt is fallen from the blue.
A wakened realm full circle swings
Where Dothan's dreamer dreams anew
Of vast and farborne harvestings;
And unto him an Empire clings
That grips the purpose of his plan.
My Lords, how think you of these things?
Once—in our time—is there a man?

Rudyard Kipling.

The Times, August 1, 1904.
First, I desire such an alteration of our fiscal system as will give us a freedom of action impossible while we hold ourselves bound by the maxim that no taxation should be imposed except for revenue. I desire this freedom in the main for three reasons. It will strengthen our hands in any negotiations by which we may hope to lower foreign hostile tariffs. It may enable us to protect the fiscal independence of those Colonies which desire to give us preferential treatment. It may be useful where we wish to check the importation of those foreign goods which, because they are bounty-fed or tariff protected abroad, are sold below cost price here. Such importations are ultimately as injurious to the consumers as they are immediately ruinous to the producer. Secondly, I desire closer commercial union with the Colonies, and I do so because I desire closer commercial union in all its best modes, and because this particular mode is intrinsically of great importance and has received much Colonial support. I also think it might produce great and growing commercial advantages, both to the Colonies and the Mother Country, by promoting freer trade between them. No doubt such
commercial union is beset with many difficulties. Those can best be dealt with by a Colonial Conference, provided its objects are permitted to be discussed unhampered by limiting instructions. Thirdly, I recommend, therefore, that the subject shall be referred to a conference on those terms. Fourth, and last, I do not desire to raise home prices for the purpose of aiding home productions.

The Times, January 27, 1905, p. 8.
My dear Chamberlain,

The controversy aroused by the fiscal question has produced, not unnaturally, an impression which I have constantly combatted, that the practical differences between fiscal reformers are much deeper than is in fact the case. The exchange of views which has recently taken place between us leads me to hope that this misconception may be removed, and with it much friction which has proved injurious to the party.

My own opinion, which I believe is shared by the great majority of the Unionist Party, may be briefly summarized as follows:

I hold that fiscal reform is, and must remain, the first constructive work of the Unionist Party.

That the objects of such reform are to secure more equal terms of competition for British trade and closer commercial union with the Colonies.
That, while it is at present unnecessary to prescribe the exact methods by which these objects are to be attained, and inexpedient to permit differences of opinion as to those methods to divide the Party, though other means may be possible, the establishment of a moderate general tariff on manufactured goods, not imposed for the purpose of raising prices or giving artificial protection against legitimate competition, and the imposition of a small duty on foreign coin are not in principle objectionable, and should be adopted if shown to be necessary for the attainment of the ends in view or for purposes of revenue.

Believe me yours sincerely,

Arthur James Balfour.
APPENDIX III
My dear Balfour,

I cordially welcome your letter of today, in which you have summarized the conclusions that we have reached during our recent discussion.

I entirely agree with your description of the objects which we both have in view, and gladly accept the policy which you indicate as the wise and desirable one for the Unionist Party to adopt.

In endeavouring to give effect to this policy and in defending all Unionist principles, any services that I can render will be entirely at your disposal.

I am yours very truly,

J. Chamberlain.
APPENDIX IV
Highbury, Birmingham,
September 21, 1909.

Sir,-

I am glad to hear that Mr. Balfour has consented to attend the meeting in Birmingham to reply to the Prime Minister, and I am only sorry that I cannot be present in person to welcome him again to our city.

I have worked with him in Parliament and in the Cabinet for many years, and each year has increased the confidence which I have felt in his ability and courage. It has been the practice of the present Radical Party ever since their conversion to Home Rule at Mr. Gladstone's bidding to come to Birmingham in the crises of their fate. Their visits are heralded with a great flourish of trumpets and their coming triumphs are loudly proclaimed, but their speeches do not carry conviction, and Birmingham remains staunch to the Unionist faith.

Your meeting to-night is our first answer to the latest of those attacks on the Unionist citadel. The final answer will be given when the Government is at last obliged to appeal to the country and you again return
seven members pledged to the Birmingham policy of Union, Tariff Reform, and social progress.

The citizens of Birmingham have always been democratic, and in the present case I think they are likely to support any attempt to get the present controversy referred to the people, who in the last resort ought to decide between us and the Government.

I hope the House of Lords will see their way to force a General Election, and I do not doubt in this case what the answer will be.

The Prime Minister seeks to represent the Budget as an advantage to working men. But I looked into it carefully and I cannot take this view. It is the last effort of Free Trade finance to find a substitute for Tariff Reform and Imperial Preference, and it is avowedly intended to destroy the Tariff Reform movement. Personally I am of the opinion that Tariff Reform is necessary to remedy our present want of employment, and I do not believe that without it we can do any good. The Budget will supply us with money, but at the same time will deprive us of work, and I think it is work even more than money of which we stand in need.

Mr. Asquith admits that Tariff Reform is the only
alternative. It is therefore between the Budget and Tariff Reform that you have to choose - Tariff Reform, which assists trade, increases employment, and secures a fair contribution to our revenue from foreigners using our markets for the sale of their goods, and the Budget, which exempts the foreigner from all contributions while casting fresh burdens on our own trade, hampering our industries, and taxing the commonest comforts of our people.

I am,

Yours faithfully,

J. Chamberlain.