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KING EDWARD VII.

Photo Russell, London.

The Life of
The Right Honourable
Joseph Chamberlain

BY

LOUIS CRESWICKE

AUTHOR OF

"SOUTH AFRICA AND THE TRANSVAAL WAR," "ROXANE," ETC.

WITH AN EXTENSIVE SERIES OF PORTRAITS, CARTOONS
AND OTHER ILLUSTRATIONS

IN FOUR VOLUMES—VOL. IV.

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CHRONOLOGICAL TABLE—VOL. IV.

1902.

- December* 15.—Mr. Chamberlain reaches Mombasa.
- 26.—Enthusiastic reception at Durban.
- 30.—Speech at Pietermaritzburg. Natal agrees to withdraw its war-claim of £2,000,000 against the Imperial Government.
- 31.—Visits Colenso—the battlefields and Boer positions.

1903.

- January* 1.—Arrives at Ladysmith. Visits main points of interest—Wagon Hill, Caesar's Camp.
- 2.—Climbs Spion Kop.
- 3.—Starts for Pretoria. Receives address at Glencoe. Halts at Newcastle. Visits Majuba. Is met by Lord Milner at Charlestown, and welcomed by British and Dutch at Volkrust.
- 4.—Reaches Pretoria.
- 5.—Great reception at Pretoria by the Lieutenant-Governor of the Transvaal. Lord Milner, Generals Botha, Delarey, and Cronje also attend.
- 6.—Banquet at Pretoria.
- 7.—Receives addresses.
- 8.—Deputation of burghers wait on Mr. Chamberlain. Notable speech suggesting that gratitude for favours received would be preferable to requests for favours required. Goes to Johannesburg.
- 9.—Address of welcome presented in a casket valued at £2000.
- 10.—Discusses the situation with prominent financiers.
- 12.—Private conference with Lord Milner.
- 13.—Makes agreement with leaders of Mining Community regarding the financial settlement.

- 15.—Receives representatives from Rhodesia.
- 16.—Visits Stock Exchange.
- 17.—Great banquet at the Wanderers' Club. Important speech announcing that the Transvaal contribution to the war is to be £30,000,000, payable in three yearly instalments of £10,000,000.
- 19.—Lunches at Farrar's Farm. Receives Birmingham Association's address.
- 21.—Receives privately a deputation of National Scouts.
- 22.—Leaves Johannesburg. Travels *via* Krugersdorp to Potchefstroom.
- 23.—Deputation of Boer leaders received. Reviews 4000 troops. Visits Andreas Cronje's farm.
- 24.—Treks from Potchefstroom to Ventersdorp, lunching *en route* at Witpoort.
- 25.—Is escorted by General Delarey to Lichtenburg.
- 26.—Arrives at Ottoshoop.
- 27.—Reaches Mafeking. Is received by Sir Gordon Sprigg and Sir Walter Hely-Hutchinson.
- 28.—Receives address. Visits Imperial Native Reserve, and is welcomed by native chiefs. Reception of town-folk in the Recreation Ground.
- 29.—Arrives at Kimberley. Drives by torchlight to Government House.
- 30.—Visits De Beers offices. Mrs. Chamberlain instead of Mr. Chamberlain goes to see the Premier Mine, Wesselson. Mr. Chamberlain attends banquet at the Market Hall.
- 31.—Leaves Kimberley by Cape cart for Paardeberg.
- February* 1.—General Stephenson describes the battle from Kitchener's Kop.
- 2.—Encamps at Abraham's Kraal.

Chronological Table

- 3.—Arrives at Bloemfontein.
- 4.—Receives deputation of clergy of the Dutch Church.
- 6.—Receives Boer deputation headed by General de Wet. Rebukes the General for having made unfounded imputations in his petition.
- 7.—Receives deputation of Basutos. Attends banquet in the Raadzaal.
- 8.—Leaves Bloemfontein for Grahams-town. Attends banquet.
- 11.—Arrives at Port Elizabeth.
- 12.—Receives deputations.
- 13.—Arrives at Graaff Reinets.
- 14.—Passes *viâ* Middelburg to Schombie.
- 15.—Leaves Schombie for Paarl.
- 16.—Passes through Beaufort West and Magesfontein.
- 17.—At Paarl receives addresses, and proceeds to Sir W. Hely-Hutchinson's residence at Rondebosch.
- 18.—Enters Cape Town. Attends luncheon given by the Governor.
- 20.—Great political luncheon at Groot Constantia. Mr. Chamberlain meets all the contending factions.
- 22.—Receives at Government House address from representatives of the Bond, supported by Mr. Hofmeyer.
- 23.—Attends luncheon given by the Chamber of Commerce, and announces that an immediate contribution will be made by the Cape Colony to the expenses of the war.
- 24.—Farewell banquet in honour of Mr. Chamberlain.
- 25.—Sails for England in s.s. *Norman*.
- March* 10.—Arrives at Madeira. Is entertained at luncheon by the Portuguese Governor.
- 14.—Arrives at Southampton.
- 15.—Proceeds to Buckingham Palace. Is received by the King and Queen.
- 19.—Speech in Parliament on the state of South Africa.
- 20.—Great greeting in the City. For the second time within fourteen months is presented at the Guildhall with congratulatory address. Great speech on his ideal—"A United and Consolidated Empire."
- April* 23.—Chancellor of the Exchequer proposes to take off duties on corn.
- May* 6.—Explanatory statement in the House on the Transvaal loan and South African matters.
- 15.—Mr. Chamberlain's new departure. Epoch-making speech at Birmingham. Advocates preference and reciprocity with the Colonies, and retaliation, if necessary, with foreign countries.
- 21.—Mr. Asquith in opposition at Doncaster.
- 23.—New Inter-Colonial Council formed in South Africa.
- 28.—Discussions on the Fiscal Policy of Great Britain by Mr. Chamberlain, Sir C. Dilke, Mr. Balfour, Mr. Lloyd-George, and Lord Hugh Cecil.
- June* 3.—Letter to Editor of the *British Australasian* on the subject of Colonial opinion on preferential tariffs.
- 19.—Speaks at the Corona Club on the subject of Colonial expansion and Imperial responsibility.
- 26.—Is entertained at luncheon by the Constitutional Club. A system of preferential tariffs is the sole system for welding together the Empire.
- 27.—Criticism by Sir W. Harcourt.
- July* 18.—Lord Roberts receives the freedom of Birmingham and is entertained at lunch. Speech by Mr. Chamberlain.
- 22.—Speaks at banquet given at the House of Commons to the French Senators and Deputies.
- 23.—Speaks in the House.
- 27.—Speaks on South African Loan and War Contribution Bill.
- 29.—Speaks on Sugar Convention Bill.
- 30.—Speech on Colonial Office vote.
- August* 11.—Report of the Alien Immigration Commission issued.
- 18.—"Chamberlain policy" attacked by Sir W. Harcourt.
- September* 9.—Writes letter of resignation. Determines to devote himself to the policy of tariff reform.
- 18.—Resignation of Mr. Chamberlain, Mr. Ritchie, and Lord George Hamilton announced.
- October* 1.—Mr. Chamberlain's proposals discussed at Sheffield by Mr. Balfour.

Chronological Table

- 6.—Campaign of fiscal reform opened by Mr. Chamberlain at Glasgow.
- 7.—Discusses changed conditions of trade at Greenock.
- 8.—Speaks at Cupar.
- 13.—Lord Rosebery, at Sheffield, thinks that the adoption of Mr. Chamberlain's policy might probably dissolve the empire.
- 20.—Mr. Chamberlain addresses two meetings at Newcastle. Replies to his Glasgow critics.
- 21.—Explains his policy at Tynemouth.
- 27.—Speaks at Liverpool. Declares that the acceptance of his proposals will not add to the total cost of family life.
- 28.—Contests, at Liverpool, statements made by Lord Goschen regarding food taxes.
- November 2.*—Parliament prorogued till 11th of December.
- 4.—"Two loaves" speech at Birmingham.
- 13.—Mr. Balfour, at Bristol, refers to the arguments connected with a change in our fiscal policy.
- 18.—Leave-taking of Mr. Chamberlain at the Colonial Office. Eloquent speech on the relations of the mother country and her children.
- 20.—Speaks on dumping and the tinplate industry (Cardiff).
- 21.—Speaks at Newport on want of employment.
- December 2.*—Is charged by the Parliamentary Committee of the Trade Union Congress with uttering various fallacies on fiscal questions.
- 5.—Birmingham Trade Council passes resolution against Mr. Chamberlain's proposal with only two dissentients.
- 9.—Motion of Mr. Rider Haggard in favour of reform of the fiscal system of this country carried at the meeting of the Chambers of Agriculture.
- 16.—Great pronouncement by Mr. Chamberlain at Leeds.
- 7.—Attends meeting of Imperial Tariff Committee at Birmingham.
10. Correspondence between the Duke of Devonshire and Mr. Chamberlain is published.
- 11.—Speaks at Birmingham on the South African war, the Empire, and the Colonies.
- 15.—Presides at first meeting of Tariff Commission in London.
- 19.—Great reception at Guildhall. Sums up his views on Fiscal Reform.
- 28.—Discusses at Birmingham the future of the University.
- 30.—Unveiling of memorial clock erected in West Birmingham in commemoration of Mr. Chamberlain's services to the Empire in South Africa.
- February 3.*—Presides over meeting of the members of the Council of the Liberal Unionist Association.
- 4.—The Commission on the war in South Africa. Mr. Chamberlain speaks in the House.
- 5.—The Address. Mr. Robson's Amendment. Speech by Mr. Chamberlain.
- 8.—The Duke of Devonshire at Guildhall replies to Mr. Chamberlain's arguments.
- 11.—Mr. and Mrs. Chamberlain leave England for Egypt.
- March 12.*—They leave Cairo on the return journey to England
- April 15.*—Mr. and Mrs. Chamberlain arrive in London.
- May 12.*—Speaks at Birmingham on his fiscal policy.
- 18.—Debate on Free Food. Meeting of Liberal Unionist Council. Reconstruction of Council proposed.
- June 1.*—Mr. Balfour decides that Free Food Debate will not be resumed during the session.
- 17.—Speaks on the subject of finding new methods of taxation.
- 21.—Receives Alake of Abeokuta, who discusses drink traffic in West Africa.
- 24.—Attends the banquet in celebration of His Majesty's birthday given by the Colonial Secretary. Is present at reception at Lansdowne House.

1904.

January 1.—Invitation received from the Federal Ministry to visit Australia.

Chronological Table

30.—Is entertained at dinner by the Royal Institute of Public Health.

July 8.—Birthday dinner in honour of Mr. Chamberlain, given by Unionist Members of Parliament who favour his policy.

14.—Meeting of New Liberal Unionist Council, to decide the effect of Mr. Chamberlain's proposals on party policy. Mr. Chamberlain presides at a demonstration at the Royal Albert Hall.

21.—Presides at first annual meeting of Tariff Reform League.

26.—Visits cement works of Messrs. Martin Earle & Co., Rochester. Discusses Preferential Taxation.

August 4.—Addresses Tariff Reform meeting at Welbeck and argues the agricultural points of the question.

September.—Spends the holidays at Highbury. Attends meetings of Tariff Commission.

October 5.—Mr. Chamberlain's latest speech at Luton.

8.—Mr. and Mrs. Chamberlain leave England for the Continent.

FUTURE ENGAGEMENTS.

December 15.—London (East).

1905.

January 11.—Preston.

February 1.—Gainsborough.



RT. HON. J. AUSTEN CHAMBERLAIN, P.C.

Photo ELLIOTT & FRY, LONDON.

THE LIFE OF

THE RIGHT HONOURABLE

JOSEPH CHAMBERLAIN

CHAPTER I

I.—JANUARY TO FEBRUARY 28, 1903—FROM LONDON TO CAIRO
AND THE CAPE—FROM NATAL TO PRETORIA

MR. CHAMBERLAIN'S voyage was no pleasure trip. For him the idleness of shipboard, the *dolce far niente* of holiday-makers, was not to be thought of. The situation—or rather the maelstrom in South Africa, towards which he was sailing—absorbed all his mind. Though his responsibilities in time of war had been tremendous, they were as mere bubbles compared with those which confronted him in time of peace. Owing to the resignation of Lord Salisbury in July (just forty-one days after the signing of the Vereeniging Agreement), the whole task of unravelling the knots in the skein of South African affairs had fallen on his shoulders, for he had determined, so far as in him lay, to relieve the new Prime Minister (Mr. Balfour) of at least one of the burdens left him by his predecessor. Hence his decision to visit the scene of strife. No other brain than his could possibly form a just conception of what lay behind the mists that hid the horizon, or hope to master the labyrinthine tangles that offered traps, and tricks, and puzzles sufficient to appal the most Machiavelian intellect. It was his duty to "see the thing through," and he shirked no iota of the task. The state of affairs at the seat of the late war was almost chaotic; the mining industry was at a comparative standstill, and commerce stood beside it in a state of sympathetic paralysis. There were heavy war-debt demands to be made on the one side, and still heavier ones—those of the Boers of the Transvaal and Orange River—to be met on the other. Cape

Life of Chamberlain

Colony seethed with discontent and sedition, and unreconciled rebels still schemed to continue an upheaval, by which they had nothing to lose and possibly something to gain. Behind these were strong currents of bitterly contested questions, each of which threatened to rush headlong on a career of devastation, which would sweep before it every effort to build up the edifice of conciliation which was to bridge over the gulf between Briton and Boer, and make possible the re-creation and development of their mutual land.

But first and foremost, he had to consider the matter of the war contribution in its relation to the mining industry, with its subsidiary problems, the native labour question, and reorganisation—railway, fiscal, and administrative.

Concerning the first, Sir William Harcourt and Sir Henry Campbell-Bannerman had expressed their opinion in Parliament, that it was a delusion to expect relief for the British taxpayer from gold-mine sources in the Transvaal, and it was necessary to prove to these, and to others, that there was no delusion in believing that though some shirked the responsibilities of their position as mining magnates, there were others only too willing and ready to bear a fair share of the obligations of the war. Second came the Boer question, with its internal ruptures between reconcilables and irreconcilables, and its further complicated connection with the Cape rebels. And thirdly, there was the larger and more congenial question of the future—the question of Federation, with its complements, a customs union, a railway union, and a legal union—a triptych, every panel of which presented a distinct picture of Imperial possibilities and Imperial progress.

But though all these matters loomed large in the forefront of the statesman's mind, there were other subjects that received their share of attention. The affairs of Egypt, always interesting to him, he decided to discuss on the way out by paying a visit to Lord Cromer at Cairo. Here he was rejoiced to learn how excellently, under British auspices, various regions that a decade ago might verily have been termed "howling wildernesses," were now responding to the touch of civilisation. From Cairo the traveller went on to Mombasa, which was reached on the 15th of December. There he had the gratification of testing the new Uganda railway, examining the much criticised work of the Railway Committee, which for nearly eight years had been engaged in arduous and trying services gratuitously rendered to the State. It was matter for congratulation to learn that very shortly the Government would possess a well-equipped and well-found line stretching from Mombasa to the shores of Lake Victoria, which would become an important factor in the development of East Africa and Uganda, in the opening up of a new sphere for

January to February 1903

European colonisation, and in the elimination of the slave trade in East Africa.¹

A banquet was given by the British in Zanzibar in honour of the Colonial Secretary, who made an encouraging pronouncement, in which he assured his hosts that British protection and support would, he believed, be ever available for the remotest portions of the Empire.

Durban was reached at 5 A.M. on the 26th of December, by which time all the loyal Natalians had turned out to accord their hero an enthusiastic reception. "Was it," they wondered, "sheer coincidence that caused this Grand Adventurer, this Pioneer of Federation, to set foot on the same spot and almost on the same auspicious date that found Vasco da Gama landing in 1498?"² Anyway, the best of everything was provided for the Peacemaker; flags fluttered, shouts and cheers rent the air, and the scent of flowers that were gathered into a heap in Durban Town Hall diffused generously the perfume of the garden colony far and wide over the thunderous atmosphere, bearing with it the hearty goodwill and appreciation of all those loyal hearts who so manfully had sustained the burden and the stress of war. The lunch on that day at the Marine Hotel will be ever memorable. With characteristic sincerity and straightforwardness Mr. Chamberlain told his hearers that he had come to learn—come as the envoy of His Majesty—to see with his own eyes, to hear with his own ears, in order that he might return to give a faithful account of his stewardship. "I come here in a spirit of friendship," he said, while the thunder rumbled without and the thunder of applause reverberated within. "In a spirit of friendliness and conciliation, but also in a spirit of firmness." He told them that the great issue had been decided; the British were, and would be, paramount in South Africa. "The losses we have suffered, the sacrifices we have made, must not be thrown away," he emphatically declared. But reconciliation should be easy: we had but to hold out the hand and ask the Dutch to take it frankly, and in the spirit in which it was tendered. Differences as serious had divided Scots and English, and French and English in Canada. Therefore there was no reason to despair of bridging the gaps that now existed, even as the Scots and English, and French and English had bridged them. But he went on to say, though federation was a great aim, it would be a greater mistake to hasten its conclusion prematurely.

The capital, Maritzburg, was next visited, and here the trials of

¹ Though up-traffic remained stationary, down-traffic increased from 1252 tons in 1902 to 4927 tons in 1903.

² Vasco da Gama landed at Durban Harbour on Christmas Day.

Life of Chamberlain

the trip commenced. Already the Utrecht and Vryheid districts were annexed by Natal, and the Peacemaker was confronted by disappointed subjects of the late President of the Transvaal, who hoped to exact compensation for losses incurred in the war, which they themselves had helped to prosecute. It was necessary, therefore, that his pronouncements should display the spirit of firmness side by side with that of conciliation. He eulogised the gallant colony of Natal, which, while honouring its brave dead, and resolving that its sacrifices should not be thrown away, was desirous of welcoming an honest and lasting peace, and of forgetting the length and bitterness of the struggle that had been forced on us. "But we have seen it through and we have won," he cried. "In saying that I mean no disrespect to those who have fought us honestly and to a finish. They have proved themselves men like ourselves." He further said that although we had lost much by the war, as all who go to war must, still we had gained not a little. The conflict had taught both ourselves and our late enemies lessons that could not otherwise have been learned. For instance, it had taught us to respect each other, which, perhaps, had not entirely been the case before. But a still more important lesson was that which taught us that the Mother of Nations was still strong to protect the children she had borne, and the world had seen how those children, virile in their young manhood, had rallied round to aid her in the crisis that was passed.

Proudly he impressed on his hearers the fact that the old policy of neglect with regard to the Colonies was over and forgotten. The Empire was now one. "Had it been possible for us to lose South Africa, none know better than you do that the Empire would have gone to pieces like an arch from which the key-stone had been withdrawn." It was to keep intact that edifice that the war had been fought, and now two solid stones were added to it. "I am alluding to our new Colonies," he optimistically said. "I believe that they will prove as sound as the rest!"

The great duty, the great aim for the Colonies and for the Empire was to see that the sacrifices made to put those two stones in their proper places had not been thrown away. That was the text of Mr. Chamberlain's pronouncements from first to last. The Colonies and the Empire had nobly expended of blood and treasure; it was his mission *and the mission of statesmen that should come after him to see that the sacrifice had not been thrown away.* He freely discussed Federation and sketched out the programme of the future. The greatest question affecting South Africa was *unity*—unity in three great divisions: 1st, between the white races; 2nd, within the separate Colonies for a common object; 3rd, the unity of all

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the Colonies in one great whole. Sooner or later he recognised that the example set by Canada and Australia would be followed, and such a consummation would but bring strength and prosperity in its train. But to accomplish real progress the principle of give and take must be the chief principle to work on. Sacrifices must be made on both sides in order that co-operation might be complete. And such co-operation was eminently desirable in view of the preponderance of the black and the smallness of the white community. Before Federation and its accompaniment, responsible government, could be attained, there were, he pointed out, many things to be done. The country must be resuscitated, the effects of the war must be planed away, and our Boer friends must demonstrate satisfactorily their loyalty. No persons nor parties could be permitted to destroy all that had been achieved in the hard fought struggle. Self-government implied also conditions for which the country was as yet unprepared—the power to provide for its own defence and the ability to obtain the vast sums needed for its own development. The obstacles to Federation were not fatal ones, but they were obstacles which called for the perpetual consideration of South African aspirants after Union.

His meeting with the Natal Ministers was on the whole most satisfactory, and Mr. Chamberlain, before he left, was able to announce that Natal had agreed to withdraw its war claim against the Imperial Government, a claim amounting to nearly two millions sterling! Here at the outset was seen one of the practical results of his mission, more of which were to follow.

Frankly and with decision he expressed himself regarding the franchise in reply to a deputation of native Christians that waited on him. He made it clearly understood that while the interests of His Majesty's coloured subjects would receive all the protection and care they deserved, the matter of political equality must not be counted upon.

From Maritzburg Mr. Chamberlain visited the field of Colenso and the sleeping-place of heroes, and was presented with a pair of trophies made from the driving-bands of two 15-pounders that were fired on the fatal day. He saw the spot where Colonel Long's guns were lost, and with them many glorious British lives, and was shown the slopes of Hlangwani, and Monte Christo and Pieter's Hill, that had played so prominent a part in the history of General Buller's difficult advance. From here the train carried the visitors to Ladysmith. Ladysmith smiling now in the cup of the hills, though still bearing on her face the record of the wrinkles and the scars of many a sore trial and superb triumph. Here Mr. Chamberlain inspected all the relics of great deeds. He viewed the historic

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height called Waggon Hill, and Cæsar's Camp, and also went so far as to mount Spion Kop. At the great banquet on the 2nd of January he told his hosts that the British Government had decided that all legitimate claims should be met, and that a receipt given by a British officer in time of war should be considered as equivalent to a Bank of England note.

From Ladysmith the Peacemaker was whirled on by Newcastle and Charlestown to Pretoria, and he had ample time as he skirted the eminence of Majuba to ruminate over the changes that had taken place in situations and in himself since that black Sunday (27th February 1881), when Sir George Colley made his last move. Doubtless he thought again over the Conventions of 1881 and 1884, and decided that whatever might have been the mistakes of the Government of which he was then a member, at least animosity to the Boers was not one of them. Nothing but Mr. Kruger's tactless despotism would have altered his attitude of sympathy for the race whose good points he had never ceased to admire.

At Charlestown Sir Harry MacCullum's duties ended, and Mr. Chamberlain was met (3rd January) by Sir Arthur Lawley (Lieutenant-Governor of the Transvaal) and by Lord Milner (High Commissioner for South Africa). These bounded him right and left when he made his first appearance at Pretoria in the Chamber of the First Raad, where not long since Paul Kruger autocratically presided. His seat now knew the Dutch President no more; it was the throne of His Majesty King Edward VII.; and below it sat the men who represented Britannia—the men who carried the weight of a prodigious political duty, the duty of conciliation and concession with dignity and justice. One false step and the loyal and true spirits that had laid down not only comfort but property and position at the call of the mother country might be wounded and embittered; another and the new fellow-subjects might be alienated and their sore opened afresh. It is not a British characteristic to hit a man when he is down, and diplomacy now had stiff work so to temper justice with mercy that undue magnanimity should not again raise hopes that could never be fulfilled.

The tension began on the 5th, when most of the chief actors in the British and Boer drama dined together, the British buoyant, the Boers frigidly polite. A local attorney, Greenlees by name, who had been ready primed with his lesson, demanded the restoration of representative government. Lord Milner was visibly disturbed, but Mr. Chamberlain blandly swept aside the ill-timed suggestion, saying that he was not aware that controversial questions were to be faced at this convivial juncture. The evil moment stood over till the 8th, when Mr. Chamberlain found himself in the Raad-

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zaal in face of Generals Botha and Delarey and De Wet, the redoubtable Cronje, Dr. Smuts, and others. These, only the day before, had met together, traced the history of their wanderings in Europe, and lavishly praised the hospitality of their sympathisers, who had contributed for their succour £105,000. The tone of their eulogy was displeasing to British ears, considering the generosity with which the Government had assisted as friends those who had been already so expensive as enemies, and that tone added to the burden of an appeal urging, first, complete amnesty for all subjects of the Crown, second, that no war indemnity should be paid until free institutions had been established, and, finally, protesting against the transfer of Utrecht and Vryheid to Natal, brought forth from Mr. Chamberlain one of the most notable pronouncements of his mission.

Mr. Smuts it was who charged himself with delivering the address, and the object of it was evidently to get the thin end of the wedge behind the terms of the Vereeniging agreement. But to their dismay the Boers found that Mr. Chamberlain in the Raadzaal was no more squeezable than he had been in Downing Street. Patiently he listened to the wording of the document which was full of professions of loyalty enclosing stray hints of discontent, and then thanked the authors for a plainness which he declared he would imitate.

With unflinching candour he reminded them of the terms of the Vereeniging agreement, and assured them that those terms would be scrupulously adhered to. It was somewhat early, he thought, to ask for any modifications when the Boers themselves had not fulfilled their share of the contract. There were certain demands that could not be met, he lucidly explained, but others that, though they would not be yielded to pressure, might be accorded as an act of grace on the part of the British Government. But such favours could and would only be granted when the Boer behaviour was such as to warrant the concession, and there was fear of no danger to Imperial policy. He then referred to the eloquent acknowledgment of the Boer generals for the sums received from continental wellwishers, and declared that the address would have been more honest and welcome had it also taken notice of the huge sum—fifteen million pounds—which the British Government had expended for the resuscitation of the country and the repayment of Boer losses in course of the war. There was no precedent for such generosity on the part of conquerors to the conquered, and he would have preferred one spark of genuine appreciation to the whole formula of loyalty that had been set forth. He assured them that the Government had decided that rebels would be dealt

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with under the laws of the self-governing colonies in which the crimes were committed, and proceeded to compare the leniency of British action with that of Boer dealings in the same circumstances.

“How did you treat your traitors? You shot, you hung, you sjamboked them!” he reminded them, and went on to explain that that was not all, for it was notorious that they boycotted and persecuted those British who took the British side. An example in forgiveness and forgetfulness should come, he said, from them before they expected forgiveness and forgetfulness from us. In regard to the Boers who were still abroad and whose return was demanded, he assured them each case would be considered on its merits, but the return either of men who would abuse British clemency and stir up ill-will, or of those who had carried off vast sums of money of which they refused to render account, could not be entertained.

General Botha and Mr. Schalk Burger repudiated responsibility for the disappearance of the missing millions, and the last declared that if indeed such millions had left the country at the time of the exodus of the President, it behoved the members of the late Republican Government, as a matter of personal honour, to trace them!¹

This frank and firm avowal of his policy produced considerable effect among the prominent Boers, who realised that for the first time they had encountered a British statesman who had a definite and courageous plan of action and meant to stick to it. Most of them saw that it was worse than useless to attempt to wriggle or twist in and out of the agreement they themselves had made at Vereeniging, and that the best policy for them to adopt was to assist one whom they admitted was absolutely sincere in working to restore the prosperity of their land.

II.—JOHANNESBURG AND CAPE COLONY, JANUARY 8 TO FEBRUARY 25

The Imperial Missionary now passed on to Johannesburg. It had been christened “Joeburg” in honour of his coming. Quickly he applied himself to the wondrous intricacies of the mining system, and commenced negotiations with the magnates who ruled the destinies of the golden city. With ever ready perception he realised that he was now at the heart of things South African—that these men controlled the life-blood of the country; and that the Witwatersrand was the wonderful vertebral column on which the thews and sinews of the Empire must hang for many years to come. Here our

¹ A large amount of the missing gold was unearthed north of Pietersburg in August 1904.

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difficulties had began, and here they were to be settled, Mr. Chamberlain mentally decided. Therefore he determined in thanking the inhabitants for their glowing welcome, first to show them the confidence he reposed in their wisdom and generosity, second to emphasise the entire unanimity that existed between the Home Government and the High Commissioner. He said that one of the objects with which he had come to South Africa was to strengthen the hands of Lord Milner in the gigantic task he had directed with such unswerving patriotism and conspicuous ability. "I trust," he went on, "that all of you recognise the work which he has accomplished. I know that you trust him here as we do at home, and I hope that when I return to England I may be able better to co-operate with him." He pointed out to them what a true friend the High Commissioner had been to the community; how they were indebted to him for having supported the appeal they made in the dark days of oppression and insult, and how he had believed in their cause, and by his representations had insisted on the justice of it. Never had Lord Milner joined the cry that had accused the Johannesburgers of clamouring for war in order to enrich themselves, an accusation which had been falsified by the manner in which they had risked everything in order to secure those rights which no self-respecting Briton would surrender without humiliation. They had been reproached too for their unwillingness to share in the dangers and privations of war, and this reproach also they had wiped out by the gallantry of the Imperial Light Horse and other local contingents whose valour had now become a part of history. Feelingly the great man referred to the noble Johannesburgers who had fought and died in some of the fiercest battles of the war, and also to the womenkind who had been driven from their homes and had endured all the hardships of strife with cheerfulness and pluck that had won them the "respectful recognition of the world." What they had done in time of war he firmly believed they would be ready to do in time of peace. They would, he was convinced, repeat their good deeds whenever the call might be made upon them. There was yet, he said, another calumny which would be refuted. It was stated that they were prepared to repudiate their share of expenditure for the war that had been forced on us. There were those who declared that they, whose interests were ranked among the first, would stand aside while the motherland and the sister colonies made sacrifices. But he did not believe them.

"I do not believe that the men who faced danger and death with such remarkable courage will now show more concern for their purses than they did for their lives!"

He then proceeded while making this practical appeal to their

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pockets to remind them how well the motherland had done her duty by Johannesburgers—how blood and treasure had been poured forth without stint for the purpose of proving that she was not unmindful of the ties that bound her to them.

After this memorable pronouncement, in which he strove to win the hearts of the financiers, he spent much time in practical negotiation with the "bigwigs" of the Rand, pointing out that the money of the mine-owners would benefit not one class alone but the urban and the agricultural classes, which would and must react on each other. Johannesburg's prosperity would mean prosperity to the farming community, and the development of agriculture would, with increased production, reduce the cost of living in the great centres. But the mine-owners were not prepared to look at the future through Mr. Chamberlain's rose-coloured eyeglass. They had a new plaint which it was difficult to overcome. The natives who had amassed a considerable amount of money during the war were now too independent and indisposed to work for the usual wage, and that being the case business promised shortly to come to a standstill unless other means of securing labour could be found. There were two alternatives—that of employing some sort of pressure to force the Kaffirs to return to work, or that of importing Asiatic labour so as to resume operations immediately.

Since neither of these alternatives could be chosen offhand the subject of labour remained to be wrangled over in England by political parties for a good year—when yellow labour was imported. But of this anon. On the 16th of January Mr. Chamberlain's interviews with the financiers and his bargainings, which were of the diamond-cut-diamond order, came to a conclusion. He was then enabled to state that the Government proposed to guarantee a loan of £35,000,000 on the security of the Transvaal and Orange River Colony, the money thus obtained to be applied to the payment of the existing debts of the two colonies, the purchase of railways, construction of new lines, to public works and to land settlement. Further, there was to be another loan of £30,000,000 in annual instalments of £10,000,000, as the contribution to the cost of the war, the debt being secured on the assets of the Transvaal. The financiers had agreed to subscribe the first £10,000,000 without commission, or preferential security for the remainder of the loan.¹ The Orange River Colony, unable at present to contribute, would

¹ It was rumoured by Mr. Chamberlain's detractors that the mining magnates had pledged themselves to take up the £10,000,000 of the war loan in consideration of Mr. Chamberlain's promise to introduce yellow labour. Mr. Chamberlain had steadily refused to declare a definite opinion on the labour problem, which he considered was one to be decided by the colonies for themselves, and according to the vote of the majority of those interested.

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undertake to take a proportionate share within the next few years. He then stated his firm belief that the contribution would be accepted by the British people as a recognition by the city of its duty to the motherland, and would be viewed not so much for the pecuniary support it offered the Home Exchequer as for the spirit in which the demand of the Empire had been met. Passing guardedly over the phases of the labour problem on which he had refused to declare opinion, he replied to some remarks made in London on the 12th of January. A South African magnate located in Park Lane had stated that in the interests of the Empire a measure of self-government should be accorded to the people of the States as soon as possible. The Colonial Secretary declared that Downing Street was ready and willing to abdicate its functions; but before this would take place the British people would require to be shown a substitute. He was convinced that neither Briton nor Boer of the Transvaal would care to substitute for the rule of Downing Street that of Park Lane! Cheers of ecstasy hailed this home-thrust, and those who knew their "Joeburg" and remembered Mr. Rhodes' objection to depose President Kruger in favour of President Brown, Jones, or Robinson, or any other multi-millionaire, realised how much was conveyed in Mr. Chamberlain's simple statement—"We know you do not desire that we should put into your opponent's hands the power of winning by political intrigue that which they have failed to gain by the sword."

His speech concluded with an optimistic picture, the patriotic outline of the greatest vision statesman ever contemplated. The day of small kingdoms was past, he said. The great Empires—of which there was no greater than the British Empire—would rule the destinies of the world. Provincialism and petty parochialism were over, and the great whole—the motherland and her children—no longer thought of separation, but had shown themselves prepared nobly to accept the privileges together with the obligations of Empire. Bound as they were by glorious traditions, he hoped they would ever remain; and then, not without emotion, he wound up, as he had done before in England, with the words of the Colonial poet:—

"Unite the Empire; make it stand compact,
Shoulder to shoulder; let its members feel
The touch of human brotherhood, and act
As one great nation—true and strong as steel!"

Before his departure from the land of gold various National Scouts appealed to Mr. Chamberlain for protection against the threatened persecution of their fellow-countrymen; and these were assured that their claims would receive the first consideration, that

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they would have no cause to regret their services to the British Government.

In deference to the wishes of the Boer leaders, Mr. Chamberlain promised to extend his trek outside the line of rail in order that he might inspect the regions devastated by war, and personally converse with the farmers as to the state of their affairs. The promise was an act of no small courage on the part of himself and Mrs. Chamberlain, for these districts which he was required to visit were as yet barely reconciled, and throughout them all the name of the British had been almost religiously anathematised for many decades. It must be remembered that at Krugersdorp the Boers had succeeded in nipping in the bud the wild project of the Jameson Raiders, and near to this place of—for them—happy memory was the notable monument of Paardekraal, built in honour of the Declaration of Independence (December 16, 1880). On that date Commandant Cronje and his burghers had marched into Potchefstroom for the purpose of printing the Boer proclamation, and had endeavoured to seize the printing office, with the result that the small British party holding it had to fight hard for two days before giving in. Then followed the well-known attack on Colonel Winsloe (21st Regiment), and his pathetic surrender long after an armistice (of which he was kept in ignorance by Cronje) was declared.

The monument was erected to commemorate the great deeds of the Boers from the days of the ancient voortrekkers, when Andries Pretorius avenged his countrymen and punished the treachery of Dingaan (1838) to the triumphs of Majuba and the more recent victories of Colenso, Magersfontein, and Spion Kop. At Paardekraal the whole countryside was annually wont to gather in a species of pilgrimage that partook in part of the sanctity of the Nachmaal and the festivity of the Jubilee, when the proceedings would be opened by the President, who would recount to the enraptured thousands the tale of war and conquest and glory. It was in the neighbourhood of this almost sacred spot that the Secretary of State for the Colonies consented to go as guest and peacemaker, starting forth on the morning of the 22nd of January amid crowds of cheering wellwishers, who, waving hats and handkerchiefs aloft in the golden sunshine, fringed the line leading west from the Golden City.

At Krugersdorp many addresses were tendered, and Mr. Chamberlain in his replies dwelt again on the paramount object of his journey—to induce Briton and Boer to work together in harmony in order to promote the prosperity of their country. Mindful ever of the history of the place and of its traditions he made a remarkable suggestion, one that gave practical proof of his earnest desire for conciliation. He suggested that the monument at Paarde-

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kraal should be restored, and that the revered obelisk this time should stand to do equal honour to the memory of all those brave dead whose blood had unitedly dyed the soil, and whose children unitedly would refresh and restore it.

Then he passed on the line of rail—a line always guarded by the South African Constabulary—to the picturesque town of Potchefstroom, all shady and verdant after the drab of the wilderness. Like the contrast to the eye came the contrast of the mind. Here, where Piet Cronje had ground the British beneath his heel, came the Peacemaker, accompanied by Lord Milner and Sir Arthur Lawley, to the hospitable abode of Andreas Cronje who, when legitimate warfare became impossible, had served the British as head of the National Scouts in order to save the country for the good of the people. To-day there was rejoicing on all hands, and within half a mile of the Boer leader's farm a party of burghers unharnessed the horses of the conveyance in which Mr. Chamberlain, his wife, and Andreas Cronje were seated, and dragged the strangely assorted trio to its destination. Before departing from this locality Mr. Chamberlain visited various farm-houses and heard the tales of their owners; he was also welcomed at the Kaffir location by delighted natives, who had decorated a triumphal archway with the words, "Welcome Moathlodi"—for "the man who puts things straight" to pass under.

On Saturday (24th) Mr. and Mrs. Chamberlain, accompanied by Sir Arthur Lawley, Lord Monk Bretton, and General Baden-Powell prepared to start for Ventersdorp. Lord Milner bade the party "Godspeed" at the Mayor's house, and then, escorted by a squadron of Imperial Light Horse, the wagonette drove off.

It was now the turn of the travellers to experience the delights of ordinary trekking across the veld, and they pursued their way towards Ventersdorp thumping and bumping along the uneven track with the splash of rain and the roar of the wind over their heads, and the roll of thunder ever in their ears.

En route, they were met by General Delarey, who proceeded with them to Lichtenburg. Most cordial was the encounter between the two notable men. At Witpoort they lunched together; the great Minister who had travelled all these miles to master the problem of pacification, and the valiant warrior whose conduct in the field and out of it has earned the esteem of all.

"I congratulate you upon being the comrades of so brave a man as General Delarey," said the statesman to the Boers at Ventersdorp (January 24). "I met him in London, and have come to regard him as a friend."

This was no mere figure of speech, for Mr. Chamberlain, with

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his acute perception, had already obtained a complete appreciation of men and things in South Africa, and had learned to weigh the merits and demerits of those with whom he came in contact with an accuracy which surprised those who themselves had been intimately acquainted with the country for years. At Johannesburg he had astonished the "golden calves" by the marvellous manner in which he found a solution for most of the puzzling problems that occupied them, and these indeed declared that he "knew the ropes" as well as they did, a compliment which they deemed the highest that could be paid to any man. In the same way the statesman studied what may be termed the pulse of the leaders with whom he had to deal, and felt exactly how far his treatment of pacification might be successful or otherwise. By the end of his short journey through the Colonies he had gauged the characters of his men—the louring restlessness of Christian de Wet, the sullen obduracy of Piet Cronje, the simmering animus of Hertzog, the sleek astuteness of Louis Botha, the dandy dash of Dr. Smuts, the dignified reserve of General Delarey, the "slim" shrewdness of Schalk Burger, the philosophic wisdom of Andreas Cronje and of Piet de Wet—all these traits he had noted, and, always remembering that they were brave men all, he studied to see how far each was "straight" as well as brave. General Delarey, for one, fulfilled both conditions, and Mr. Chamberlain's words of appreciation were no diplomatic compliment.

At Ventersdorp a tremendous concourse of persons of all kinds had collected together, and in a pretty house especially prepared for them, the visitors spent the night. The next morning (25th) found them again on trek towards Lichtenburg, the home of General Delarey. Under the willows that shaded the great man's house the burghers formed a crescent, and presently, on the arrival of the Londoners, an address was received and replied to.

Mr. Chamberlain told the assembled Boers how recently he had come from the spots where the British and the Boers had fought, and where some of them now lay side by side—in everlasting peace. As the peace that they enjoyed so he hoped would be the living peace of the survivors. Unitedly they would repair the ravages of war. Mutually they would endeavour to understand, to trust each other. There had been times when the Boers suspected the British and the British the Boers. Now misunderstandings would cease and mischief makers from outside should be warned to mind their own affairs. Now they would have a really progressive Government, one that would secure to them greater prosperity than they had ever before enjoyed. Nations, like individuals, must move on or go backward—they could not stand still. He showed them that the Government was working hard at the tremendous task of bringing back nearly a

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hundred thousand persons to their farms and feeding them as long as it was necessary. They were also struggling with a still heavier matter—the meeting of the hundred thousand claims under the Peace Agreement, and the separation of the false from the true claims. It was necessary to exercise caution in this matter, for if the false were allowed, the true claims would receive less.

When this business to which Lord Milner was giving his attention was settled, he hoped a new chapter in the history of the Transvaal would be opened. When the Government had ceased to give direct assistance it would continue to assist indirectly, and the country would yield riches that were as yet undeveloped. Vast tracts of land had still to be cultivated, for which men, railways, water, and trees were needful. These once secured, they would be able to bring their produce to the nearest and best markets.

When the works for which the Government was lending £35,000,000 were completed, the country, for the first time, would have a real chance. Much had been done by nature, still more would be done by the Government. The sole thing wanted was unity—not alone between British and Boers, but among the Boers themselves. The old feeling aroused by the war must be put behind them. The land had need of the help of every one of her sons, and when these combined to repair the losses caused by the campaign, their children would reap a harvest of prosperity hitherto unknown.

The speech was highly appreciated by the multitude. They took their cue from General Delarey, who pointed out to them that Mr. Chamberlain was the arbiter of their future—he was strong, and possessed the power “to lock and unlock.”

Mr. Chamberlain then passed on his way towards Mafeking, where again he was met by a cavalcade of welcoming equipages, containing the “bigwigs” of the colonies concerned. This time it was Sir Gordon Sprigg who, as Prime Minister of the Cape Colony, arrived to do honour to the great Commoner who ruled the destinies of South Africa, accompanied by Sir Walter Hely Hutchinson and others, to whose charge Sir Arthur Lawley handed over the distinguished visitor. To the tune of “See the Conquering Hero Comes” and a salute of the boys of the Rhodesian Cadet Corps, the Peacemaker, on the 27th, entered the little town that Baden-Powell has made famous.

Some said that Mr. Chamberlain in Pretoria had set himself to wheedle the Boers. Certainly, in appreciation of their fine qualities, he had told them truth with as much mildness as possible—but now, in a part of the country where fighting had been no question of a struggle for independence, his tone hardened to the well-known note that bade mischief-brewers beware.

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He hoped, he said, that the war that was over had served the purpose of showing the strength and power of the Empire. This, a white war, had been supported by four great continents of the British race. There was not a colony, from the smallest to the largest, that would not have poured forth its thousands to share in the sacrifices as well as the privileges of the Empire; and had it not been for reasons of policy which decided that it was undesirable that other than white men should engage in the field, the Empire of India would have contributed tens of thousands of splendid troops. He went on to say that the filaments that bound the Empire might seem thin as gossamer, but once let the enemy try to break through and they became for resistance strong as tempered steel.

A most interesting feature of the visit was the renewal of Mr. Chamberlain's acquaintance with the native chiefs, Khama, Bathoen, Linchwe, and others, who had visited him at the Colonial Office in connection with the strip of land they were required to cede to the British Government in 1895. Mr. Chamberlain inspected the Imperial Native Reserve to the south-west of Mafeking, and the inhabitants received him with enthusiasm, expressing as parting salute the supreme wish of South African life, "*May you have rain!*" Before many hours were past the hospitable prayer was granted, and a deluge poured prosperity into the bosom of the earth—a fair and full omen for the future, thought those who read signs and tokens in the coming of the great Chief.

From Mafeking the travellers and their party proceeded *via* Vryburg to Kimberley.

The City of Brilliants shot forth all its fires to light the route from the station to the Government House. Torches flamed, bells jingled, cheers rent the air. Kimberley was bent on "giving the Right Honourable Joseph a right honourable reception," the diamond kings declared. Consequently, feast and festivity whirled round the region of the Sanatorium which had been temporarily converted into the seat of authority.

In the Town Hall the Colonial Secretary addressed those who for long had revered him in spirit but who till now had never experienced the delight of seeing him *in propria personâ*. Returning to his great theme, the prosperity of South Africa, he condemned the marplots whose policy was likely to hinder the prospects of South African federation. In the new colonies, he said, he had met with nothing but friendliness and goodwill; in the oldest colony in British South Africa, the mother of the Rand and Rhodesia, could he hope to find the same? His audience, he said, were co-heirs with us in the widest empire the world has known, partners both in its triumphs and in its glories. They must not elect to be sleeping

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partners, but must claim also the right, the honour, and the privilege of sharing all that the Empire represents together with its burdens and its obligations. At this Kimberley burst forth into a patriotic roar, cheering again and again, though the loyal tempest was broken by sundry hisses and ominous sounds which, interpreted, meant uncomplimentary reference to the name of Sprigg. The Colonial Secretary concluded by saying that he had come not alone in the guise of arbiter but as conciliator, and his policy must find



JOE—HIS MARK!

[In the Visitors' Book at the De Beers Mine our Travelling Commissioner signed his name "J. CHAMBERLAIN, Birmingham."]

(From *Punch*. Reproduced by permission of the Proprietors of *Punch*.)

its source at the Cape. If it should fail to originate there, there would be a risk of the oldest colony being left out in the cold; some other colony would take the lead in Imperial progress and promote the cause of federation, which was already becoming one of the happy anticipations of the future.

On the 30th Mr. Chamberlain visited the De Beers' offices and left a precious autograph in the visitors' book—*J. Chamberlain, Birmingham*. Only those words, and the book became valuable as a Kimberley gem! Mrs. Chamberlain relieved her husband of

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the fatigue of going to Wesselton, and herself inspected the wonders of the Premier mine. A great banquet in the Market Hall finished the festivities.

The visit was an entire success, and Mr. Chamberlain was gratified to hear the heartfelt echo of sentiments he had taken the trouble to visit South Africa to express.

But things moved less serenely at Bloemfontein, where the statesman arrived on the 3rd of February. Christian de Wet, whose genius for recuperation never fails him, though he had been defeated in Pretoria, determined to display his simmering hostility in his native state. Round him he gathered his companion "irreconcilables," and at their head presented a memorial which was nothing less than an indictment of the British Government for not having executed the terms of the Peace Agreement. The document requested the immediate return of Free State burghers, an amnesty for rebels, compensation for losses resulting from the campaign, and a less expensive administration. This address had been made public in advance of the great man's coming, therefore Mr. Chamberlain, whose careful wording of the terms of peace has been quoted, at once gave battle in the open. He expressed himself as "much surprised and offended" that the integrity of the Government and of himself should be assailed, and then proceeded to attack each clause of the document, taking the terms of the Peace Agreement one by one, and showing that the burgher prisoners had been restored according to the arrangements set forth, that no amnesty for rebels had ever been arranged, that the compensation for war losses was being fulfilled to the letter and beyond it, and that in the matter of administration the people were on the whole better off than they had ever been before.

But General De Wet's endeavour to go behind the Vereeniging contract left a nasty taste in the mouth, and with some bitterness Mr. Chamberlain expressed his dissatisfaction with the tone of ingratitude in which the whole memorial was framed. It was decidedly disheartening, he said, to lavish favours on persons who accepted everything without a word of thanks, who indeed invented grievances; and if such invention continued, the only remedy would be for the Government to withhold its benefits, and rigidly adhere to the sheer letter of the bargain.

But he warned them, that if they really desired to tear up the Vereeniging document, they might do so. "We will then make our own laws!" he emphatically said, in a tone that showed the wildest Boer of the party that he had met his match. The Colonial Secretary further rebuked the leaders for the continuation of the persecution that was carried forth by the irreconcilables against those

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whom they styled "handsuppers," and others who had recognised that the war from being one of independence had developed into merely a war of devastation—philosophic Boers, who had thrown in their lot with the British in order to make an end of the struggle, and preserve the country for the race. Our first duty, Mr. Chamberlain insisted, was to protect those who had helped us, and no protestations of loyalty would be believed while the habit of boycotting referred to continued to exist.

This pronouncement was the result of an interview with some Dutch ministers, who complained that they had been asked to give up their offices, owing to their having administered the sacrament to Boers who had assisted us as national scouts, or for having performed the duty of their calling and advocated the blessings of conciliation. Most earnestly Mr. Chamberlain expressed the determination to believe in no professions of amity that did not include the effort to mend the ruptures that existed among themselves. Most definitely he assured them he had come to promote peace, and peace it must be by fair or by forcible means.

On the 7th a banquet in honour of the guests was given in the Raadzaal, and Mr. Chamberlain reverted to his determination to secure the cessation of political ferment. The new Government must work for the common benefit of the country, and there must be neither divisions nor agitations to mar the advancement towards prosperity. The strife among the Boer factions must cease. It must be made to cease. If warnings were futile, then the British Government would intervene to protect those who had performed friendly service in the interests of the Empire.

The unpleasant effects of the Bloemfontein visit were fortunately effaced by the enthusiastic reception met with at Grahamstown on the 9th of February. This, the most British-looking town in South Africa, has also the reputation of having kept for an hundred years untarnished its name for loyalty and patriotism, and it was not surprising that its present aim was to disassociate itself from provinces in the western side of the country, which could not, like itself, produce a clean bill of political health. This wish the inhabitants put forth in an address that, in other respects, met with Mr. Chamberlain's entire approval. But he had come from preaching the creed of unity among the Boers, and now it behoved him to repeat his admonitions to the loyalists, whose suspicions of the Bond were ineffaceable. Their request for disunion from the Western Provinces could not, however, be considered, for the mission of the Peacemaker demanded his insistence of more rather than less cohesion. Everywhere there must be a give-and-take forbearance. Even as the irreconcilables must unite with the friendly Boers, so must the

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loyalists exercise tolerance towards those colonists who, many of them, had been egged on by men "who should have known better." Then he threw a timely word to those men. The plot to overthrow British authority had failed, the chimerical republic that the Dutch had dreamed of could not exist, and if it had existed for a day, it would have been powerless to withstand the ambition of the European Powers. Practically he pointed out that the defence of the Empire cost the British taxpayer some £60,000,000 a year; and that while the war, which had cost £250,000,000, had been carried out at the expense of Great Britain, the people of the Cape Colony had made considerable profit by it. He showed in plain round figures that the contribution of the Cape amounted annually to £50,000, and the cost of the South African squadron to £400,000.

Here on the whole the task of the peacemaker grew exceedingly difficult, for while he strove, on the one hand, to smooth the ruffled feelings of the loyalists, and, on the other, to render more comfortable the situation of Sir Gordon Sprigg, he had to make it clearly understood that attempts to persecute loyalty would be rigidly punished.

At Port Elizabeth, where the loyalists received him right heartily, Mr. Chamberlain was constrained to exercise the same caution which had marked his utterances at Grahamstown. It was disappointing to find that while the face of affairs between Briton and Boer was being smoothed in the new colonies, sedition was still rife in the colony which for many years had enjoyed its free institutions under the most free government in the world, and that there were persons, whose influence should be used to assist in reconciliation, who actually behaved towards loyalists as though loyalty were a crime. The state of affairs in this region may be gauged by the fact that Sir Gordon Sprigg, who accompanied Mr. Chamberlain to the town, was not present during this pronouncement owing to precautionary measures adopted with a view of averting any breach of the peace between loyalists and members of the Bond. It was not desirable to have a repetition of Kimberley's frank demonstration against the Premier.

At Graaf Reinet, the native place of Kruitzinger and Scheepers—those firebrands who had made the Valley of Desolation into the fringe of a witches' cauldron—Mr. Chamberlain discovered the full extent of disaffection. Though some few flags were displayed, there were also to be seen, openly paraded by certain Dutchmen, the black feather tufts that were the emblems of disloyalty. It was impossible to ignore the rehearsed insult, and Mr. Chamberlain at once pounded his opinions into those who were permitted to be present at the Botanical Gardens to hear them. But the Dutch for the most

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part had been purposely kept away by the Bond wirepullers. "To avoid explosions," it was said. Others read in the movement, however, a determination to frustrate all Mr. Chamberlain's efforts at pacification, and to reject every argument advising the turning over of a new leaf.

The Colonial Secretary did not mince matters. He denounced the rebellion as unprovoked and inexcusable. As he had said elsewhere, those who for half a century had enjoyed the finest institutions in the world had unwarrantably lived in a state of rebellion. The crimes of some had been expiated; those of others had been forgiven. Let these learn to be content, to accept things as they now were. Peace was, he believed, desired by all, but its promotion must also be achieved by all. It would be impossible unless Britons and Boers, as in the colonies he had left, worked together here for an identical cause. Professions of loyalty were not sufficient, active co-operation must be shown — some definite proof that the recipients of the freedom enjoyed were worthy of it.

At Middelburg Mr. Chamberlain and those who were with him experienced one of the surprises of his travels, for here the Mayor of the town and Chief Secretary of the Bond (Mr. De Waal), the moving spirit of that party, second only to Mr. Hofmeyer, made the most illuminating pronouncement. He set forth the fact that he had never sought for any government save that under the British flag, that the Dutch had no intentions of boycotting loyalists, that they indeed were quite prepared to co-operate for the future good of the country.

Mr. Chamberlain expressed himself as delighted to hear such sentiments from the lips of Mr. De Waal; thanked him for them, and accepted them as augury of the loyalty and good faith of the Colony in whose representation that gentleman was largely responsible. Then, having tendered his gratitude, he sapiently concluded with the clause that he *hoped on visiting Cape Town to find the confirmation of those assurances.*

At Paarl his "wait-and-see" principles were put to the test. He was ready to infer the inhabitants were loyal, though they remained within closed doors or trickled around the streets and on the steps in sullen discontent. In an instant he had felt the pulse of the community. Shrewdly he dissected the variegations in the political atmosphere, the difference between Middelburg and Graaf Reinet and Victoria West, and the peculiar complexion of Paarl, named the Pearl of Cape Colony, that might, on the one hand, be the white pearl of loyalty, but on the other, the black pearl of —. It was better to leave its possibilities to the imagination.

One thing he noted: that his refusal to suspend the Cape Con-

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stitution had been appreciated. Dangers which might threaten liberties as a self-governing people did not come from the outside, from the Imperial Government, but from within, from among those who had maintained passive rebellion against the most democratic government in existence. There lay the real peril. It came from those who had fought the constitution, and who were unworthy the freedom they had enjoyed. Those, he maintained, who were fit and worthy to enjoy and benefit by their privileges as British subjects, must contribute in loyalty and other matters to the burdens of Empire. Though the dissentient Dutch were not present, and only British cheers welcomed the pronouncement, doubtless the former in their hiding-places read the words of the great missionary, and putting them in their pipes and smoking them, cogitated whether their stiff-necked attitude would contribute to the well-being of their children's children. The philosophic among them read, marked, and digested the wisdom of the Colonial Secretary, and some of them realised that the bluster of the rebel is as the bark of the little dog that remains on the railroad till the great engine comes along and swallows him up. The great Empire of the future would make a mouthful of such as they!

Cape Town was reached on the 18th of the month. Its reception was magnificent. Promptly Mr. Chamberlain was attended by deputations, flooded with addresses, and interviewed by leading politicians. His pronouncement in the Grunmarket Square, which was crowded in every part, hit straight at the evils he had come in the hope of removing. It was a triumph of acumen and eloquence. He pommelled the ethical attitude of certain politicians, showed how loyalty had been classed as a crime, while racial antagonism, which was the stumbling-block to peaceable advancement, was exalted by "men in authority" into a form of heroism. So pernicious was the social atmosphere of the country districts that citizens of a free self-governing colony were impeded in the discharge of their duties, while the mischievous propaganda was disseminated and perpetuated by the activities of the Dutch press and the Dutch pulpit.

At the conclusion of his visit he again referred to the subject. Some remedy might be found for the evil even now, Mr. Chamberlain said. Surely it might be possible to appeal to the loyalty and patriotism of both parties, to beg of them at this critical moment when time was so precious, when the wounds opened by the war were still unhealed, and might remain as open sores in the body corporate of the Empire—to beg of them to unite to remove this baleful influence. It was a great opportunity, and one that should be seized by statesmen of the Colony, for it was an opportunity that might never occur again.

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On the 21st of February a Bond deputation presented an address, which was read by Mr. Hofmeyer, who concluded the proceedings with a remarkable speech. In the document the South African party endeavoured to show that they had exerted themselves to avert signs of growing and not unnatural Dutch sympathy with the Boers—and that now they were prepared to accept the peace arrangements as the basis of a new era. On the other hand they complained of the progressive demand for the suspension of the Constitution, and tried to trace all racial troubles to the “piratical raid” in the Transvaal, whose originator they were displeased to find at the head of a political party.¹ They asked that an inquiry might be made into the administration, or what they believed to be the maladministration, of martial law by persons who had used their power to pay off old scores. They condemned any proposal to forcibly ensure the working of the mines by Kaffirs, and wound up with the hope that the date of federation on the Australian or Canadian model would not be far distant. Mr. Hofmeyer then expressed his determination to issue a circular and appeal to the people to assist one and all in the promotion of better relations, and work for the unity and prosperity of the united nations under the British flag.

Mr. Chamberlain responded hopefully, and said that the proposed circular should be of considerable value, more particularly in country districts where feeling was still very bitter. In regard to federation he said that, though haste would be fatal, he would like to see it; indeed, he would go a step further and say, “I should like to see you reunited in one great Parliament of an Imperial race.”

“Nothing would please me better than to know that Federation would come within the lifetime of this generation. I make a last appeal. I have come to South Africa at some inconvenience to myself. I have no personal motives; no ambition to gratify. . . . I have tried to fulfil my great mission in an impartial spirit. The fact that I have said things that are pleasing to both sides is a guarantee that I have spoken frankly and without reserve. . . . On you a great responsibility lies. You are engaged in building up a new nation. What that nation shall be depends largely on what you do now—not on the past. You have a clean sheet, and I ask you to give up all animosity which can prevent co-operation for the common good and also for that Imperial dominion which is yours as well as ours.”

On the 23rd came the strain of Mr. Chamberlain’s judicial and diplomatic powers, for Sir Henry Juta leading a deputation of Dutch loyalists put forth the grievances of the noble set of men whose

¹ Dr. L. S. Jameson became Prime Minister of the Cape Colony on the 4th of March 1904.

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merits can never receive their full recognition. Most sincerely they bemoaned their case, the ostracism, the persecution from which they suffered, and expressed their fears that their claims, moral and financial, would be overlooked. They showed how the disloyal had remained comfortably in their homes during the war, while they had been driven out, cast adrift without having obtained receipts, nor were they now on equal terms with Boer sympathisers in the matter of arms. Mr. De Waal's loyal pronouncement did not explain away certain tales of persecution in church and school, and certain bitter behaviour, which showed no signs of relaxation. On the whole it appeared from the case of the loyalists that fidelity to the British flag was a costly and exceedingly painful virtue, which, when all was said and done, seemed likely to become its own reward. The situation was keenly grasped by Mr. Chamberlain, though from first to last he was constrained to walk warily, picking his steps between explosives so that none should blow up the fabric of the delicate erection of reconciliation that he was endeavouring to build up. In these few days of Cape life he must have experienced the nervous tension of one who tries to raise a house of cards, knowing that the higher he advances every new touch is fraught with danger to the whole, and that one false or abrupt action—a breath too strong, a jerk too sudden—will set the whole thing flat on its face, a ruin.

To salve the loyalists, to honour, to laud, and to encourage them was a task only too congenial, but on the other hand it was necessary to guard against arousing old fires and stimulating the jealousy of those who had been instrumental in the annoyance the loyalists complained of. Mr. Chamberlain had too intimate conversance with the varying moods of political factions not to comprehend the temper of the multitude that welcomed him; he was able to gauge the tone of the enthusiastic plaudits that greeted himself, and the hoots and groans that assailed Sir Gordon Sprigg, the Prime Minister of the Colony, who hung in office on the smile of the Bond. He weighed the loyal assurances of Mr. Jan Hofmeyer, with whom he had had an interview, and accepted them for what they were worth; the two strong men as they faced each other eyeing and measuring sinew for sinew, thew for thew—the one, who sought to secure equal rights for all under the Union Jack; the other, who was the pilot of the party whose motto had lately been “Africa for the Africanders.” The statesman having accepted the assurances, it behoved him, as the protagonist of racial reconciliation, to force on the loyalists the same acceptance of Bond declarations. But these long-suffering fellows, unhappily, had good memories, and they had heard such protests before, and had moreover studied the loyal phase when, as Mr. Merriman had declared, “It is now the cue of the Bond to pretend to

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be loyal,"¹ and also when Du Toit was praying for the Queen, while resolutions in direct opposition to the honour of England were being passed round to the branches of the Bond. They had long memories and sore ones, and therefore, for the taste of some of them, Mr. Chamberlain's manner was too judicious, though others approved of it and decided to accept resignedly the system advocated by the Government of which the Colonial Secretary was the mouthpiece—to cease from recrimination and abuse, and to watch for the turning over of the new leaf that was optimistically proposed. They retained their doubts, however, and feared that when the social smoothness of the statesman's reception was passed away they would have to return to the old régime and the old fights at elections, in the Press, in Parliament, and in private life.

With this experience Mr. Chamberlain's visit may be said to have closed. On the 25th he and his partner sailed in the *Norman* on their return journey to London, and the Cape presently resumed its accustomed face.

The results of Mr. Chamberlain's effort were not to be seen upon the surface, but seeds of his planting were nevertheless taking root. If he did not entirely succeed in twining the olive branch around conquerors and conquered, he at least performed in the time at his disposal work that would in the ordinary political course have taken years to accomplish, supposing, indeed, that without his influence it had been accomplishable at all. Every one, whether Briton or Boer, or Irreconcilable or Progressive, or Africander, was now well warned on one point, namely, that friction of the smallest kind in the present critical state of affairs would be tantamount to pulling back the hands of the clock and keeping the country—which was looking for the dawn of prosperity—in a continual state of nebulous suspense.

Persistently he had dinned into their ears the greatest question affecting South Africa, and, *nolens volens*, they had learnt that the supreme, the practical thing was Unity. In whatever other way his eloquence failed, Mr. Chamberlain at least succeeded in showing the men of city and dorp and farm that there had got to be peace whether they liked it or not, that the future of the country and of themselves demanded it, and that the sooner they set forth to promote it the better would be the prospect for all concerned.

Before him he found each colony split into units with its varying local and parochial interests, its separate costly and probably antagonistic systems of customs, railways, native administration, and legal machinery; and he clearly demonstrated that while this state of things continued, the cost of maintaining a uniform rate of progress would be almost prohibitive, and that any

¹ Speech at Grahamstown, 1885.

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undertakings, political or social, would lack the cohesion necessary to make them forcibly or economically effective. His ideas, so widely disseminated among Dutch and British with whom he came in contact, fell not on rocky soil; and Lord Milner, noting the favourable impression that had been created, proceeded to take advantage of the sunshine. He promptly attacked the problems of land settlement, railway extension, mining, and other matters, so as to link the new Colonies more closely together by ties of material interest, and tried to settle the many conflicting questions connected with railway and other matters on the newly established practical lines of conciliation recommended by Mr. Chamberlain. His efforts were surprisingly successful, and in March an Inter-colonial Conference was held at Bloemfontein and a Customs Union for South Africa was decided on. By this convention, brought into force June 15, the desired amalgamation was arrived at by the various Governments concerned. It provided for the free exchange of the produce of the engaging Colonies, for a rate on oversea foods of from $2\frac{1}{2}$ to 10 per cent. *ad valorem*, with special duties on certain articles competing with Colonial trade. Various agricultural articles were to be admitted free, while on certain other goods there was granted a rebate to Great Britain and to reciprocating British Colonies of 2 per cent., and on certain other goods of $2\frac{1}{2}$ per cent.

This Customs Union was a wonderful and intricate piece of work—a big step towards ultimate union and federation, and that step taken within a few months of war, bore eloquent testimony first to the magnificence of the engine possessed by the Government in Lord Milner, and second to the effective greasing of the wheels within wheels of the machinery accomplished by the Colonial Secretary in the course of his indefatigable peregrinations.

III.—RETURN TO ENGLAND—GUILDHALL HONOURS THE GREAT MISSIONARY—SOUTH AFRICAN PROBLEMS

A splendid welcome was accorded the travellers on their arrival at Southampton on the 14th of March. West Birmingham sent its deputation, and the Mayor and Corporation of Southampton and various other well-known personages assembled to express their recognition of the importance of Mr. Chamberlain's patriotic undertaking. In London, the reception by the people was boisterous in the extreme, as was also their satisfaction when Mr. Chamberlain was commanded on the 15th to visit their Majesties at Buckingham Palace. The next great event took place on Saturday the 20th, when

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for the second time within fourteen months the Colonial Secretary was presented by the City Corporation at Guildhall with an address expressing civic gratulation, sympathy, and approval. At the feast which was subsequently given by the Lord Mayor, the statesman gave what may be called an account of his stewardship. He dwelt feelingly on his ideal of a consolidated empire bound by its invisible yet strong ties, and on the advance made in our relationship with the Colonies. By the example of the past we might be encouraged to expect much in the future. "Which of us a few years ago would have ventured to predict that in the hour of stress and difficulty the Colonies would one and all have leapt to our assistance?" he asked; and then discussing the prospects of South Africa and his hopes for the future, he said that at least "the field is now clear for the natural forces which tend to bring together the two kindred races in a united nation under the British flag." Further details of his tremendous undertaking had been put forth at length in the House of Commons on the previous day for the benefit of Mr. Bryce and Mr. Lloyd-George and other earnest inquirers. In reply to sundry questions he stated that the work of repatriation was being successfully proceeded with, some hundred thousand persons having been placed on the land, and that the costs of the South African settlement were calculated at £15,000,000. In discussing the question of self-government, he called to notice the fact that it meant government by the majority—possibly by a majority of one—and that the majority would impose its will on the minority. The Crown Colony system was not an arbitrary system, but one under which the minority could receive protection, and for this reason the Boer leaders preferred its continuance for a period. He pointed out that in the interests of the Colonies themselves it was desirable that some time should elapse before self-government could be conceded. But he hoped at some not distant date elective members would be substituted for nominated members on the same representative Legislative Councils of the two new Colonies.¹

Mr. Chamberlain then referred to the labour question, and described the deep indignation caused in South Africa by the charge that the mine-owners were actuated by mean and sordid motives in their desire to introduce what was called forced labour, or slavery. No such desire had been suggested. So far no proposal had been made to him regarding Indian or Chinese labour, against the introduction of which there was strong feeling in South Africa. He

¹ In July 1904, the Government decided next year to give representative institutions to the Transvaal. The decision was to substitute an elected element for the present nominated element on the Legislative Council, the official element being retained.

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went into the question of the taxation of natives, and showed that under the late Transvaal Government the total taxation borne by a native was £4, 6s. 6d., as against £2, the present rate. For additional wives additional taxation had to be paid. He repudiated the suggestion that this tax was to force the natives to work and give the mine-owners cheap labour below market rates, but showed that cheap labour was essential to the all-round working of the mines, on which the prosperity of the Transvaal must for years depend. The labour question formed an excellent stimulus to the activities of the opposition throughout the session, various speakers holding forth to protect the indolence and polygamous customs of natives, while others developed humanitarian qualms in respect to the revival of slavery. Mr. Chamberlain in his discussions on the subject had pointed out that the *lobola* or wife-purchasing system was little less than the purchase of slaves, who did the work while their husband-owner lounged. Still, he would make no pronouncement in favour of the importation of Chinese or other foreign labour, adhering from first to last to his view that the solution of the labour question was entirely an internal question concerning South Africa, which South Africa alone must decide. During the debate on the Colonial Office vote (July 30) he again expressed this opinion, saying that the Transvaal would work out its own salvation. On this same date he repudiated the statements of members who pretended that the Legislative Councils of the Transvaal and Orange River Colony were mere creatures of the Government, and declared that all classes of the community were represented. It was not the fault of the Government if the Boer leaders refused to serve, while the moderate Boers—the “handsuppers”—had come in and were represented by men of the greatest popularity and influence in their own districts. The Colonial Secretary further defended Lord Milner from insinuations that he was what they called “playing the game of the capitalists” in relation to the discovery of new diamond mines in Pretoria, or to a new law which Mr. Markham declared handed over a monopoly of diamond productions to De Beers, or to the dynamite duty, which the same member argued was also in favour of that corporation.

Before passing from South African affairs it may be noted that during the early part of the following year Mr. Chamberlain was travelling abroad, and took no part in the discussions that raged anent Chinese labour. In a letter, dated April 21, 1904, he reiterated his opinion that the Government should offer no opposition to the employment of Asiatic labour, provided the majority of the white inhabitants of the two Colonies were agreed to desire it; and he also confuted the arguments used by the opponents of the movement.

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"I understand," he said, "that the arguments put forward against the introduction of Chinese are as follows:—

"1. It seems to be thought that their labour will come into competition with that of white men. This is absolutely contradicted by the experience of all who know anything about South Africa, where unskilled labour has always been performed by the coloured people, while the work requiring skill and intelligence has been undertaken entirely by the whites. The two forms of labour are mutually dependent. Without the coloured man there will be no employment for whites, who will not undertake the inferior kind of labour.

"It is, therefore, absolutely certain that if the employment of Chinese or other Asiatic labour is successful it will pave the way for the introduction of a much larger number of British workmen than could under any other circumstances find occupation in South Africa.

"Such an increase of British labour is eminently desirable, both on political and social grounds, and I believe that the vast majority of British workmen already in South Africa are prepared for this reason to welcome a great addition to the number of unskilled labourers at present in the country.

"2. It has been urged that South Africa is a white man's country, and that the introduction of Chinese will alter and lower its character. I am convinced that this opinion is wholly unfounded. It would only be true if the Chinamen came to stay, but under the conditions of their employment they will be temporary residents, and will return to their own country at the expiry of their engagement.

"3. It is pretended that the Chinamen under these conditions will be practically slaves. The statement can only be honestly made by persons who are entirely ignorant of the facts. The Chinaman is quite intelligent enough to take care of himself. He will know the terms on which he is engaged, and he will not accept them unless they are clearly to his advantage. Any ill-treatment would be impossible under the supervision proposed, and, even if it were possible, it would be the worst policy on the part of those whose object is to attract the Chinaman and to be able to count on his continued assistance.

"When I was in South Africa I went carefully into the condition of the natives already employed under similar regulations at Kimberley and elsewhere, and I came to the conclusion that their position was quite as good as that of any other coloured labourers in any other part of the world. That they themselves were contented with it was proved by the readiness with which they made re-engagements after a full experience of the conditions of their employment.

"Under these circumstances I do not think that there is any ground, either moral or political, for the opposition which has been started, largely for political reasons, in this country.

"Whether the employment of Chinese will be an economic success is not to my mind so certain, but in all such matters I feel that the opinion and experience of those on the spot are a better guide than any formed here upon imperfect information."¹

Still later, on July 21st, during a debate initiated by Sir H. Fowler in committee on the vote for the salary of the Colonial Secretary

¹ The Convention with China relative to the importation of Chinese labour in the Transvaal was signed May 13, 1904.

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(Mr. Lyttelton), Mr. Chamberlain in a trenchant speech defended the Chinese Labour Ordinance, reiterated his arguments against home interference, and disposed of all but organised obstruction. In this country he thought people had no right to interfere, or to make wages for the Chinese, provided the Chinese made voluntary contracts, and were willing to leave their own country, where wages were one penny, for a country where they could get eighteen pence. There were no grounds for stating that the Chinaman worked under conditions of slavery ; he worked for three years to acquire property on which he and his family would live for ever after. Sir H. Fowler had alluded to the prospects of the mines, and Mr. Chamberlain did not hesitate to say that, viewing mining as a speculation (in which for every success there were hundreds of failures), and taking the whole of the capital invested in South Africa, it would be found the owners of that capital would have done better had they invested it in consols. There was no man of any experience who did not see that that which made for the prosperity of the country and its development depended on the capital invested. They were told that the introduction of Chinese labour into South Africa was really in competition with British labour. Every man who knew anything about South Africa would tell them that in that country white labour would not work side by side with black labour, and he thought white labour was right. After all, this country held its position by virtue of being a dominant race. If we admitted equality with inferior races we would lose the power which gave it strength. The white workman was right to refuse to work side by side with the black, except as foreman and overseer, and for the increased supply of coloured labour there would be a proportionate increase of white labour. If any defect in the ordinance under which cruelty and tyranny were practised on the Chinese could be found it should be brought forward, and the Government would endeavour to remedy it ; but they would not take on themselves a duty which did not belong to them, or seek to dictate to the colonies.

Mr. Chamberlain's predictions have been corroborated by events ; thousands of Chinamen are now working in the Rand mines, and the result of this reinforcement of unskilled labour has been the finding of employment for several hundreds of skilled workmen who for some time past have been minus posts. Even Boers who objected to the importation of Chinamen have requested permission to employ Chinamen on their farms ; and shortly, with the growing prosperity of the country, the most earnest opponents of the ordinance will find themselves deprived of a grievance, while political antagonists will be forced to inspire the electors by the invention of a new war cry.

CHAPTER II

I.—THE EARTHQUAKE, 15TH MAY 1903—SURPRISE AND CONCERN—A NEW SITUATION

IN May Mr. Chamberlain made his re-appearance among his constituents, and on the 15th of the month startled them and the world at large, by making the most wonderful speech of the present generation. Plainly he announced that he was in accord with the opinions lately expressed by the Premiers of the Colonies, and considered the establishment of preferential tariffs between the Mother Country and her Colonies a desirable—almost an imperative—innovation. May 15.

After thanking the Birmingham public for the cordial reception and the compliments paid him on his mission in South Africa, he apologised for being "a little out of touch with party politics." His mind, he explained, had been engrossed with the enormous problems connected with the birth of a new nation in South Africa and with the great Imperial issues that were at stake, rather than with the smaller controversies on which depended the fate of bye-elections. Far away in the southern hemisphere, his brain had been fixed on the vast subject of a future policy for the Empire—a policy which should knit together every portion of it into one powerful, one inseverable whole.

"I came here," he said, "after an experience which seems to me now almost a dream, and I find that here it has not been Imperial but local questions which were filling the minds of the people of this country. The political meteorologist had been at work and had been predicting in the course of a few short months disaster and confusion to the Unionist Party. The Opposition were occupied in greedily apportioning the spoils of victory which they anticipated, just as the Boers before the war were casting lots for the farms which they expected to wrest from their British possessors. When I inquired what had happened to suggest the depression on the one side and the elation on the other, I was told that a reaction was in progress, that the Education Bill had caused many persons to leave the Unionist Party, that 'caves' were being formed, that younger members of the party, tired of the monotony of a loyal support, had sought a freer and more strenuous life as political troglodytes in the 'caves' of their selection. I was told that the bye-elections were going against the Government. I was told that the constituencies were prepared to forgive the Pro-Boers their want of patriotism, and the Little Englanders their want of courage, and that they were now ready to give to Home Rule and the Newcastle Programme a new chance. It may be that I am less sensible to sudden

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emotion since I returned from my travels in South Africa. The calm which is induced by the solitude of the illimitable veldt may have affected my constitution. At any rate I was not moved by these depressing statements. And when I came to examine the particular elections from which so much was anticipated, when I found that in one of them the Liberal Party, so-called, had gained a supporter in a gentleman who proposed to hand back the Transvaal to the Boers, and at the same time had gained another supporter in a gentleman who professed himself to be a sincere Imperialist, thoroughly convinced of the justice of the war; when I found that Sir Wilfrid Lawson declared that he came to Parliament in order to confiscate the property of every publican, and that Dr. Hutchinson came to Parliament determined to give compensation to every publican; and that all of these were going to join the Liberal Party—it seemed to me that the combination was not so terrible. While I was prepared to congratulate Sir Henry Campbell-Bannerman on the flexibility of adaptation which his followers displayed, while I was disposed to say as of Cleopatra, ‘Age cannot wither nor custom stale its infinite variety,’ I was not prepared to unduly excite myself as to the prospects of the Government and its supporters.”

There were ups and downs of politics, he admitted, and he predicted that any Government that should attempt to grapple with the larger problems of the time would inevitably lose a certain degree of support. The more bold the policy indeed, the more certain it was that you must pay the price—the price in the votes of perhaps valued supporters. If he were certain that the main lines of our Imperial and national policy were assured he, after “eight years of strenuous work such as seldom falls to the lot of politician,” would be rejoiced to be relieved even for a time of the part of prominent actor, and accept the less responsible rôle of universal critic. But before doing this he required to know that the party that might succeed was one which had frankly abandoned “the disastrous policy of Home Rule” that, beginning with the disruption of the United Kingdom, would end with the disruption of the Empire! And here he expressed a valuable aphorism, which may be learnt by Home Rulers: You cannot weaken the centre without destroying all that depends on that centre. Separation would not begin and end at home. Eventually the Empire would be dissolved into its component atoms.

“If I could believe, however, that our opponents had frankly abandoned Home Rule, if Sir Henry Campbell-Bannerman, as the leader of the party, should divest himself of that curious antagonism to everything British which makes him the friend of every country but his own, if I thought that his followers were animated by that broader patriotism by which alone our Empire can be held together, then, indeed, I would be the first to sing *Nunc dimittis*.

“But this assurance is wanting.

“I have read with care and interest all the speeches that have been made by the leaders of the Liberal Party, and in none of them do I find a frank



RT. HON. GEORGE WYNDHAM

Photo E. H. MILLS, HAMPSFAD.

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acceptance of that national and Imperial policy which, I believe, at the present time is the first necessity of a united kingdom. So long as that is the case, however anxious I may be personally for rest, I confess I cannot look forward without dread to handing over the security and existence of this great Empire to the hands of those who have made common cause with its enemies, who have charged their own countrymen with methods of barbarism, and who apparently have been untouched by that pervading sentiment which I found everywhere where the British flag floats, and which has done so much in recent years to draw us together. I should not require to go to South Africa in order to be convinced that this feeling has obtained a deep hold on the minds and hearts of our children beyond the seas. It has had a hard life of it, this feeling of Imperial patriotism. It was checked for a generation by the apathy and the indifference which were the characteristics of our former relations with our Colonies, but it was never extinguished. The embers were still alight, and when in the late war this old country of ours showed that it was still possessed by the spirit of our ancestors, and that it was still prepared to count no sacrifice that was necessary in order to maintain the honour and the interests of the Empire, then you found a response from your children across the seas that astonished the whole world."

He went on to say :—

"I have said that that was a new chapter—the beginning of a new era. Is it to end there? Are we to sink back into the old policy of selfish isolation which went very far to dry and even to sap the loyalty of our colonial brethren? I do not think so. I think these larger issues touch the people of this country. I think they have awakened to the enormous importance of a creative time like the present, and of taking advantage of the opportunities afforded in order to make permanent what has begun so well. Remember, we are a kingdom, an old country. We proceed here on settled lines. We have our quarrels and our disputes, and we pass legislation which may be good or bad; but we know that, whatever changes there may be, at all events the main stream will ultimately reach its appointed destination. That is the result of centuries of constitutional progress and freedom. But the Empire is not old. The Empire is new—the Empire is in its infancy. Now is the time when we can mould that Empire, and when we and those who live with us can decide its future destinies. Just let us consider what that Empire is. I am not going to-night to speak of those hundreds of millions of our Indian and native fellow-subjects for whom we have become responsible. I consider for the moment only our relations to that white British population that constitutes the majority in the great self-governing Colonies of the Empire. Here in the United Kingdom there are some forty millions of us. Outside there are ten millions of men either directly descended from ancestors who left this country or more probably men who themselves in their youth left this country, in order to find their fortunes in our possessions abroad. How long do you suppose that this proportion of population is going to endure? The development of those Colonies has been delayed by many reasons—partly, as I think, by our inaction, partly by the provincial spirit which attaches undue importance to the local incidents and legislation of each separate State and gives insufficient regard to the interests of the whole, but mainly probably by a more material reason—by the fact that the United States of America have offered a greater attraction to British immigration.

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“But that has changed. The United States, with all their vast territory, are filling up, and even now we hear of tens of thousands of emigrants leaving the United States in order to take up the fresh and rich lands of our colony in Canada. It seems to me not at all an impossible assumption that before the end of this present century we may find our fellow-subjects beyond the seas as numerous as we are at home. I want you to look forward. I want you to consider the infinite importance of this not only to yourselves but to your descendants. Now is the time when you can exert influence. Do you wish that if these ten millions become forty millions they shall still be closely, intimately, affectionately, united to you, or do you contemplate the possibility of their being separated, going off each in his own direction, under a separate flag? Think what it means to your power and influence as a country; think what it means to your position among the nations of the world; think what it means to your trade and commerce—I put that last. The influence of the Empire is the thing I think most about, and that influence, I believe, will always be used for the peace and civilisation of the world.

“But the question of trade and commerce is one of the greatest importance. Unless that is satisfactorily settled, I for one do not believe in a continued union of the Empire. I hear it stated again and again by what I believe to be the representatives of a small minority of the people of this country, those whom I describe, because I know no other words for them, as ‘Little Englanders’—I hear it stated by them, what is a fact, that our trade with those countries is much less than our trade with foreign countries, and therefore it appears to be their opinion that we should do everything in our power to cultivate that trade with foreigners, and that we can safely disregard the trade with our children.

“That is not my conclusion. My conclusion is exactly the opposite. To look into the future, I say that it is the business of British traders to do everything they can, even at some present sacrifice, to keep the trade of the Colonies with Great Britain, to increase the trade and to promote it, even if in doing so we lessen somewhat the trade with our foreign competitors.”

Were we making for union or for separation? he then asked. The germs of a Federal union were in the soil—germs which at present needed delicate and judicious handling. Everything depended on the nature of our actions whether the great idea would find fruition or remain sterile, leaving us to accept our fate as one of the dying empires of the world.

He reverted to the gallantry of the Colonial troops who had stood shoulder to shoulder with us in the hour of storm and stress, and expressed his belief that should some great coalition of hostile nations take place “when we with our backs to the wall had to struggle for our very lives,” there was nothing within their power that those self-governing Colonies would not do in order to come to our succour.

“So far as the personal sacrifices involved risking your life and encountering every hardship the Colonies did their duty in the late war. If it came to another question, the question of the share they bore in the pecuniary burden which the war involved—well, I think, they might have done more. I did not

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hesitate to tell my fellow-subjects in the Colonies of South Africa, whether in the new Colonies or in the old ones, that though they had done much, they had not done enough; that they had left substantially the whole burden on the shoulders of the Mother Country, and that in the future, if they valued Empire and its privileges, they must be prepared to take a greater share of the obligations. If I had been speaking in Australia or in Canada I would have said the same thing, and perhaps I should have been inclined to say it even in stronger terms, and if I may judge by the reception of my utterances in South Africa, I should give no offence by this frank speaking. There is something, however, to be remembered on behalf of our Colonies, and that is, that this idea of a common responsibility is altogether a new one, and we have done nothing to encourage it. It is presented to them in the light of a new tax, and people have an extraordinary way of regarding a new tax with a suspicion and even with a dislike.

“But what happened? I spoke in Natal, and the people of Natal responded by taking on their shoulders a burden which for a small colony was considerable, and which they had thought of placing on ourselves. I spoke in the Transvaal, and the representatives of every class in the Transvaal, and none more enthusiastically than the working people, took on themselves a burden of £80 per head of the white population, a burden which indeed the riches of the country justified, but which was something altogether in excess of any similar obligation placed on any other country in the world. I spoke in Cape Colony; and only in Cape Colony, owing to the division of opinion which has prevailed there, I neither expected nor asked for a contribution towards the war. I do not know whether I shall be disappointed, but I do expect that in the time to come Dutch and English will both feel, as the Empire belongs to them as well as to us, bound towards the future expenditure of the country to contribute more liberally than they have done in the past.”

Though admitting that the Colonies had hitherto been backward in their contributions towards Imperial defence, he argued that at all events they were endeavouring to promote union in their own way, in the offer of preferential tariffs, a matter of great moment to all.

“It depends on how we treat this policy of the Colonies—not a policy inaugurated by us, but a policy which comes to us from our children abroad—it depends on how we treat it, whether it is developed in the future, or whether it is withdrawn as being non-acceptable to those whom it is sought to benefit. The other day, immediately after I left South Africa, a great conference was held for the first time of all the Colonies in South Africa, the new Colonies as well as the old. Boers and the Dutch were represented, as well as the British, and this conference recommended the other Legislatures of the different colonies to give to us, the Mother Country, a preference on all dutiable goods of 25 per cent. Last year at the Conference of Premiers, the representatives of Australia and New Zealand accepted the same principle. They said that in their different colonies there might be some difference of treatment, but so far as the principle was concerned, *they pledged themselves to recommend to their constituents a substantial preference in favour of goods produced in the Mother Country.* Now that, again, is a new chapter in our Imperial history, and again I ask, is it to end there?”

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Fruition, according to his idea, would result in proportion to the appreciation bestowed on the project. Canada, the greatest and most flourishing of our self-governing Colonies, was in the full swing of an extraordinary prosperity, which it was hoped would lead to the increase of her strength, population, and importance. Though backward in contributing to common defence, she was the most forward in endeavouring to unite the Empire by other means—by strengthening our commercial relations, and by giving us special favour and preference. Appreciation of this action would be followed by corresponding action on the part of other Colonies, and thus as the bonds on all sides drew closer, we should be united not only by sentiment but by interest, which would render them more willing to share in the burdens of defence.

“My policy, which I wish to make clear to you, is not to force our Colonies—that is hopeless, they are as independent as we are—but to meet everything they do. If they see a way of drawing the Empire together let us help them in that, even if they may not be prepared to join us in some other way from which we think the same result would be achieved. But let us be prepared to accept every indication on their part of this desire; let us show we appreciate it, and believe me, it will not be long before all will come into line, and the results which follow will be greater than, perhaps, it would be prudent now to anticipate.

“What has Canada done for us ?

“Canada in 1898 freely and voluntarily of her own accord, as a recognition of her obligations to the Mother Country, as a recognition especially of the fact that we were the greatest of the free markets open to Canadian produce, gave us a preference on all dutiable goods of 25 per cent. In 1900 she increased that preference, also freely of her own accord, to 33½ per cent.

“I have had occasion to point out that the results of this great concession have been to a certain extent in some respects disappointing. The increase in our trade with Canada has been very great, but it has not increased largely out of proportion to the increase of the trade between Canada and other countries. But this remains true, that whereas before these concessions the trade of this country with Canada was constantly getting less and less, that reduction has been stayed, and the trade has continually increased; and, to put it in a word, the trade between our Colony of Canada and the Mother Country, which was six and a half millions in 1897–98, is now carried on at a rate of, probably a good deal more, but at all events I will say, to be safe, of eleven millions sterling in the present year. The increase is chiefly in textile goods, and in manufactures of hardware and iron and steel. At the same time, whereas the percentage of the total trade had fallen from 40 per cent., I think, or at all events from a large percentage, to 23½ per cent., in these last two years it has been gradually climbing up again, and it has now reached for the present year 26½ per cent. That is an important result.

“But the Ministers of Canada when they were over here last year made me a further definite offer. They said: ‘We have done for you as much as we can do voluntarily and freely, and without return. If you are willing to reciprocate in any way, we are prepared to reconsider our tariff with a view of

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seeing whether we cannot give you further reductions, especially in regard to those goods in which you come into competition with foreigners, and we will do this if you will meet us by giving us a drawback on the small tax of 1s. per quarter which you have put on corn.' Well, that was the offer which we had to refuse. I must say that if I could treat matters of this kind solely in regard to my position as Secretary of State for the Colonies I should have said, 'That is a fair offer, that is a generous offer from your point of view, and it is an offer which we might ask our people to accept.' But speaking for the Government as a whole, not in the interests of the Colonies, I am obliged to say, that it is contrary to the established fiscal policy of this country, and that we hold ourselves bound to keep an open market for all the world even if they close their markets to us, and that therefore so long as that is the mandate of the British public, we are not in a position to offer any preference or favour whatever, even to our own children. We cannot make any difference to those who treat us well, and those who treat us badly. Yes, but that is the doctrine which I am told is the accepted doctrine of the Free Trader, and we are all Free Traders. Well, I am. I have considerable doubt whether the interpretation of Free Trade which is current among a certain limited section is the true interpretation. I am perfectly certain that I am not a Protectionist, but I want to find out if the interpretation is that our only duty is to buy in the cheapest market without regard to whether we can sell. If that is the theory of Free Trade, and it finds acceptance here and elsewhere, then in pursuance of that policy you will lose the advantage of further reduction in duty which your great colony of Canada offers to you manufacturers of this country; and you may lose a great deal more, because in the speech which the Chancellor of the Exchequer—Minister of Finance as he is called in Canada—made to the Canadian Parliament the other day, which he has just sent me, I find he says that if they are told definitely that the Mother Country can do nothing for them in the way of reciprocity they must reconsider their position and reconsider the preference that they have already given."

He went on to show that "family agreements" between ourselves and Canada should, it would be supposed, concern ourselves only. One State of Germany might give advantage to a sister State which she did not give to the rest of the world. Yet Germany insisted on treating Canada as though she were a separate country from Great Britain, and had penalised her by placing on Canadian goods an additional duty. This policy of reprisal the Germans admitted was to prevent other Colonies from giving us the same advantages as those accorded by Canada.

"And this policy of dictation and interference is justified by the belief that we are so wedded to our fiscal system that we cannot defend our Colonies, and that any one of them which attempts to establish any kind of special relations with us does so at its own risk, and must be left to bear the brunt of foreign hostility.

"In my mind that is putting us in a rather humiliating position. I do not like it at all. I know what will follow if we allow it to prevail. It is easy to predict the consequences. How do you think that in such circumstances we can approach our Colonies with appeals to aid us in promoting the union of

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the Empire, or ask them to bear a share of the common burdens. They will say that the privileges of Empire appear to be—if we treat you as relations and friends and show you kindness, you who benefit by our action can only leave us alone to fight our own battles against those who are offended by our action. Now, is that Free Trade? I am not going further to-night. My object is to put the position before you, and, above all, as I have just come from great Colonies, I want you to see these matters as they appear to our Colonial fellow-subjects. . . .

“Is this Free Trade?”

“No, it is absolutely a new situation. There has been nothing like it in our history. It is a situation that was never contemplated by any of those whom we regard as the authors of Free Trade. Mr. Cobden did not hesitate to make a treaty of preference and reciprocity with France, and Mr. Bright did not hesitate to approve his action, and I cannot believe, if they had been present among us now and known what this new situation was, I cannot believe that they would have hesitated to make a treaty of preference and reciprocity with our own children. You see the point. You want an Empire. Do you think it better to cultivate trade with your own people, or to let that go in order that you may keep the trade of those who rightly enough are your competitors and rivals? I say it is a new position. I say the people of this Empire have got to consider it.

“They have two alternatives before them. They may maintain if they like in all its severity the interpretation, in my mind an entirely artificial and wrong interpretation, which has been placed on the doctrines of Free Trade by a small remnant of Little Englanders in the Manchester School who now profess to be the sole repositories of the doctrines of Mr. Cobden and Mr. Bright. They may maintain that policy in all its severity though it is repudiated by every other nation and by all your own Colonies. In that case they will be absolutely precluded either from giving any kind of preference or favour to any of their Colonies abroad or even protecting their Colonies abroad when they offer to favour us. That is the first alternative.

“The second alternative is that we should insist that we will not be bound in any purely technical definition of Free Trade, that while we seek the 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.

“I leave the matter in your hands. *I desire that a discussion on this subject should be opened. The time has not yet come to settle it, but it seems to me that for good or for evil this is an issue much greater in its consequences than any of our local disputes.*

“Make a mistake in legislation. It can be corrected. Make a mistake in your Imperial policy. It is irretrievable. You have an opportunity; you will never have it again. I do not think myself that a general election is very near, but whether it is near or distant, I think our opponents may perhaps find that the issues which they propose to raise are not the issues on which we shall take the opinion of the country. If we raise an issue of this kind the answer will depend not on petty personal considerations, not on temporary interest, but on whether the people of this country really have it in their hearts to do all that is necessary, even if it occasionally goes against their own

The Earthquake

prejudices, to consolidate an Empire which can only be maintained by relations of interest as well as by relations of sentiment. And for my own part I believe in a British Empire, in an Empire which, though it should be its first duty to cultivate friendship with all the nations of the world, should yet, even if alone, be self-sustaining and self-sufficient, able to maintain itself against the competition of all its rivals."

This pronouncement fired the country with electrical rapidity. The effect of it could be compared to nothing less magical than that created when Mrs. Chamberlain visited the Premier Mine at Wesselton, laid her finger on a button, and promptly found the earth convulsed by volcanic eruptions that broke forth from some two hundred and fifty feet below the point on which she stood. Mr. Chamberlain had now touched a button—the button of Free Trade—a revered and sacred trophy that the sainted Cobden had handed down to posterity, and presto! came the earthquake!

Never was such upheaval. The very dust of it threatened to suffocate or at least to blind any who should dare to approach within a hundred miles of the vortex. And yet to students of Mr. Chamberlain's political career the doctrine now put forth contained no elements of surprise. It was entirely consistent with the trend of the statesman's policy since the time of his appearance as Colonial Secretary, and absolutely in sympathy with the sentiments of Lord Salisbury and other expansive politicians, who for years had deplored their inability to assist British trade owing to their powerlessness to negotiate or to respond appropriately to hostile tariffs. His first move in the direction he has now taken could be seen in the wording of the circular issued to the Governors of the Colonies in November 1895; another important step was made at the Conference of 1897, and this was speedily followed up by the energetic handling of the Australian Commonwealth Bill.

It was the Conference of 1902, however, that brought matters to a crisis, and the resolutions then passed by the Premiers were instrumental in entirely opening out before the Colonial Secretary's eyes a new, clear, and broader vista in the scheme of our future Imperial life.¹

The new vista was naturally entrancing to one whose brain was set on the consolidation of the Empire; he saw in the give

¹ These resolutions were:—

(1) That this Conference recognises that the principle of Preferential Trading between the United Kingdom and His Majesty's dominions beyond the seas would stimulate and facilitate mutual commercial intercourse, and would, by promoting the development of the resources and industries of the several parts, strengthen the Empire.

(2) That this Conference recognises that, in the present circumstances of the Colonies, *it is not practicable to adopt a general system of Free Trade* as between the Mother Country and the British dominions beyond the seas.

(3) That with a view, however, to promoting the increase of trade within the Empire, it is desirable that those Colonies which have not already adopted such a policy should, as

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and take principle advocated by the Colonies a solution of the problem that he had repeatedly referred to, the reply to the vital question whether the Empire should stand together as one immense free nation, if necessary, against the world, or whether it should be dispersed into various disconnected States each fighting for self alone, losing not only the forcible advantages of union, but also all sentimental links that bound them to the nation that gave them birth.

On the journey to South Africa he had admirable opportunity to ponder the subject. The further he travelled the larger became his outlook, and the more he saw of the mighty dominions across the sea the more convinced he became that the policy of Preferential Tariffs which he had tentatively placed before the Cabinet on the eve of starting was the one and only policy that would meet the altered conditions of an altered globe.

But the time was not ripe for innovations. The Cabinet was shocked. Mr. Ritchie (then Chancellor of the Exchequer) at once opposed the new policy, and refused to prepare a Budget till the question was decided, threatening if the decision were given against him to resign. After discussion with Mr. Chamberlain in March 1903, Mr. Ritchie's proposals (involving the dropping of the duty of 1s. per quarter on imported corn and flour) were agreed to, and things went on smoothly for some six weeks. Then, on the 15th of May, came Mr. Chamberlain's sensational pronouncement which convulsed the face of political life.

On this same date, with a dramatic corroborative precision—like the action of the chorus in a Greek play—was published the account of Mr. Chaplin's effort to direct the attention of the Government to what he and the influential deputation he headed—a deputation composed of supporters of the Government and representatives of important national interests—considered a blot on an otherwise excellent Budget, the repeal of the corn duty.

Mr. Balfour in his reply stuck fast to Mr. Ritchie, however. He said the case brought against the Government resolved itself into three parts; that of the miller, that of the farmer, and that drawn from general considerations of taxation, and from statements made by the Government themselves at the last Budget,

far as their circumstances permit, give substantial preferential treatment to the products and manufactures of the United Kingdom.

(4) 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.

(5) That the Prime Ministers present at this Conference undertake to submit to their respective Governments at the earliest opportunity the principle of the resolution, and to request them to take such measures as may be necessary to give effect to it.

Mr. Balfour's Reply to Deputation

which dealt rather with the fiscal policy "which this country and this party ought to adopt."

He took first the position of the millers. They were said to have expended capital in view of the tax becoming part of the permanent fiscal system of the country, and what they regarded as pledges to that effect. He categorically asserted that the tax was not intended to have a protective effect on the milling industry. In regard to the farmers he pointed out that at the time of the introduction of the tax every member of the Government who spoke had absolutely dissociated himself from the idea that the tax was intended to be in its result of a protective character. The tax in view of the general protest against it could not be regarded, as it was hoped to regard it, as part of our fiscal system. In the third instance—that of the policy the country ought to adopt—in regard to a preferential scheme to unite the Empire, such political movement must come by general mandate of the people; but, till the conscience and intellect of the mass prompted it, there was no use in maintaining a tax which he admitted was "fiscally speaking, a good tax," for it to become the sport of parties.

Mr. Balfour's reply to the deputation was satisfactory to no one, and the public remained in a state that may be described as "flabbergasted."

On the one side was the Prime Minister defending the abandonment of the tax on corn, which had boldly been imposed a year ago, and which had broadened the basis of taxation, and might have acted as the thin end of the wedge for introducing the preferential system advocated by Mr. Chamberlain; and on the other hand was the Colonial Secretary, starting on what seemed to be another "unauthorised" programme, the purport of which was entirely dissonant with the note sounded by his colleagues in the Cabinet. And those who were familiar with Mr. Chamberlain's character knew that with him, when he finds a thing is the right, the practical, the worthy thing to do, there is no going back; he forges ahead, and leaves no route for retreat. Indeed, on starting a fresh campaign his methods are the conquer-or-die methods of the ancient buccaneers, who, on engaging a ship, ordered the surgeon to bore a hole in their own vessel, in order that there might be an extra inducement to attack with vigour and board the enemy in all haste!

Mr. Chamberlain went into the fray with the air of a man who staked his career on his success. Yet, in the fume and turmoil of the upheaval he had created it was difficult to see an inch ahead, or to predict what new convolutions would soon be presented on the face of the political world. Some declared that the Colonial Secretary's new departure was a purely ambitious scheme invented for the

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purpose of breaking up a weak Government, and riding into power at the head of a party educated to his views, but this accusation was soon knocked to pieces by the assurance of Mr. Balfour, that he was practically in sympathy with the Colonial Secretary, though he looked at the scheme of putting a tax on the food of the people as a scheme of the remote future—one that could never be accomplished, save by the conviction of the people themselves. There were two insuperable difficulties in the way of the consummation, the Prime Minister averred, the ineradicable aversion of the people of England for a tax on food on the one side, and the ineradicable affection of the Colonies for Protection on the other.

Meanwhile the fracas of tongues was as of pandemonium let loose.

First came the concert of the Liberal press, and a sudden—almost magical—rapprochement of all the discordant elements of the Liberal Party, who, like stormy waters, gathered themselves into an heap for the purpose of annihilating Mr. Chamberlain. They were actuated primarily by the fact that he was Mr. Chamberlain, and afterwards by a dread of Imperial preference, and, as a consequence, the return of Protection. Discussions with them resolved themselves into denunciations.

Then came the gasps and groans and sighs and queries of the amazing conglomeration that formed the Unionist Party—Protectionists and fossilised Free Traders, High Churchmen and secularists and materialists, representatives of agriculture and of the urban democracy—the patriotic mass which had stood together for so many years for the purpose of the union of the Empire, which now, startled and dismayed, threatened to burst apart, leaving the fragments of all previous convictions to be scattered to the winds.

The Tories, who for years past had been counselling a modified form of Protection, and had argued the right to reciprocate, or to retaliate, in order to maintain our commercial equality in the scale of progress, were elated, expectant, and guardedly sympathetic. Some stood hesitating, as the child that goes to the water's edge, meaning to bathe, puts forth the interrogatory toe to test the coldness of the water before deciding on the big dip.

The moderate Conservatives were racked with the pros and cons of a system of preference which meant certainly a departure from Free Trade, and possibly a revival of the old evils of Protection. Some believed that the policy might end in promoting irritation rather than consolidation within the Empire. Others were determined to study the subject before committing themselves to any opinion whatever. The *Times*, however, showed signs of growing approval of Mr. Chamberlain's ideas, and the *Morning Post* broke out at once into bold

Mr. Chamberlain's Proposals

applause, which was joined in more or less heartily by all journals that were not of the cut-and-dried Free Trade stamp.

All sides of the prospect—the Imperial and domestic, the political, social, and economic prospect—were put forth in a series of speeches, pamphlets, and magazines; and Mr. Chamberlain, when he simply said, “I desire that a discussion on this subject should be opened,” little anticipated the volume of denunciation, ridicule, sarcasm, and abuse that, in the guise of discussion, would promptly be hurled at his head.

II.—MR. CHAMBERLAIN'S PROPOSALS—“REJECTED ADDRESSES”

The Opposition brushed itself up amazingly. Little Englandism rampant, gloated over a fresh instance of what they called Mr. Chamberlain's “tergiversation.” Hurriedly they rushed to old and mouldy tomes and yellowed newspapers for reassurance, for guidance, for refreshment. The name of Cobden was on every lip; speeches made by the “Hope of the Radicals” some twenty years ago were eagerly devoured, copied, quoted, analysed!

“Was this the same Joseph Chamberlain who had said this and this, and this and this?” cried his opponents, pointing to pronouncements on the 13th June 1885, the 12th of November in the same year, and other declarations in praise of our then flourishing commercial system? Was this the man who discussed on the 6th of January 1902, the crisis in British industries, and expressed himself with comparative optimism on the state of affairs?

How did he account for his words on November 12th, 1885:—“We cannot retaliate upon them without running the risk of retaliation upon ourselves, which would be very much worse for us than anything we could do for them”?

This opinion we may remember was based on the experiences of 1870 and thereabouts, and Mr. Chamberlain then spoke as the confirmed Free Trader, who had not yet been associated with Lord Salisbury and heard him deplore his inability to retaliate against hostile tariffs; one who had not yet been called upon to look at a world virtually in arms against us, or held conference with the Premiers of the Colonies regarding the trade relations between Little England and her large and steadily growing children, or faced the problem of some 250,000 British workers, half of them on the verge of starvation, the rest forced to emigrate or to seek the refuge of the workhouse.

In the same year and from the same mental standpoint Mr. Chamberlain dilated at the Cobden Club Dinner (13th June 1885)

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on the then effect of Protection in America and in France. Taking America, he called attention to one or two particular cases in which special industries had been practically ruined by the protective tariffs, and then describing the state of things in France, he explained that there was a duty on corn in France, and the French farmer had also a protective duty upon every other agricultural product, yet the position of the farmer was everywhere precarious.

“The general conclusion I want you to bear in mind is this, that, although we cannot show any great change of opinion in foreign countries with regard to the extension of Free Trade, yet at least we can find in their experience conclusive evidence and proof of the soundness of Mr. Cobden’s doctrines and a great cause for congratulation to this country. At all events, the depression which has prevailed here as elsewhere throughout the world has not been intensified and accentuated by all kinds of artificial restrictions or by unjust and injurious tariffs.”

This pronouncement was found entirely delightful to those whose minds had fossilised in the soil of the mid-Victorian era. Here they were furnished with a sample of Mr. Chamberlain’s inconsistency, which could be flaunted *ad infinitum* to the confusion of his admirers.

Argument and counter-argument, charge and counter-charge, vile aspersions and frank denunciations against the damnable heresies preached by the Colonial Secretary, occupied the early spring, and daily throughout May floods of oratory burst forth more liberally than the blossoming trees.

On the 19th of the month Lord Rosebery plunged *in medias res*—plunged with inquiring critical mind to weigh and consider the plan that Mr. Chamberlain had “adumbrated.” He was not prepared to accept Free Trade in all its rigidity as a divinely-appointed dispensation, but showed doubts as to whether a reciprocal tariff with the Colonies would enhance the means by which the Empire was united. He thought that direct representation of the Colonies in the Imperial Parliament might precede the revision of the fiscal system, which system should first be discussed by financial and commercial experts both at home and in the Colonies. But he was not sure that Great Britain did not already do her full duty by the Colonies in assuming the burden of Imperial defence at the cost of seventy millions a year, and he was indisposed to declare himself—bearing in mind the prosperity that had attended the practice of Free Trade—either Protectionist or Free Trader until all the conditions relative to imposing, or repealing duties, or granting preferences should have been sifted. Lastly, he suggested that Chambers of Commerce should examine the question whether a tariff system, while benefiting the Colonies as proposed, might not have the effect

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of reducing the volume of British trade, and thereby rendering the cost of the defence of the Empire more hard to sustain. He also discussed how such an arrangement would affect the relations between Great Britain, her Empire, and the Powers. It was a matter that required the study of statesmen before a new course could be adopted. An Imperial Customs Union would in some cases be a cast-iron boundary round our Empire against outside trade.

It was quite possible that the advantages of such a course in uniting the Empire at large might counterbalance the disadvantages that would have to be weighed against it. Of this he knew nothing, but all he pleaded was a careful examination of these proposals in a cool and calculating spirit before one course or another was advanced. As a preliminary to a successful foreign policy, without which no such policy could be a success, we should endeavour to enter into the minds of the nation we were dealing with.

This sane and judicial pronouncement was followed two days later (21st) by Mr. Asquith's declaration that Mr. Chamberlain's fiscal proposals would have the unqualified opposition of the whole Liberal Party.

On the 22nd Mr. Chamberlain, in the House of Commons, rose to defend himself from Mr. Lloyd-George's sneers that he had gained popularity by advocating the question of old age pensions, and had dashed the hopes of those whose expectations he had aroused. The Colonial Secretary declared that the question was not a dead question, and that the obstacles in the way were not, in his view, insuperable. After all, if they were to accept, as he was prepared to do, the scheme proposed by the committee presided over by Mr. Chaplin, it would be an enormous practical advance towards old age pensions. The difficulty with regard to that scheme had been the financial difficulty. The committee presided over by Sir Edwin Hamilton had reported that the cost of it would be ten millions. In making an estimate in a matter of this kind even the greatest experts should not be considered as being absolutely beyond criticism; but one thing was certain, and that was that the adoption of the scheme of Mr. Chaplin's committee would involve the Treasury in a very large charge, probably amounting to many millions. Before any Government could consider a scheme of that kind, it should know where it was going to get the funds. For that, no doubt, there would have to be that review of our fiscal system which he had indicated as being necessary and desirable at an early date.

The concluding remark was much commented upon, and there was an inclination to infer that Mr. Chamberlain contemplated the

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wedding of the old age pension scheme with the new tariff proposals—an inference that was somewhat strengthened by the publication of his reply to a working man on the two subjects. “Even if the price of food is raised, the rate of wages will certainly be raised in greater proportions. This has been the case both in the United States and Germany,” wrote Mr. Chamberlain.

“As regards old age pensions, I would not myself look at the matter unless I felt able to promise that a very large scheme for the provision of such pensions to all who have been thrifty and well conducted would be assured by a revision of our system of import duties.”

Mr. Winston Churchill said he was not prepared to discuss the subject of preferential tariffs. The question might have far-reaching, perhaps revolutionary, effects on British politics and finance. “I think he will need all his weighty arguments, all his eloquence, all his unexampled dialectical skill, and all his reputation and authority if he is to persuade the British people to abandon that system of free trade and cheap food under which they have thriven so long and have advanced from the depth of woe and poverty to the first position among the nations of the world.”

On the 28th of May Mr. Chamberlain's proposals engaged the attention of the crowded House of Commons. Sir Charles Dilke took the wind out of the sails of the nominal leader of the Opposition by inquiring how far Ministers were in accord with the revolutionary opinions expressed by the Colonial Secretary. He wound up by declaring that our people would never return to a policy condemned by our fathers. Mr. Balfour, in reply, cautioned people against waving moth-eaten flags—and showed the futility of efforts to make mischief between himself and Mr. Chamberlain. He considered that all members of the Cabinet were entitled to draw public attention to matters of public concern and have independent views of their own, even as he himself had his views regarding a Roman Catholic University for Ireland. He had no desire to deny to others the liberty he claimed for himself. He paid a generous tribute to the “personal influence and genius” of Mr. Chamberlain, and defended his action as a course resulting from the conclusions reached at the Conference of Colonial Premiers which by a Colonial Secretary could not be ignored. In a most explicit manner he showed his entire appreciation of Mr. Chamberlain's ideals, whether in regard to the hostile tariffs of other nations, the unity of the Empire, or the prosperity of our own population. He declared in conclusion: “I am convinced that the trend of thought I have ventured to develop, in, I believe, absolute conformity with the views of my right hon. friend, is eminently worthy of con-



PROTECTION MASQUERADING.

RIGHT HON. SIR M. HICKS-BACH, M.C. "May I ask the lady's name? We have to be so very particular here."

RIGHT HON. JOE (as PIERROT). "Oh, well—er—put her down as Baroness von Zollverein."

(From *Punch*, July 9, 1902. Reproduced by permission of the Proprietors of *Punch*.)



NEVILLE CHAMBERLAIN

Photo W. J. WHITLOCK, BIRMINGHAM.

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sideration not merely within these walls, but by public discussion, and by acquiring information, as we mean to acquire information, as far as we can. Then, if public opinion ripens, if the Colonies and if the people of this country are of opinion that we ought to do something to put the British Empire in an economic position which will make it in any way equal to the magnificent economic position obtained by the United States, I think we shall have done well. I am not certain that this scheme is practical, but I am certain that unless this scheme proves to be practicable, or unless some other scheme having the same results can be brought to fruition—if the British Empire is to remain as it is at present a series of isolated economic units—it is vain for us to hope that this branch at all events of the great Anglo-Saxon race is destined to have the great and triumphant economic progress which undoubtedly lies before the United States of America.”

Mr. Chamberlain, with a return of all his early buoyancy, lucidly described his scheme. This was no new subject, he said. For many years he had called the attention of the country to the conditions that would result from the increasing disposition to shut out our trade from foreign countries. It was impossible to ignore the fact that “under our existing system we were helpless and totally impotent to bring any influence to bear on foreign countries if they attacked our Colonies, or if they attacked us in any manner which we considered would be unfair or would seriously endanger our industries.”

As to definite outlines of a plan, it was too early yet to offer them, but general principles might be briefly discussed. “I conceive it possible to make preferential arrangements with our Colonies which will be beneficial to both sides, but if there is to be a reciprocal preference it is clear that we must not only receive but must have something to give. It is clear also that what we have to give must be given on some great product of the colony. A preference must be given either on food or raw materials or on both.”

Though he was not prepared to lay down any law of the Medes and Persians, nor bind himself for all time and shut his eyes to future developments, he said, so far as he could see, it would not be desirable to put any tax on raw material.

“If a tax was put on raw material it would have to be accompanied by drawbacks on the finished export, though that is not at all impossible, because every other country in the world does it. Yet it is a complicated fashion of dealing with a matter which, I think, can be dealt with in a much more simple way. Therefore we come to this—that if you are to give a preference to your Colonies you must put a tax on food. . . . I am prepared to go into any

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labourer's house in the country and address an argument on the subject to the working men. I will put before them certain hypothetical calculations, as, for instance, that they are paying a 1s. or a 2s. duty on corn. I will tell them, 'This policy will cost you so much a week more than you are paying to-day for your food.' I will put aside any economical question as to whether they would or would not as individuals pay the whole of any duty. But my argument would be: 'I will assume for the sake of my argument that you pay every penny of the duty, and having assumed that I will tell you what your cost will be. I know how many loaves you consume. I know how much meat you eat. I know what you take of this, that, and the other on which it may be proposed to put a duty, and I will give you a table from which you can tell for yourself how much extra wages you must get in order to cover the extra expense of living.' There is the argument to which hon. members opposite will have to give their serious attention. If they can show that the whole of this business will mean greater cost of living to the working men and no increase of income I have not the least doubt whatever that all their most optimistic prophecies will come true; but if I can show that in return for what I ask I will give more than I take, then, I think, poorly as they may regard my judgment, I may still have a chance. That suggests another issue. Suppose you put a duty, not for the purpose of Protection at all, but for the purpose of gaining these advantages and having something to give to your Colonies, you put a duty on these products. I suppose it would produce a very large revenue. We do not want it for the normal expenditure of the country, therefore we shall have a large sum at our disposal. To whom shall we give that sum? In the first place, who is going to pay this tax? The working classes are going to pay three-fourths of it. That is the calculation that on all taxation on consumption the poorer classes pay three-fourths and the well-to-do one-fourth. That being so, according to my mind, as a matter of common justice, the working classes are entitled to every penny of the three-quarters, and I would give them without hesitation the other quarter because I have always held, and it has always been part of my speeches on the subject of social reform, that while it would be absolute confiscation to put the cost of social reform wholly on the shoulders of one class, and that the richer class—the minority—yet, on the other hand, it is fair and right that they should make a contribution in return for the indirect advantages they gain from the great prosperity and contentment of the country. Therefore I should consider that any Government which imposed these duties, in addition to all the collateral advantages to which I have referred, would have a very large sum at their disposal, which they ought and must apply to social reform. That led me to say the other day, when speaking on the subject, that old age pensions or anything else which cost large sums of money which have hitherto seemed to be out of the reach of immediate practical politics would become practical if this policy were carried out.

"There is another argument which hon. members opposite will have to meet. When I am talking to a working man and asking him to compare advantages and disadvantages, another argument—I tell it you in anticipation—will be not only would you get back any benefits intended entirely and alone for you, but the whole sum you have paid you will get in addition to the whole of what is paid by the richer classes. That may or may not have any influence in the controversy, but at all events the working man in addition to any direct advantages he may get through increased trade will be enabled to press on the

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attention of this House a good number of social reforms which at present cannot be considered with any advantage. I have said that this tax is not intentionally protective, but I do not want to deny that incidentally and so far as it goes it is protective. That is to say, you cannot put a duty on corn beyond a certain amount. I know that some people contest the question very strongly as to how much of the duty is protective or not. Still, I should say it will be generally admitted if you are to put a considerable duty on corn that would be to a certain extent protection for the farmers. Though that is not the intention it is the consequence of the tax. There is no doubt whatever that the state of agriculture has been, and is, a serious question for this country. The continued reduction of our home food supply is a matter which has been found of so much importance as to justify the appointment of a Special Commission, and it is perfectly clear that anything which increases our home food supply would have some advantages which might be set against any disadvantages which accompany protection on articles of food. . . .

“There is the other question—the second question. How are we to defend our Colonies? How are we to operate in the case of Germany, for instance? What have we to say to Germany? We have already made representation after representation to the German Government with reference to the case of Canada, but that Government has not felt itself able to do anything. I do not see how the German Government can until the German people find out that they cannot wreak vengeance on Canada without suffering to some extent in their own pocket. But there again, do not let my noble friend go off with the idea that if I had a mandate to deal with this question I should go to Germany and clap on a big duty on every German product, and make this a protected country to the extent of every import Germany sent here. Not at all. I should go to Germany as a negotiator, and say to her, ‘If you cannot meet us I am afraid I shall have to put a duty on that.’ It would not be necessary to affect the whole trade with Germany, and of course I should have to consider where I could put these duties with least danger to ourselves, and bring home most effectively to the German mind the impolicy of their conduct towards Canada. . . .

“It is absolutely necessary that we should have power to put duties on certain things if we are to retaliate in any way where our Colonies are injured. There is only one other point that I have to meet: Is it conceivable that we should have to defend our own trade against unjust competition?—not against the free interchange of commodities at their natural price, but against something which I believe is absolutely new, and to which I am afraid insufficient attention has been given up to the present time.

“Has the House considered what is the practical working of the great trusts which are now being formed in America and in Germany and on the Continent—the enormous aggregations of capital wielded by one man, and which can be brought to bear in a way to destroy any particular industry in this country without running any risk whatever on its own account? We are the one open market of the world. We are the one dumping-ground of the world. Now what happens? Let me try and make it clear. Let us suppose that a manufacturer sells goods to the extent of £50,000 a year and makes a profit of £5,000 a year on them. His fixed expenses would be probably another £6,000; but now, if he could increase his business and sell £100,000, his profits would be not merely double £5,000, but they would be added to by the reduction in the fixed expenses on the second £50,000, and the profits on £100,000 instead of being £10,000 would probably be £15,000. The result would be that he

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could afford to sell the second £50,000 not merely without a profit but at a loss. That is what is happening. In America the manufacturers are making and building up their works, and when there is a demand, a boom, as there has been recently, works are at once increased to meet that boom, and so long as the home trade will take all that the works make, so long is that the most profitable arrangement for the manufacturer, and no goods come to this country. But the moment trade is bad—if there were a depression to-morrow in the iron trade there is not the slightest doubt—it has been stated publicly by the president of that tremendous Steel and Iron Corporation, and it is actually being done at this moment by the great German trusts—it is perfectly certain that great quantities of iron would be put down in this country or in the countries that we supply at prices that we could not possibly contend with. The consequence of that would be that inasmuch as no manufacturer here could possibly stand a loss of that description for many years together, his business would be ruined, and the whole of the capital lost as well as the profit. Of one thing I am certain. If there should be a depression in some of our greatest industries, and the result which I predict should follow, nothing on earth would prevent the people of this country from imposing a duty which would defend them against such unfair competition. Now, sir, though I have not presented a plan in the sense suggested by some gentlemen, I have indicated the lines on which my mind is moving. I have indicated the discussion which I wish to raise, and which I promise I will raise before the constituencies."

Dissentient views were expressed by Lord Hugh Cecil and Mr. Winston Churchill, the latter prophetically declaring to the delight of the Opposition, that Mr. Chamberlain's scheme would involve vast and fundamental changes, not only in the character of political parties, but in the character of English public life. The old historic Conservative Party, with its deep religious convictions and its constitutional traditions, would disappear. In its place would be seen a new party not unlike the Republican Party in the United States, a party rich, ambitious, secular, materialist, whose elections would turn on tariffs, whose members would be the champions of particular interests, and they would see the lobby of that House crowded with the touts of important industries. Surely there ought to be an overwhelming case made out in favour of such a change. Never was the wealth of the country greater; never were the trade returns higher; never did the income-tax yield more per penny; never was the loyalty of our Colonies more pronounced. Were we tired of these good days? There was no colonial demand, he asserted. There was at present no popular movement, though he did not know what popular movement the Colonial Secretary, with his unrivalled dialectical skill, his immense popularity, and his unflinching courage, might not be able to excite. Not in the past hundred years had a more surprising departure been proposed on a more slender and inadequate provocation.

On the following day Sir Edward Grey attacked the absorbing

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topic of Mr. Chamberlain's proposals, and wittily said that their present title should be "Rejected Addresses." Between the new policy and the Liberal Party a great gulf was fixed. Emphatically he declared the thing was impossible; and concluded by saying we were at the beginning of a struggle which, he feared, might transform and disfigure our political outlook for a long time to come. So far his prognostication was correct.

CHAPTER III

I. — JUNE TO AUGUST 1903 — SUSPENSE — DISSENSIONS IN THE CABINET AND ELSEWHERE—THE INQUIRY OR INQUEST OF THE NATION.

MR. CHAMBERLAIN had sown the storm, and he verily reaped the whirlwind. Interest in all other concerns seemed to have died out; his proposals became an incessantly "burning question" which threatened before long to bring about a general conflagration, in which friendships, interests, theories, hopes, even wits would be annihilated.

The Government, as time showed, was in the state vulgarly known as "at sixes and sevens." Mr. Ritchie had already expressed his disagreement. He reiterated it on the 9th of June, in course of the discussion on the second reading of the Finance Bill. As a confirmed Free Trader, he declared he would not be a party to a policy which he considered would be detrimental both to the Mother Country and her Colonies. His predecessor in office—Sir Michael Hicks-Beach—announced his deep and conscientious conviction that such a policy, "which is dividing our party on this side of the House, would destroy the Unionist Party as an instrument for good"—a curious statement, seeing that Sir Michael himself, with Mr. Balfour, Sir Stafford Northcote, and other prominent politicians, voted, in March 1882, for an inquiry into the effects which the tariffs in force in foreign countries had on the principal branches of British trade and commerce, and into the possibility of removing, by legislation or otherwise, any impediment to the fuller development of the manufacturing and commercial industry of the United Kingdom.

Soon afterwards Lord Goschen, in the House of Lords (15th June), described Mr. Chamberlain's plan as a species of gambling with the food of the people, while the Duke of Devonshire hung his arguments on a great "If." If the proposed changes were economically sound, there was no doubt they would be politically expedient; but if, on the other hand, the political advantages, which he admitted were great, could but be purchased by privation, hardship, and discontent on the part of the people, then he could

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conceive no policy more certainly and swiftly calculated to tend to the dissolution and disintegration of the Empire.

In contrast to these were the views of many members of the Government—Lord Lansdowne and Mr. Long among them—Mr. Chaplin and Sir Howard Vincent, and other crusted Protectionists, who hailed Mr. Chamberlain's adventurous scheme with hearty applause.

Lord Rosebery's guarded opinions have been given. The mass of the Opposition opposed according to routine. They now took a most laudable interest in the Empire, and criticised lavishly proposals they viewed as detrimental to its well-being. Prominent among the patriotic critics were Lord Spencer, Sir Henry Campbell-Bannerman, Mr. Asquith, Sir Edward Grey, Mr. Bryce, Sir William Harcourt, and Sir Henry Fowler. The scheme had Liberal admirers, however, and these included the Duke of Sutherland, Sir Charles Tennant, Mr. T. A. Brassey, and more.

In view of the general upheaval of opinion, the Government decided that "there should be a careful examination of all sides of the problem" (June 9th), and that the matter of tariffs was one for long discussion, not to be decided by this or even the next year's Budget. Mr. Balfour announced that he had no settled conviction, but admitted that he leant to Mr. Chamberlain's arguments a sympathetic ear.

The mood of the hour may be gauged by the fact that on the 10th of June, when the House divided on Mr. Chaplin's amendment to the second reading of the Finance Bill, declaring in favour of the retention of the corn-tax, only 28 voted for the amendment, while 424 voted against it.

Lord Rosebery had meanwhile (Bishop Stortford, 9th of June) made a sweeping criticism of the new fiscal policy, reverting to the origin of Free Trade, and giving his audience a *résumé* of the conditions which obtained in 1846, which conditions in relation to food differed as much from those of the present day as the conditions of gas, steam, or postage of the early parts of the Victorian era differ from the electrical and telegraphic arrangements of the twentieth century.

Later came a species of overture, an exhortation to unity, from the noble Earl to his colleagues, and a declaration that if the proposals for the revision of our fiscal system could not unite the Liberal Party, nothing ever could do so. In reality Lord Rosebery's attitude towards the question was entirely different from that of Sir Henry Campbell-Bannerman. For the first, however unfavourable the conclusions he arrived at, believed that Mr. Chamberlain was actuated by an earnest and honest desire to promote the unity of

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the Empire, and refused to accept the doctrinaire view of Free Trade merely because it had been good in the days of Peel, Cobden, and Bright; while the last merely denounced, according to book and in as facetious a manner as possible, an Imperial project which all unbiased men were willing to approach with open and cautious mind.

On the 24th, at a Conference of Unionist members held at the House of Commons to consider Mr. Chamberlain's scheme, only 100 Unionists appeared, the Free Trader element having held itself aloof. A resolution was passed welcoming the decision of the Government to inquire into the fiscal system of the United Kingdom, and offering support in ascertaining the means of defending and promoting Imperial interests and securing the consolidation of the Empire. Two days later, at the Constitutional Club, Mr. Chamberlain received an address and a casket as a mark of appreciation of his services to the Unionist Party. The address, which had been drawn up prior to his departure on his mission of peace, was formally presented by Mr. Balfour. It set forth the "admiration and gratitude" felt by the Unionist members of the Constitutional Club for the great services rendered by Mr. Chamberlain to the nation; congratulated him on his colonial policy, which had been directed towards the unification of the Empire; enumerated the most remarkable results of this policy—above all, the creation of the Australian Commonwealth, and the striking manifestation of devotion and loyalty evinced by all the British beyond the seas, and eulogised his "firmness and constancy during the South African crisis, which defeated the most persistent attacks, and overcame the most unscrupulous calumny." "We ask you to accept the sentiment of our profound gratitude and sincere admiration for the inflexible tenacity, the proud courage, and the high faith which have marked and sealed your steady administration of the British Colonies." Then followed good wishes that he might be spared to give the strength and resolution of his unwavering devotion to the service of his Sovereign and his Dominions.

Mr. Chamberlain availed himself of this occasion to make a more complete exposition of his policy, to amplify it,¹ and to describe how, on the one hand, his policy aimed at establishing the integrity and unity of the Empire; while, on the other, its object was to further the prosperity of the people of these Islands. Without some such scheme, he believed that the Empire must crumble; but he asked no one to accept this view without investigating the various branches recommended by him. He then proceeded to put certain questions which would assist the discussion. "What is the

¹ The amplifications are developed in the Glasgow speech, October 6.

At the Constitutional Club

alternative to the proposal which I have ventured to make? Will my opponents say by what process they hope to secure—if they do hope to secure—the closer union of the Colonies with the Mother Country? I am told that if we give a preferential trade to our Colonies we may risk a trade with three hundred millions of foreigners, and only gain a trade with ten millions of our own fellow-subjects. Well, then, I would ask in the first place—Is it a fact that the exports of our manufactured goods to our own Colonies already exceed the total exports of our manufactured goods to all the protected States in Europe and the United States of America? In the second place—Is it the fact that our exports to these protected countries are continually, and of recent years rapidly, decreasing in quantity and deteriorating in their profitable character? And in view of these questions I ask, may it not be possible that it would be better for us to cultivate trade with ten millions of our own kinsmen, who take from us at the present time £10 per head?¹ Should we lose that opportunity for the sake of an attempt to conciliate three hundred millions of foreigners, who take from us only a few shillings per head?"

Passing to the second branch of the inquiry—the policy of retaliation, or more rightly speaking, the policy of negotiation—he explained: "*We want something to bargain with.* I have had a long experience in politics, I have had a long experience in business, and at no time during my career, either as a business man or as a politician, was I ever able to make a satisfactory bargain unless I had something to give. I want, therefore, that this Government should be placed in a position to negotiate with foreign countries, and to see whether we cannot break down that wall of hostile tariffs on which in existing circumstances we have been unable to make the slightest impression. And I will go further, and say that if we failed in our negotiations at least we should retain for our own country a vast production—a vast opportunity for employment which is now lost, and which is driving our people into foreign lands. . . . And then I am told that a policy of Free Trade—or, as I should certainly prefer to call it, the existing policy of free imports—is necessary to our prosperity, whether as a nation or as individuals. Again I ask is that true? We are not to take these dogmas as though they were divinely inspired. We are not to assume that political economy said its last word sixty years ago. Nor are we to admit that of all the sciences we know of political economy is the only one which must never be reviewed. When I am told that our prosperity is bound up with free imports, I ask in

¹ This statement was considerably criticised, since Mr. Chamberlain in his calculations had omitted to include the population of India.

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the first place, what is our prosperity?" He went on to ask if it was a fact that a fourth of the population was on the verge of starvation? Was it true that many of our once profitable industries had disappeared—that the whole of the capital invested in them had been lost? Was it also a fact that our workmen were forced to emigrate—to find employment in competition with the comrades they had left behind them; that the greatest and oldest of our industries—the iron trade and the textile industries—were threatened as they never were before, and that they might at any moment be overwhelmed by a great importation of goods manufactured abroad, and sold here below cost—the product of protected States? Lastly, he inquired, "has the progress of these protected States, as judged by the statistics of the condition of the working classes, of the rise in their wages, of the incomes of individuals, of the savings in the banks—by these, which are the usual tests of a nation's prosperity, has the progress of these protected States been in much greater proportion than the progress of Free Trade Great Britain? I have said that I do not answer my own questions, but the fact that they can be asked is a ground for an inquiry." He further showed how, during the past twenty years, movements which he had indicated had been accentuated, and how what was not true fifty years ago was becoming, and would become, true in an increasing degree with the passage of years. Then, with a view to meeting the cry of taxing the food of the people, he reverted to all the excellent work already done by his party on behalf of the poor. Was it likely or possible that he should now propose to the Government, for party or personal purposes, any scheme that might be detrimental to the interests of those for whom he had laboured so long?

"At a time when I was somewhat of a protagonist in my strenuous resistance to many parts of the policy of the then Conservative Party, I never failed—and I can point to my printed speeches to prove this—to give to the Conservative Party the credit due to them for having initiated that policy of social reform which has done so much for the education and the improvement of the condition of the working classes. Surely it is common knowledge that all that system of legislation which has promoted the health and the comfort of the working classes, which has caused, to some extent at any rate, the rise in their wages, was due to Conservative statesmen, like Lord Shaftesbury, for instance, who inaugurated those Factory and Workshop Acts which now, indeed, are considered by the working classes as the charter of their labour. And is it not worth remembering that this policy found its most violent opponents in the orthodox Free Traders of that time, who said, and said rightly, that it was contrary to the policy of Free Trade, as they interpreted it, that it prevented the consumer from buying in the cheapest market, and in pursuit—as I think the unfortunate pursuit—of their ideal they were ready to repudiate and oppose all those proposals, which had at bottom the humane desire to

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preserve the health and to save the lives of the people. They repudiated and opposed them on the strictly economic theory of how the national wealth could best be increased. But this system has been carried further by the Unionist Alliance, for we can look back, I think, with some satisfaction on what we have done during the last seventeen years in the direction of social reform. I would refer to the legislation which we have passed for the benefit of the working classes. I know it is sometimes said that that legislation has not been effective. That is to take a short-sighted view of it. It is not the direct effect of legislation, but it is the stimulus that legislation gives to voluntary arrangements under which tens of thousands, possibly I may be right in saying hundreds of thousands, of labourers found facilities for acquiring small allotments, which have very materially improved their social condition. Then we gave to the working people a free entrance to the elementary schools. We provided compensation for accidents suffered in course of their employment. And there remain on the statute book a perfect host of Bills all of them doing something in the same direction."

He then spoke of the Old Age Pension Scheme, and, though it was no part of fiscal policy, if such policy should become a success, it might render possible, as a result of the general increase of funds in the country, the provision of the necessary capital to start the project.

On the following day a demonstration against Mr. Chamberlain's fiscal proposal, organised by the Edinburgh United Liberal Committee, was held in King's Park, Holyrood. Speeches were delivered from four platforms, and resolutions condemning the proposal to tax food and raw materials coming from abroad, as it would impoverish the people, diminish British trade, and endanger our relations with foreign nations, were moved and carried at each.

Simultaneously Sir William Harcourt protested at Malwood; jeered at the new fiscal proposals, and likened their originator to the sole director of a bubble company with no capital account. Retaliation would not affect Germany alone, but America, our valuable friend and customer. He scoffed at the notion that wages would be higher, and scored a point with his audience when he advanced the fact that four living Chancellors of Exchequer had condemned Mr. Chamberlain's "wild cat project." Mr. Bryce and Sir E. Grey followed up the same line of argument, the latter complaining of the duration of the present position of suspense.

Mr. Winston Churchill was less impatient. He thought it stupid for Great Britain to declare that in no circumstances whatever would she retaliate against the commercial methods of a foreign country, for an unusual situation might demand an unusual remedy, but at the same time was unprepared to accept proposals for preferential or protective taxation of food.

July opened with tremendous activities. On the 2nd there were

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meetings of Unionist Free Traders, Commercial Free Traders, and the National Liberal Federation, the most important (from a political and party standpoint) being the first. Thereat Sir S. Hoare moved that a committee should be appointed to examine the probable effect of the suggested changes on the unity of the Empire and the social and industrial welfare of the United Kingdom, and to take steps for placing before the country the objections entertained by the meeting to protective taxation on our imports of food.

Sir M. Hicks-Beach dwelt with some warmth on the essential loyalty of the members present to the principles of the Unionist Party. He was not, he declared, going to be drummed out of it for adhering to principles which Conservatives have maintained for fifty years. It was the duty of those whom he addressed to save the party from the crushing defeat which awaited it if it were committed to the imposition of protective duties on food. In Mr. Chamberlain's scheme he foresaw a fertile source of disagreement by provoking a struggle between colonial and home interests, and sketched in detail the impracticability of making up to the consumer the increased payments which would be necessary for food by any readjustment of the duties on tea, sugar, and tobacco. Finally, he asserted that they were not the opponents but the friends of the Government, and it was their duty to educate the electors and save them from being misled.

Viscount Goschen recommended the members opposed to the protective taxation of food to be perfectly conciliatory but perfectly firm in resisting these most dangerous fiscal proposals. Mr. Chamberlain had said this was a big fight. If so, veterans must take their place, and he himself would do what he could to help the cause. Some prophesied that Mr. Chamberlain would sweep the country. How could he sweep away the fifty members present? He ridiculed the notion, and expressed his dissatisfaction with the attitude of the Government on the subject of the inquiry.

At the Special Emergency Meeting of the National Liberal Federation, Mr. Asquith and Sir H. Fowler inveighed against Mr. Chamberlain's scheme, and the cheap and eternal cry of "taxing the food of the poor" was re-echoed throughout the Liberal lines. Strong efforts were continually made to raise a debate on the fiscal question in the House, and Sir M. Hicks-Beach, Sir Henry Campbell-Bannerman, and others, "heckled" and tormented the Prime Minister, urging him to afford opportunities for full and free discussion of the matter, but without avail. Mr. Balfour said that no useful purpose would be served by going into a subject which had no party significance, one on which the Government had as yet formed no decision, and he finished by characterising the demand as a mere party move;

Pungent Criticism

a neat exposition of fact that irritated the Opposition considerably. Meanwhile it was understood that an inquiry was being conducted by the Cabinet for its own information, and that when the Government had considered the subject their resolutions in due time would be communicated to Parliament and people. This reserved attitude caused an intense sensation, and excited the irritability and irascibility of members who declared that the inquiry in the Colonial Secretary's eyes was merely the euphemism for a campaign, and who, baulked of their chance of annihilating Mr. Chamberlain at the onset, made use of every opportunity to attack what they imagined or invented as the idol he had set up, or wanted to set up, in place of their deity—Cobden.

Lord Hugh Cecil was especially acidulated, and accused Mr. Balfour of endeavouring by every means in his power "to restrict and limit within the closest dimensions the deliberate powers of the House." He attacked the Prime Minister on the 28th, and caused the wildest rapture among the Opposition, who previously had "looked as miserable as a row of fowls on a wet day," by averring that when he saw the number of persons who were putting forward various modifications of what was believed to be the Colonial Secretary's policy, some recommending that more and some that much less was to be put on by the way of taxes, he recalled the lines—

"But those behind cried 'Forward,'
And those before cried 'Back.'
And backward now and forward
Wavers the deep array,
And on the tossing sea of steel
To and fro the standards reel,
And the victorious trumpet peal
Dies fitfully away."

Mr. T. G. Bowles then twitted Mr. Balfour with having "no settled convictions" on the momentous subject (July 20), and caustically summed up his view of the state of affairs. He concluded his fulminations on the 28th by declaring that the House was in the humiliating position of being the one spot on God's earth where the new fiscal policy could not be debated!

On the 13th of July, a Parliamentary paper was issued, which contained the communications which had passed between the Governments of Great Britain and Germany since 1897 in respect to Germany's attitude towards Canada. Briefly, the correspondence showed that on April 15, 1903, Sir F. Lascelles was informed that it would be difficult to gain the consent of the Reichstag to the prolongation of the law granting to Great Britain the most-favoured-nation treatment if Germany were differentiated against in certain parts

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of the British Empire, and more especially if the report were confirmed that not only in Canada but in South Africa German goods would in future be treated less favourably than British goods. Lord Lansdowne, in reply, intimated that refusal to accord to the United Kingdom most-favoured-nation treatment if another of her Colonies gave preferential terms to British imports would be unjustifiable, in view of the generous terms on which German imports were admitted into this country.

The publication of this correspondence was enlightening, and caused the public to wake up to the seriousness of our position in face of the fiscal menaces of foreign Powers; but nevertheless the Unionists pursued their course of attacking Mr. Chamberlain and the Government for the purpose of extracting from somebody a cessation of the conspiracy of silence that they refused to look upon as the silence of deliberation, but rather the subtle silence of intrigue. Meanwhile the Radicals sharpened their weapons of offence, and watched their opportunity. As one of their number veraciously remarked, "All that politicians are inquiring about is as to the most effective statistical or sophistical brickbat to fling at the other fellow's head."

On the occasion of the resumption of the debate on the second reading of the Sugar Convention Bill, there was a grand passage at arms between Mr. Churchill and the Colonial Secretary, in which the former committed himself to some of the high-sounding and hyperfervid oratory that had characterised the speeches of his clever father. He opposed the Bill tooth and nail, and brilliantly attempted to view it as an insidious assault on Free Trade, and part of a general scheme for raising the cost of articles of consumption at home in the real or supposed interests of the Colonies. He described it as a working model of Mr. Chamberlain's plan, submitted for inspection before the plant was laid down on a larger scale. In this larger scheme we had one thing certain—the prospect of dearer food, for the increased cost of sugar had to be considered in conjunction with the Colonial Secretary's plan to put a tax on corn, meat, butter, cheese, and eggs! He "brought down the House"—the Opposition side of the House—by saying that politicians had before them the experience of foreign countries, and that they would only have themselves to blame if they were led into the same disasters and confusion. "While European countries were labouring under the disadvantages of the bounty system, Free Trade England, anchored by irrefragable logic to economic truth, rode on the gale, doing nothing, indolent, placid, prosperous, triumphant."

Mr. Chamberlain contradicted Mr. Churchill's theory that the Bill was merely a model for his new fiscal plan. It was the result of the



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Convention ratified by the House, and in these circumstances the rejection of the measure would be justifiably viewed by the Powers concerned as a breach of faith. He defended the colonial aspects of the case, said that the West Indies, which, if neglected, would sink back to a condition of barbarism, were capable of supplying this country with the main part of its demand, and declared that even if certain sacrifices were entailed, he considered that any portion of the Empire suffering an injustice should be relieved. "Justice is a principle; Free Trade and the dogmas of Free Trade are a policy. You may change your policy, but your principles, such as the principle of justice, ought to be eternal." Finally, he asked the House to read the Bill a second time, because to reject it would be to perpetuate what would be considered an act of bad faith on the part of this country; because he believed it would secure free trade in sugar, and increase the sources of our supply of that most necessary part of the food of the people; because it would protect us from the possibility of monopoly, and enable us continuously to obtain sugar at fair prices from all the markets of the world; and lastly, he recommended it to the House, because he thought it a tardy act of justice to our own Colonies and to a great British industry.

The second reading of the Bill was carried by 224 against 144, and the third, after some heated debates, by 119 to 57 (August 6).

The Sugar Convention has now been in operation for a year, and its effects on the surface have been hardly satisfactory. Since the prohibition of bounty-fed sugar there has been a loss to the British consumer of some £6,000,000, though in the first six months of the year we imported from the West Indies sugar to the value of £67,000. But the experience of six months or a year are of little avail to assist in determining the effect of the Convention. According to economists, no judgment can be made till an average price for ten years can be taken into consideration. Meanwhile, by the abolition of bounties, the foreign bounty-giving countries have been deterred from securing a monopoly of the sugar trade and permanently increasing prices for British consumers, while they had been taught that the British are not yoked to abstract Free Trade doctrines so inveterately as to offer no show of fight in the face of attack.

The session closed on the 14th of August, with the statement by the Prime Minister, in reference to the proposed change in our fiscal policy, that there would be no pending question before the House during the life of that Parliament, a statement which was sufficiently ambiguous and seemed to imply a dissolution, if not in the autumn at least before the introduction of next year's budget. No one was satisfied, least of all those who were prepossessed against innovations—the question they declared hung like the sword of

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Damocles threatening to drop on them at any time. Reiterations of Cobdenite doctrines filled the air, interlarded with eulogies on the advantages of Free Trade as securing cheapness from the consumer's standpoint, exhausted arguments about the necessity for avoiding sacrifice, and hypothetical proposals that were verbose as they were useless in framing an equivalent for the tie of interest that Mr. Chamberlain declared must be the uniting link of the future between the great sister nations the offspring of Great Britain and herself.

Meanwhile, during the tornado that surrounded the modelling of the finest piece of constructive statesmanship that Englishman ever planned, a great Englishman was passing away. On the 22nd of August Lord Salisbury died at Hatfield, and the nation lost one who, in addition to his intellectual and patriotic qualities, had illuminated the latter part of the Victorian Age by that genius for thinking and acting Continentally which is the first essential to diplomatic success. Many times had the late Prime Minister held the peace of Europe in the hollow of his hand, and many times without stir had he amended matters by moderate concession, or preserved throughout alarming crises a conciliatory attitude till conflicting ambitions could be adjusted in a manner satisfactory to all parties, yet not inglorious to the Empire whose interests he was called on to represent. His great post was ably filled by Mr. Balfour, but the subtle influence of his dignified personality could never be replaced.

II.—THE FISCAL CONTROVERSY—VIEWS OF ECONOMISTS— OPINIONS OF POLITICIANS—MISAPPREHENSIONS AND MIS- STATEMENTS—JULY, AUGUST, AND SEPTEMBER 1903

In spite of the hue and cry, and the stern and hard and fast convictions expressed by the anti-Chamberlain party—backed by the howl of the anti-Chamberlain policy party—no detailed plan had as yet been placed before the country. The originator of the turmoil, as a result of the opinions expressed by the Colonial Premiers, had advanced his ambition to achieve the means of making bargains in the commercial relations between Great Britain and each of her Colonies, and had admitted the justice of the Colonial Premiers' findings, that Free Trade within the Empire was impracticable, and that the German Zollverein system could not be imitated. He had insisted on an inquiry into our present fiscal system with a view to determining whether the conditions of 1846, and later, obtain at the present time; and, while confessing himself on the whole a Free

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Trader, had refused to swallow doctrines which would out-Cobden Cobden. On the subject of retaliation and reciprocity his opinions have been given. He was never so blindly in favour of Free Trade as not to find justification for the adoption of new and strange measures in the event of new and strange conditions, and his attitude in regard to the sugar bounty system, and his keen interest in the Indian Tariff Act of 1899, proved that he would accept Free Trade only as Fair Trade, and that new and desperate remedies must be adopted in new and desperate circumstances. To obtain a better means of bargaining with foreigners, and to stimulate various portions of the Empire by means of mutual preference in order if necessary to render the Empire self-sustaining was, so far as he had gone, the skeleton of his programme. This skeleton was promptly seized on, and covered at haphazard by the infamous representations of his opponents till it represented a veritable scarecrow, and consequently a great deal of time which might have been spent in developing his idea had to be devoted to the contradiction on platform and in print of the misstatements that were freely circulated to prejudice a case that was as yet little more than a suggestion.

Mr. Chamberlain therefore was constrained to declare what he did not propose to do rather than to formulate his scheme. For instance, on the 15th of August he found it necessary, in a reply to Mr. Griffith Boscawen, to state that he had never suggested a tax on raw materials such as wool or cotton. He believed such a tax entirely unnecessary for the two purposes in view—for a mutual preference for our Colonies, and for enabling us to bargain for better terms with foreign competitors. “As regards food, there is nothing in the policy of tariff reform which I have put before the country which need increase in the slightest the cost of living.” At this time he decided that he would explicitly state his case for inquiry in the course of the autumn, and made arrangements to start on what may be termed an educational campaign for the purpose of instructing the public in his scheme and developing it. He promised subsequently for the opening of the New Year, “in the metropolis of the Empire, the centre of the commerce of the world,” to sum up his conclusions.

Meanwhile, men of science with open mind deliberated on Mr. Chamberlain's plans, and subjected them to judicial investigation, on economic or on political grounds. Sir Robert Giffen, as a Free Trader, dilated on the possible importance of such a move from a political point of view, even when the thing done appeared less advantageous pecuniarily than strict Free Trade would be.¹ He said, “The most ardent Free Trader, if convinced that Imperial

¹ *Nineteenth Century*, July 1903.

The Fourteen Professors

Federation is politically desirable, and that colonial adherence to it will be conditional on the Mother Country adopting some scheme of mutual trade preferences, may well subordinate for the moment his economic conclusions to a broad view of political expediency or necessity."

But from an economic point of view he saw little to be gained from Mr. Chamberlain's proposals, though he held it a national duty to submit them to careful examination. An optimistic, though impossible, note was sounded when the conversion of the Colonies to our views rather than our conversion to theirs was suggested. The writer admitted that Canada had acquired a claim to have something conceded "in the matter of a policy of united preference, from which we cannot in honour escape," and her treatment by Germany for having favoured Great Britain made a clear case for our coming to the defence of our own colony. He also advocated a permanent Commercial Council of the Empire, whose action might avert any colossal blunder by which in Belgian and German treaties Great Britain was classed as a foreign state in relation to her own Colonies. These temperate deliberations united to statistics coming from a Free Trader, set an example to other Free Traders to appreciate the importance and the necessity for raising the political question and giving it full and fair study from an unbiassed standpoint. As a result of this study, from a number of professors and teachers of economics, the following opinions appeared in *The Times* (August 15) condemning Preferential Tariffs lest they should lead to Protection, and Protection to inter-Imperial controversies.

After stating that their convictions were opposed to certain popular opinions, they wrote :—

"1. It is not true that an increase of imports involves the diminished employment of workmen in the importing country. The statement is universally rejected by those who have thought about the subject, and is completely refuted by experience.

"2. It is improbable that a tax on food imported into the United Kingdom would result in an equivalent—or more than an equivalent—rise in wages. The result which may be anticipated as a direct consequence of the tax is a lowering of the real remuneration of labour.

"3. The injury which the British consumer would receive from an import tax on wheat might be slightly reduced in the possible, but under existing conditions very improbable, event of a small portion of the burden being thrown permanently on the foreign producer.

"4. To the statement that a tax on food will raise the price of food, it is not a valid reply that this result may possibly in fact not follow. When we say that an import duty raises price, we mean, of course, unless its effect is overborne by other causes operating at the same time in the other direction. Or, in other words, we mean that in consequence of the import duty the price

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is generally higher by the amount of the duty than it would have been if other things had remained the same.

"5. It seems impossible to us to devise any tariff regulation which shall at once expand the wheat-growing areas in the Colonies, encourage agriculture in the United Kingdom, and at the same time not injure the British consumer.

"6. The suggestion that the public, though directly damaged by an impost, may yet obtain a full equivalent from its yield is incorrect, because it leaves out of account the interference with the free circulation of goods, the detriment incident to diverting industry from the course which it would otherwise have taken, and the circumstance that, in the case of a tax on foreign wheat (English and Colonial wheat being free), while the consumer would have to pay the whole, or nearly the whole, tax on all the wheat, the Government would get the tax only on foreign wheat.

"7. In general, those who lightly undertake to reorganise the supply of food and otherwise divert the course of industry do not adequately realise what a burden of proof rests on the politician who, leaving the plain rule of taxation for the sake of revenue only, seeks to obtain ulterior objects by manipulating tariffs.

"(Signed)

"C. F. BASTABLE, Professor of Political Economy, Dublin.

A. L. BOWLEY, Teacher of Statistics at the London School of Economics.

EDWIN CANNAN, Teacher of Economic Theory at the London School of Economics.

LEONARD COURTNEY, formerly Professor of Political Economy at Univ. Coll., London.

F. V. EDGEWORTH, Professor of Political Economy at Oxford.

E. C. K. GONNER, Professor of Economic Science at Liverpool.

ALFRED MARSHALL, Professor of Political Economy at Cambridge.

J. S. NICHOLSON, Professor of Political Economy at Edinburgh.

L. R. PHELPS, Editor *Economic Review*.

A. PIGOU, Jevons Memorial Lecturer at Univ. Coll., London.

C. P. SANGER, Lecturer in Political Economy at Univ. Coll., London.

W. R. SCOTT, Lecturer in Political Economy at St. Andrews.

W. SMART, Professor of Political Economy at Glasgow.

ARMITAGE SMITH, Recognised Teacher of the University of London in Economics."

The manifesto of the academic gentlemen was promptly criticised by the *Morning Post* thus :—

"They commence," the writer said, "by asserting that an increase of imports does not involve the diminished employment of workmen in the importing country. This is, we presume, the argument of the old economists like Mill, that even if such imports should destroy a home industry and cast the capital and labour employed in it adrift, that capital and labour will soon 'flow' into other and more profitable channels. That proposition may be true of a young and developing country, where the economic conditions are normal, but in an old country, beset on all sides by hostile tariffs, and with

A German Opinion

industry after industry cut to pieces or gravely wounded by the free importation of cheaper competing goods, it is simply untrue. This has happened to industry after industry in this country—silk, iron and steel, hardware, wool, glass, and many others, whose condition is now being investigated by His Majesty's Ministers. *It is not a case for the deductive reasoning of the professors, but for inductive reasoning based on hard facts.*"

The journal proceeded to show that a duty of perhaps 2s. a quarter on imported corn might touch the consumer no more than the previous year's duty of 1s. had done, since in the opinion of experts a small import duty is always paid by the producer, and that preference even of 2s. would lead to an extraordinary development of production in colonies like Canada.

There were many notable men who were disinclined to advance their opinions until Mr. Chamberlain had made a complete exposition of his proposals, and who for various reasons considered the time and circumstances not yet ripe for summing up conclusions on so intricate a labyrinth of political and economic puzzles. Among these were Professor Foxwell (London University), Professor Hewins (London School of Economics), Mr. L. Price of Oxford, and Dr. Cunningham of Cambridge, the first observing that with scarcely an exception "the historical group of English economists had declined to sign the manifesto." Dr. Cunningham, at Southport (15th September), hailed the proposals for fiscal reform with satisfaction. He saw in them the relief needed, since our present Imperial policy was tending towards Imperial disintegration. To preserve Canada as part of the Empire, it was essential that her loyalist sentiments should be reciprocated by giving her some appreciable advantage, or that the wall of American protection should be broken down. He advocated an Imperial Trade Council of advisory character, in which mother country and children should unitedly take part, one which should have for aim a cosmopolitan economic policy for the world alike. For the attainment of our object it would be expedient he thought to break down hostile tariffs by certain retaliatory duties, and to provide such temporary stimulus to colonial industries as would assist in the diffusion of employment throughout the Empire.

Later, Professor Gustav Schmoller, the eminent political economist and leading scientific exponent of Protection in Germany, declared that though an imitation of the German Zollverein was impracticable, a differential tariff system, such as that introduced between the Zollverein and Austria (1853), was quite an attainable ideal for the British mother country and her daughter lands. If framed with respect to the peculiar interests of each colony concerned, it would undoubtedly create fresh ties, both economic and political,

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which would check any impending danger of alienation. Though the professor considered that the interests of his country would be better served by the continuance of British Free Trade, he was convinced there would be ample room for negotiation between foreign countries and Great and Greater Britain, united under a system of differing preferential tariffs, and that no British Imperialist would desire to carry the system to extremes. A 10 per cent. tariff on manufactured goods, as proposed by Mr. Chamberlain, Professor Schmoller regarded as moderate, but he added that British statesmen must not be surprised if Germany should reply to the establishment by them of preferential tariffs within the Empire by endeavouring to promote a Middle European Zollverein.¹

Economists of one school held that wages depended on the supply of, and the demand for labour, independently of the price of food; those of another argued, if the price of food rises, a corresponding rise in wages will take place, and, with wages, the rise in price of the finished article, which in its turn will enjoy the advantage of what protection a moderate import duty on manufactures may occasion.

With some sound thinkers the leading idea is that the main, the vital, element of national prosperity is productive power. The foreign consumer may take from us some shillings' worth of goods per annum, and the colonial consumer some pounds' worth, but, after all, it is the size and activity of the home market that weighs—the important consumer is the home consumer. In the home market both parties to the bargain are benefited, and thus both parties profit; whereas in a transaction with the foreigner the profits are split up between two countries.

Sir Robert Giffen's views were shared by many level-headed and patriotic thinkers, who agreed that though taxes (save for the sake of revenue) were economically hurtful, there were occasions when such taxes might be politically expedient and indeed necessary. Some pointed out errors in Adam Smith's reasoning, and showed that a rise in the price of food had been almost invariably accompanied by a fall in wages—accounting for the phenomenon by the fact that if people spend more money on food they have less to invest or to spend on other goods, consequently there follows a diminished demand for labour. Others, while pointing out the economic effects of a tax, and disapproving of a tax on the food of the people, as a means of decreasing the wealth of the nation, admitted their willingness to concede that such tax might be desirable for political ends, and that it was the duty of the statesman to decide when that moment should arrive. Curiously enough, a large number of states-

¹ *Jahrbuch für Gesetzgebung, Verwaltung und Volkswirtschaft* (published July 1904).

A Statesman's Nightmare

men, many of them special students of economics, were doggedly set against the suggestions of Mr. Chamberlain. There were Sir Michael Hicks-Beach, who was prepared to oppose what Mr. Gladstone had called illegitimate cheapness; Mr. Ritchie, who held that a corn tax was only justifiable in emergency, and Lord Goschen (whose views have been quoted): these were all dead against the theory that the time for a new political departure had arrived.

Mr. Haldane looked on the policy as a perilous policy to the well-being of the nation, and argued that the theory that the country was standing still was a colossal fallacy. We were neither standing still nor were we shut out from other markets.

Sir Charles Dilke declared that it was forgotten that under our earlier colonial system the policy of keeping the Empire together by preferential duties had been tried and had failed. Mr. Chamberlain now thought this would increase wages; formerly he had declared the exact opposite. It might be admitted that by taxing ourselves we could hasten the already rapid development of Canadian wheatfields; but even by taxing our food, we could not help Australia, who had no desire for Free Trade with us. The first thing for us was to get rid for ever of the proposal with regard to preferential duties, which, it was admitted, must be on food. After that they would be prepared to inquire into and argue the case of retaliatory duties, defensible, perhaps, in some cases in principle, but in our own case opposed to the interests of the country.

Lord Rothschild, who some years ago is reported to have said that a Zollverein could only be practicable if America came in, admitted that during the last few years we had lost our commercial and industrial supremacy, but he was inclined to attribute the decline not so much to the protective duties put on by other countries as to our own lack of enterprise. We rested on our oars, and improved neither our ways of manufacture nor our ways of meeting customers. These opinions were shared by many others, who, looking at the matter without party prejudice, declared that Free Trade England, "doing nothing, indolent, placid," had remained so long "anchored by irrefragable logic to economic truth," that she had allowed foreign inventors and manufacturers to take the wind out of her sails.

Manchester fossils declared that Mr. Chamberlain during his visit to South Africa had seen the true shape of the Empire in a nightmare. Brooding over it, and picturing it as a great and glorious fiscal unit resembling the economic majesty of the United States, he had suddenly come upon a dissolving view of his ideal.

He had beheld a vision of himself and the Colonial Premiers at Downing Street and recalled the overtures he had made; how he

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had essayed to weld together the Empire as a strong military and naval unit, and failed—failed dismally. Our colonial brethren had shown him they had no desire to do the tax-paying and fighting; the last they would only do at more than treble the rate paid to a British regular. It had gradually become evident that so long as the tax-payers of the United Kingdom contributed to their protection by producing a costly navy and army, and they themselves were immune from responsibility, permitted to govern themselves as freely and independently as Republics, our colonial brothers would graciously consent to acknowledge the relationship. But if the Mother Country should dare to lift up a regulating finger, impose conditions such as were imposed by all other Empires, then the Mother Country might “go hang” for all her children cared. They were matured; they had left her apron strings; they were independent entities, glad enough to put their hands in the maternal pocket, but unwilling to contribute more than a stiver as a sentimental offering towards her support.

Canada and Australia, they further argued, were ready to secede if once they were required to admit British goods duty free, or practically to essay the principle of community of sacrifice. As for Canada, she was going the right way to be mopped up by America, whose maw was waiting eventually to make a meal of Great Britain herself! Mr. Chamberlain’s vision, they said, grew more intense as he stayed in Johannesburg and Cape Town. The scene had changed, but the close-fisted bargainings that met his Imperial advances there were identical, and when he returned from the “illimitable veldt,” and awakened from his dream to all the nebulous truths it had betrayed, he had started his “forlorn hope” of preferential tariffs, and played his last card—the throwing of part of the Englishman’s loaf as sop to the Colonial Cerberus!

On these big questions that demanded the closest scrutiny Trade Unionists—most of them—gave their verdict before even Mr. Chamberlain had set forth the main features of his policy. A few ventured to ask whether free imports did not defeat the very object for which Trades Unionism was created, and questioned the use of agitating to get good wages and fair hours if the consumer spent his money on cheaper articles produced by sweated labour from other countries; yet there were but two dissentients among members of the Trades Union Congress held at Leicester on the 18th of September to the resolution condemning the suggested change in our present fiscal policy, which it described as “most mischievous and dangerous to the best interests of the people of this country.”

This uncompromising antagonism to Mr. Chamberlain’s views on the part of the Labour leaders was remarkable, and served to

Free Trade and the Big Loaf

show that Trades Unionism was likely to become the creature of a party, bound hand and foot to a degree that recognition of its own advantages and obligations even must give way before the master claims of politics. No good word had they to advance for the Government to whom the workers owed their political and industrial advance; to the Government that had given them the Workman's Compensation Acts, and, among many other things, had developed practical legislation for the improvement of their dwellings and the comfort of their social life. Protectionist themselves—banded together even against fellow-labourers who are non-unionists—straining hand and foot to war with undue competition by their own countrymen, they denounced unheard a proposition to protect them against the unpaid or underpaid labour of other countries with a bitterness that was as unreasoning as it was unnatural. Various politicians accounted for their inconsistent attitude by saying that working men sided with Free Traders purely because the prejudice of caste caused them to distrust those that were in favour of Tariff Reform. They would not even *attempt* the effort of imagination that was needed to picture the community of interest between employer and employed that the new programme suggested.

Mr. Keir Hardie, however, had expressed in the House of Commons his opinion that no member of the House who supported Trade Unionism could claim to be a consistent Free Trader. Free Trade in the abstract was almost an impossibility. Trade Unionists of this country had no intention of allowing the sweating and underpaid labourers of Continental nations to enter into competition with them.

Later in the year Professor W. A. S. Hewins put the food aspects of the economic problem into a nutshell for the benefit of the working man. He wrote:—

“1. You are told that it was the old Corn Laws which caused the high prices you have heard about from your fathers and grandfathers. This is not true. There was then no country in the world which could send us enough corn to make bread cheap however much we wanted it. No country could afford to send it to us even if they had it, because the ships were not big enough and the cost of sending it was too high.

“2. You are told that it was Free Trade in corn which gave you the Big Loaf. This, also, is untrue. The price of the 4lb. loaf was actually as high after Free Trade as before it for a great many years, and for the same reason that I stated above. It is no good telling foreign countries they can send corn to England if they want all that they can grow for themselves, or if there is no means of sending it.

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“3. What made corn cheap in England was that the United States and other countries were opened up with good roads and railways; machinery of all kinds was invented which made the cultivation of their land possible and profitable; and great ocean-going steamships were constructed which enabled them to send us the corn we wanted very cheaply.

“4. Since then we have got more and more corn from abroad. But the United States has been able to send it cheaper than any other country, so that now we get the greater part of the corn we want from them.

“5. Now this is all very well, first, if the United States can go on sending us corn, and, secondly, if we can purchase it from them. But there are several things about this trade in corn which I want you to consider with the greatest care.

“6. The first point you should consider is that the United States cannot go on sending us corn much longer, because they will require all they can grow for themselves. They have what appears to us a huge corn-producing area, but they have reached the point when no more virgin soil is left, and their population is growing rapidly. In the last ten years they have increased by more than 13,000,000 people. In the next ten years they will add a still larger number to their population, and before your children are well started in life, the people of the United States will want every bushel of corn they can grow for their own consumption.

“7. The second point you should consider is that while we continue to get the greater part of our corn from the United States, you cannot be at all sure that you will have cheap bread. All of you have heard of the speculators who try to get the whole of a product into their hands so that they can fix the price of it at their will and pleasure. A few years ago a certain Mr. Leiter tried to do this with corn, and the price of the 4lb. loaf went up to 6 $\frac{3}{4}$ d. and 7d. As long as this sort of thing is possible, and it will always be possible unless we do something to stop it, it is very foolish to put all our loaves into one basket, and that basket a foreign one.

“8. The third point you should consider is that if you want corn from foreign countries you have got to pay for it with something they will take in exchange. Now it seems a very fair bargain to you, no doubt, that if we buy corn from the United States, Russia, and other countries, they should take our finer manufactures in exchange. But that is exactly what they will not do. They practically say to you, ‘We won’t have your manufactures; in fact, we intend to ruin them if we can. You must pay for the corn you want with the money you can earn by opening up new markets in savage countries, or by selling sweated goods.

Canada and Corn

“9. On the other hand, our own Colonies want to sell corn and other food to us,¹ and are quite willing to take our manufactures in exchange, on fair conditions. They can grow whatever we want, and if we can make an arrangement with them, you will get things better and cheaper than you do now, and have a growing market for the products of your own industry.

“10. So that all this talk about ‘preferential tariffs’ and ‘food taxes’ comes to this, that Mr. Chamberlain wants to ward off serious dangers both to your food supplies and the trades by which you live by a fair and square arrangement with our fellow-countrymen in the Colonies. The more you think about it the more clearly you will see that it is to the advantage of yourselves and your children to have a fair bargain which will give security for your food and an increase of your trade, in place of unfair conditions which at present guarantee neither of these things.”

Argument flamed on throughout August, and though Mr. Chamberlain was engaged in studying and developing the subject that he had at heart, the various persons who were opposed to him personally rather than politically discussed their objections to the adumbrated policy as rabidly as though it were a *fait accompli*. Some even indulged in a dance of death over the remains of a scheme they declared to be as dead as New Zealand mutton! The Worcester Liberals passed resolutions condemning Mr. Chamberlain’s proposals, and the member for Falkirk Burghs announced his secession from the Unionist Party. Sir William Harcourt inveighed against the innovation, and on every side was reiterated parrot-like the Gospel according to Cobden. In fact, party spirit seemed to have rendered wise men regardless of the fact that the credit for the British prosperity of the past twenty years is due not so much to Free Trade as to the contributory causes, such as the adoption of machinery, the enhanced facilities for transport and communication, the operation of commercial treaties, and the effects of legislative evolution if such might be termed modern methods for improving the commercial position of the country.

The caricaturists, too, did their political “cake walk,” and a shining light (who had been described as “one of the most valuable assets of the Liberal party”) surpassed himself by a witty delineation of Pat scratching his head in a paroxysm of economic deliberation: “Begorrah, it’s as plain as a pikestaff. We’re to be shtarved to death while we live to get Ould Age Penschins whin we die!”

¹ It is estimated that the total wheat crop of the Dominion of Canada amounts to 72,000,000 bushels, 36,000,000 of which are required for home use.



RECKLESS.

HIS GRACE THE DUKE OF D-V-NSH-RE. "If he goes on shooting like this, I shall go home!"

(From *Punch*, Aug. 12, 1903. Reproduced by permission of the Proprietors of *Punch*.)

CHAPTER IV

I.—SEPTEMBER—SHOCK—CABINET CRISIS—BABEL LET LOOSE— MR. CHAMBERLAIN AGAIN AS FREE LANCE

EXCITEMENT and anticipation concentrated round the first meeting of the Cabinet after the Prorogation. Every one decided that the upshot of the inquiry or "Inquest" would be published immediately, and that Mr. Balfour would vouchsafe a complete exposition of his views and those of his colleagues. But September the 14th and 15th passed, and the Cabinet, after two days' protracted sittings, broke up without revealing the nature of its deliberations.

Greeditly the disappointed public seized on a pamphlet published by Mr. Balfour on the 16th,¹ but besides some interesting arguments in favour of retaliation and its value in regard to negotiation, there was nothing to prove which way the wind blew. It was not an antagonistic blast to Mr. Chamberlain, however, for the treatise set forth how modern conditions differed from those of the Cobden era, and made it imperative to ask whether "a fiscal system suited to a Free Trade nation in a world of Free Traders, remained suited in every detail to a Free Trade nation in a world of Protectionists."

Mr. Balfour's pamphlet was followed by a sop in the form of what was called the Fiscal Blue Book (Sept. 17), dealing with the exports and imports of Great Britain, Germany, France and America during the past twenty years or so, the distribution of exports between foreign countries and between British Colonies, and other matters of information connected with the policy of foreign tariffs and trusts, railway, shipping, banking, &c. This bulky addition to the Prime Minister's pamphlet, full as it was of details bearing on the various points of the controversy, failed however to satisfy the public. If Mr. Chamberlain was for putting a tax on food, Mr. Balfour was for putting a tax on patience they said, and the surface of political affairs became more and more volcanic. Then, on the 18th, came the great shock!

CABINET CRISIS—MR. CHAMBERLAIN RESIGNS.

Thus in letters majestical—portentously black—the news was

¹ "Some Economic Notes on Insular Free Trade."

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heralded in the morning papers. Afterwards followed the reserved announcement :—

“ 10 DOWNING STREET, WHITEHALL, S.W.

“The following Ministers have tendered their resignations, which have been accepted by the King :—

The Right Hon. Joseph Chamberlain, M.P.

The Right Hon. C. T. Ritchie, M.P.

The Right Hon. Lord George Hamilton, M.P.”

Mr. Chamberlain's new move—what did it mean? The amazement of the public was extreme. Nor was this all; for two of the actors—Mr. Ritchie and Lord George Hamilton—professed to be as amazed as any. Their reasons for resigning were their objections to Mr. Chamberlain's preferential projects, and lo and behold they now read for the first time of the companion resignation of the incubus and the consequent elimination of all that related to preferential tariffs from the Government programme! Indignation took the place of amazement, and a section of the public clamoured that the Free Trade Ministers had been ingeniously shunted to make way for a Protectionist Cabinet. Mr. Chamberlain, it appeared, had tendered his resignation on the 9th in the following terms :—

“ HIGHBURY, BIRMINGHAM, *Sept. 9, 1903.*

“MY DEAR BALFOUR,—In anticipation of the important Cabinet which is to meet on Monday, I have most carefully considered the present situation as it affects the Government, and also the great question of fiscal reform. When you, in replying to the deputation on the coal tax, and I, in addressing my constituents at Birmingham, called attention to the changes that had taken place in our commercial position during the last fifty years, and suggested an inquiry into the subject, I do not think that either of us intended to provoke a purely party controversy.

“We raised, not for the first time, a question of the greatest national and Imperial importance in the hope that it would be discussed with a certain impartiality by both friends and opponents, and that the inquiry thus instituted might lead to conclusions accepted by a majority of the people of this country and represented accordingly in the results of the next general election.

“Whether our view was reasonable or not it was certainly not shared by the leaders of the Liberal Party. From the first they scouted the idea that a system which was generally accepted in 1846 could possibly require any modification in 1903, and the whole resources of the party organisations were brought into play against any attempt to alter or even to inquire into the foundations of our existing fiscal policy.

“Meanwhile the advocates of reconsideration were at a great disadvantage owing to admitted differences of opinion in the Unionist Party. The political organisations of the party were paralysed, and our opponents have had full possession of the field. They have placed in the forefront of their argu-

Resignation of Mr. Chamberlain

ments their objection to the taxation of food, and even to any readjustment of the existing taxation with a view of securing the mutual advantage of ourselves and our Colonies and the closer union of the different parts of the Empire.

"A somewhat unscrupulous use has been made of the old cry of the dear loaf, and in the absence of any full public discussion of the question I recognise that serious prejudices have been created, and that while the people generally are alive to the danger of unrestricted competition on the part of those foreign countries that close their markets to us, while finding in our market an outlet for their surplus production, they have not yet appreciated the importance to our trade of colonial markets, nor the danger of losing them if we do not meet in some way their natural and patriotic desire for preferential trade. The result is that, for the present, at any rate, a preferential agreement with our Colonies involving any new duty, however small, on articles of food hitherto untaxed is, even if accompanied by a reduction of taxation on other articles of food of equally universal consumption, unacceptable to the majority in the constituencies.

"However much we may regret their decision, and however mistaken we may think it to be, no Government in a democratic country can ignore it.

"I feel, therefore, that as an immediate and practical policy the question of preference to the Colonies cannot be pressed with any hope of success at the present time, though there is a very strong feeling in favour of the other branch of fiscal reform which would give a fuller discretion to the Government in negotiating with foreign countries for freer exchange of commodities, and would enable our representatives to retaliate if no concession were made to our just claims for greater reciprocity.

"If, as I believe, you share these views it seems to me that you will be absolutely justified in adopting them as the policy of your Government, although it will necessarily involve some changes in its constitution.

"As Secretary of State for the Colonies during the last eight years I have been in a special sense the representative of the policy of closer union, which I firmly believe is equally necessary in the interests of the Colonies and of ourselves, and I believe that it is possible to-day, and may be impossible to-morrow, to make arrangements for such a union. I have had unexampled opportunities of watching the trend of events and of appreciating the feelings of our kinsmen beyond the seas. I stand, therefore, in a different position from any of my colleagues, and I think I should be justly blamed if I remained in office and thus formally accepted the exclusion from any political programme of so important a part of it.

"I think that with absolute loyalty to your Government and its general policy, and with no fear of embarrassing it in any way, I can best promote the cause I have at heart from outside, and I cannot but hope that in a perfectly independent position my arguments may be received with less prejudice than would attach to those of a party leader.

"Accordingly, I suggest that you should limit the present policy of the Government to the assertion of our freedom in the case of all commercial relations with foreign countries, and that you should agree to my tendering my resignation of my present office to his Majesty and devoting myself 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.

—Yours very sincerely,

J. CHAMBERLAIN."

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The reply was reserved till the 16th, when Mr. Balfour explained his silence.

“ 10 DOWNING STREET, WHITEHALL, S.W.,

“ September 16, 1903.

“ MY DEAR CHAMBERLAIN,—I did not answer your letter of the 9th, which I received shortly before my departure from Scotland for the Cabinet meeting, as I knew that we should within a few hours have an opportunity of talking over the important issues with which it deals. The reply, therefore, which I am now writing rather embodies the results of our conversation than adds to them anything which is new.

“ Agreeing as I do with you that the time has come when a change should be made in the fiscal canons by which we have bound ourselves in our commercial dealings with other Governments, it seems paradoxical indeed that you should leave the Cabinet at the time that others of my colleagues are leaving it who disagree on that very point with us both.

“ Yet, I cannot but admit, however reluctantly, that there is some force in the arguments with which you support that course, based as they are upon your special and personal relation to that portion of the controversy which deals with colonial preference. You have done more than any man living or dead to bring home to the citizens of the Empire the consciousness of Imperial obligation, and the interdependence between the various fragments into which the Empire is geographically divided. I believe you to be right in holding that this interdependence should find expression in our commercial relations as well as in our political and military relations. I believe with you that closer fiscal union between the Mother Country and her Colonies would be good for the trade of both, and that if much closer union could be established on fitting terms its advantages to both parties would increase as the years went on, and as the Colonies grew in wealth and population.

“ If there ever has been any difference between us in connection with this matter it has only been with regard to the practicability of a proposal which would seem to require on the part of the Colonies a limitation in the all-round development of a protective policy, and on the part of this country the establishment of a preference in favour of important colonial products. On the first of these requirements I say nothing, but if the second involves, as it almost certainly does, taxation, however light, upon food stuffs, I am convinced with you that public opinion is not yet ripe for such an arrangement. The reasons may easily be found in past political battles and present political misrepresentations.

“ If, then, this branch of fiscal reform is not at present within the limits of practical politics you are surely right in your advice not to treat it as indissolubly connected with the other branch of fiscal reform to which we both attach importance, and which we believe the country is prepared to consider without prejudice. I feel, however, deeply concerned that you should regard this conclusion, however well founded, as one which makes it difficult for you, in your very special circumstances, to remain a member of the Government. Yet I do not venture, in a matter so strictly personal, to raise any objection. If you think you can best serve the interests of Imperial unity, for which you have done so much, by pressing your views on colonial preference with the freedom which is possible in an independent position, but is hardly compatible with office, how can I criticise your determination? The loss to the Govern-





LORD ROSEBERY

Photo JERRARD, LONDON.

Further Resignations

ment is great indeed, but the gain to the cause you have at heart may be greater still. If so, what can I do but acquiesce?—Yours sincerely,

“A. J. BALFOUR.

“*P.S.*—May I say with what gratification, both on personal and public grounds, I learn that Mr. Austen Chamberlain is ready to remain a member of the Government? There could be no more conclusive evidence that in your judgment, as in mine, the exclusion of taxation on food from the party programme is, in existing circumstances, the course best fitted practically to further the cause of fiscal reform.”

Liberals and Unionists were now in a fever. The first were suspicious, the second were aghast. Cried the Liberals, “What is his game? Does he mean to stump the country and capture the electors? Will he get Balfour to dissolve Parliament, and carry all before him as he did over the war?” To this came the confident reply: “It means a General Election, and the triumph of Liberalism and Free Trade.” Meanwhile the Unionists wagged wondering heads. “One thing is certain, the Liberals will never unite—they may get a majority, but they won’t hold together; then Chamberlain will romp in.”

“Never. Chamberlain has wrecked his party and himself.”

“He wins hands down; the country can’t do without him.”

“The resignation of Mr. Chamberlain and the withdrawal of his policy makes appeal to the country unnecessary,” said a Tory.

But Birmingham quivered with anticipation. They knew their man.

“He’s got his coat off! Now we’ll see the biggest fight of our time;” and bickerings by way of rehearsal for the muscular effort of the future began in Mr. Jesse Collings’ division. The resignations of Mr. Ritchie and Lord George Hamilton were soon followed by those of Lord Balfour of Burleigh and Mr. A. Elliot, who declared they felt that there was no longer any place for Free Traders in the Cabinet. Thus on the altar of principle four prominent politicians within a few days had immolated themselves. If the circumstance was regrettable from a party point of view it was laudable from an ethical one. A country that could produce so sterling an example of conscientious independence might well congratulate itself on its public men. The Duke of Devonshire still weighed and measured with characteristic ponderosity, and his action in remaining in the Government was considerably criticised by Unionist Free Traders.

Owing to the publication of the letters of resignation of Lord George Hamilton¹ and Mr. Ritchie,² and subsequent explanation by the last of the conditions in which he determined to resign, Mr.

¹ Lord G. Hamilton referred to his resignation on the 22nd of October at Ealing.

² Mr. Ritchie explained his resignation on the 18th of November at Thornton Heath.

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Balfour was subjected to some serious attacks, and antagonists were loud in persisting that the methods by which the Free Trade element had been squeezed out of the Cabinet were inconsistent with ministerial etiquette, and some even said, with the high and honourable character of the Prime Minister himself. The political controversy, fanned by the storms in the Cabinet, now raged more furiously than ever, and in the midst of Babel it was difficult to decide which party would outshout the other, or what number of voices would speak in a sufficiently unanimous key to make an appreciable or significant tongue. There were Imperialists who looked merely at the consolidation of the Empire—at the magnificent piece of constructive statesmanship that Mr. Chamberlain was striving to accomplish, and believed that as Britons—poor or rich—they were bound, once having gauged the national need of action, to move hand and foot at any sacrifice to help him; there were capitalists who saw in the scheme the ægis of Protection for British industry, and incidentally, a superb opportunity for helping themselves; there were Little Englanders ready to clutch hands with inveterate Jingoës in order to keep the foreign competitor out; and there were ardent Cobdenites so truly patriotic as to sink their Free Trade convictions in order that bonds of practical interest should strengthen ties of sentiment that united all her sons to the Motherland. There were Conservatives shouting Retaliation; there were Conservatives shouting Preferential Tariffs; there were Conservatives shouting Free Imports for ever! There were Liberals—Roseberyites, Campbell-Bannermanites, and Liberal Tariff Leaguers—who howled of Free Food, of Protection, and Preference, singing, though unintelligibly, their jargon a fourth higher, and considerably louder than that of their opponents. Some clung blindly to Mr. Balfour. Some, equally blindly, clung to Mr. Chamberlain, both parties speaking in the whispers of faith; others, believing in no one but themselves, yelled stridently their convictions, while others again succumbed to the British form of sleeping sickness, and to use Rudyard Kipling's phrase, "Snored loudly, and believed they were thinking."

There were the lie-down-and-be-sat-upon people; the sit-still-and-scratch-yourself people; and the eat-drink-and-be-merry people. These last vaunted our present prosperity, and believed that in this best of all possible worlds the British cock would always be heard crowing loudest at dawn. British workmen were better paid and fed than the workmen of protected nations, they averred. Let them therefore remain "indolent, placid, prosperous, triumphant," and wait till Mr. Chamberlain's infatuation had died a natural death.

The Prime Minister at Sheffield

"He has retired the better to jump," said some, quoting the French axiom.

"He has committed political suicide," cried others, hopefully washing their hands of him in invisible soap and water.

"If it be political suicide, then nothing in his life became him like the leaving it," responded his admirers.

An astute and far-seeing writer in the *Neues Wiener Tagblatt* stated his view of the case without fear or favour. "The exit of Mr. Chamberlain from the Balfour Cabinet does not mean a defeat for him, nor a fall in his victorious career. Whoever knows the man's past cannot accept such an idea. Chamberlain has never drawn back before an opponent; not before political rivals at home, not before France in the Fashoda affair, nor before Paul Kruger in the following year. *The resignation of the Colonial Minister is a logical move in a well thought out, masterly game. He is too big, too strong, too imperious, to serve under another Minister, or to owe his position to another's battle-cry.*"

"It will all fizzle out," prophesied Free Traders. But their opponents as prophetically replied: "Generations may pass away, Chamberlain may pass away, but his ideal will never pass away. Behind him are young men—strong, virile, determined. They will see to it that the edifice of Empire so grandly planned shall not remain a plan!"

II.—THE PRIME MINISTER'S SPEECH—THE DUKE OF DEVONSHIRE'S RESIGNATION—THE RECONSTRUCTED CABINET

The ferment was relieved by the knowledge that at the National Union of Conservative Associations (October 1) the Prime Minister would be bound to make a declaration of his policy—and so he did. But earlier in the day there had been lively proceedings, and a whiff of the battle that was to come permeated what was called "a breeze" between Mr. Chamberlain's supporters—Mr. Chaplin, Sir Howard Vincent, and others, who were in a decided majority—and the Free Trade Unionists. Lord Hugh Cecil and Mr. Winston Churchill ("the heavenly twins," as some one christened them) denounced in duet, the former declaring that if Conservatives countenanced Protection he would dissociate himself from the apostate policy. Other speakers addressed the audience, but their anti-protectionist oratory was punctuated with loud "cheers for Joe Chamberlain" and wild "hurrahs for Balfour."

Finally, in the evening, the Prime Minister discoursed at length to a great gathering, and delivered opinions that he had expressed

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at the onset, and repeated whenever challenged in regard to them. Why was it, he asked, that the topic of tariff reform—one that had so often been before the public—should suddenly have acquired such exceptional prominence? There were those who would attribute the new importance to a great speech delivered by a great man in the month of May. But there were other causes for the revival of the movement. In the first place, the war had brought us closer to the great Colonial Empire, whose representatives had discussed in the most categorical and explicit terms the question of tariff reform in connection with our Colonial Empire; and secondly, there had been for a long time past, among men of varied opinions, a growing uneasiness as to the condition of British trade in its relation to the trade of the world. For a long time past, in speeches, pamphlets, and articles regarding the subject of technical education, which he personally had done his best to promote, there had been this growing uneasiness, which was intensified by the publication of the particulars of the incident connected with Canada's Imperial effort to give preferential treatment to this country, when she had been threatened by at least one foreign Power with pains and penalties for her action. It was this incident that had brought home to our minds our utter helplessness to deal with fiscal injuries.

Tariff attacks could only be met by tariff replies; and on finding that there was danger lest a British colony should be penalised for her efforts after closer union with the Mother Country, every Englishman felt that if old weapons were insufficient to meet the peril, new ones must be forged. False had proved the prophecies of Cobden and his disciples: Free Trade had not been universally adopted; indeed, Protection was gaining strength from day to day. The great Free Trader's ideal had in it the elements of true nobility, but the world he visioned was unfortunately not the world in which we live. The one exception to the rule of disappointment was the Commercial Treaty which Mr. Cobden himself negotiated with France in 1860.

The Prime Minister then described the dangers from which we suffer, and declared that though he knew of no cure, he knew of a palliative, one which he had come to recommend. What was needed was freedom of negotiation. Fiscal union he looked on as the prelude of political union, but if its achievement involved the taxation of food, he feared the country was not ripe for such an innovation. Nor, in regard to foreign countries, was he prepared to enter into a tariff war. Such countries, as appeared to be taxing us with outrageous unfairness might be informed that unless they modified their policy to our advantage we should be compelled to take this or that step in regard to their exports to our markets.

Reconstruction of the Cabinet

Soon after this it was announced that Mr. Balfour had failed in his effort to induce Lord Milner to take up the post vacated by Mr. Chamberlain at the Colonial Office, a circumstance in which those interested in the future of South Africa found cause for rejoicing. The Prime Minister then selected Mr. Alfred Lyttelton, a politician who, before the war, had successfully carried on negotiations with the Transvaal Government in regard to certain commercial concessions, and had, moreover, engaged in the arbitration connected with the claims of Mr. R. G. Reid in Newfoundland. The other notable changes in the Cabinet were the elevation of Mr. Austen Chamberlain, who was promoted from Postmaster-General to Chancellor of the Exchequer, the transference of Mr. Brodrick to the India Office, and the removal of Mr. Arnold-Forster from the post of Secretary to the Admiralty to that of Secretary for War. Mr. Graham Murray from Lord Advocate became Secretary for Scotland. On the day that these moves were made public fresh excitement and gossip was caused by the resignation of the Duke of Devonshire. In a letter, dated October 2, the Duke explained that the reconsideration of his position and his final decision to resign were due to Mr. Balfour's pronouncement at Sheffield. It was this speech that had settled all doubts and convinced the Duke, of what he had originally suspected, that there was not sufficient agreement between the Prime Minister and himself on the general question as to make it possible for him to be "a satisfactory exponent" of the views of Mr. Balfour or of the Government in ensuing debates; and considerable disappointment was expressed at the unexpected scope and strength of the declarations made by Mr. Balfour.

"I had hoped," said the Duke, "to have found in your speech a definite statement of adherence to the principles of Free Trade as the ordinary basis of our fiscal and commercial system, and an equally definite repudiation of the principle of Protection in the interest of our national industries. But in their absence I cannot help thinking that such declarations as those which I have quoted cannot fail to have the effect of materially encouraging the advocates of direct Protection in the controversy which has been raised throughout the country, and of discouraging those who like me and, I had hoped, yourself believe that our present system of free imports, and especially of food imports, is, on the whole, the most advantageous to the country, although we do not contend that the principles on which it rests possess any such authority or sanctity as to forbid any departure from it for sufficient cause."

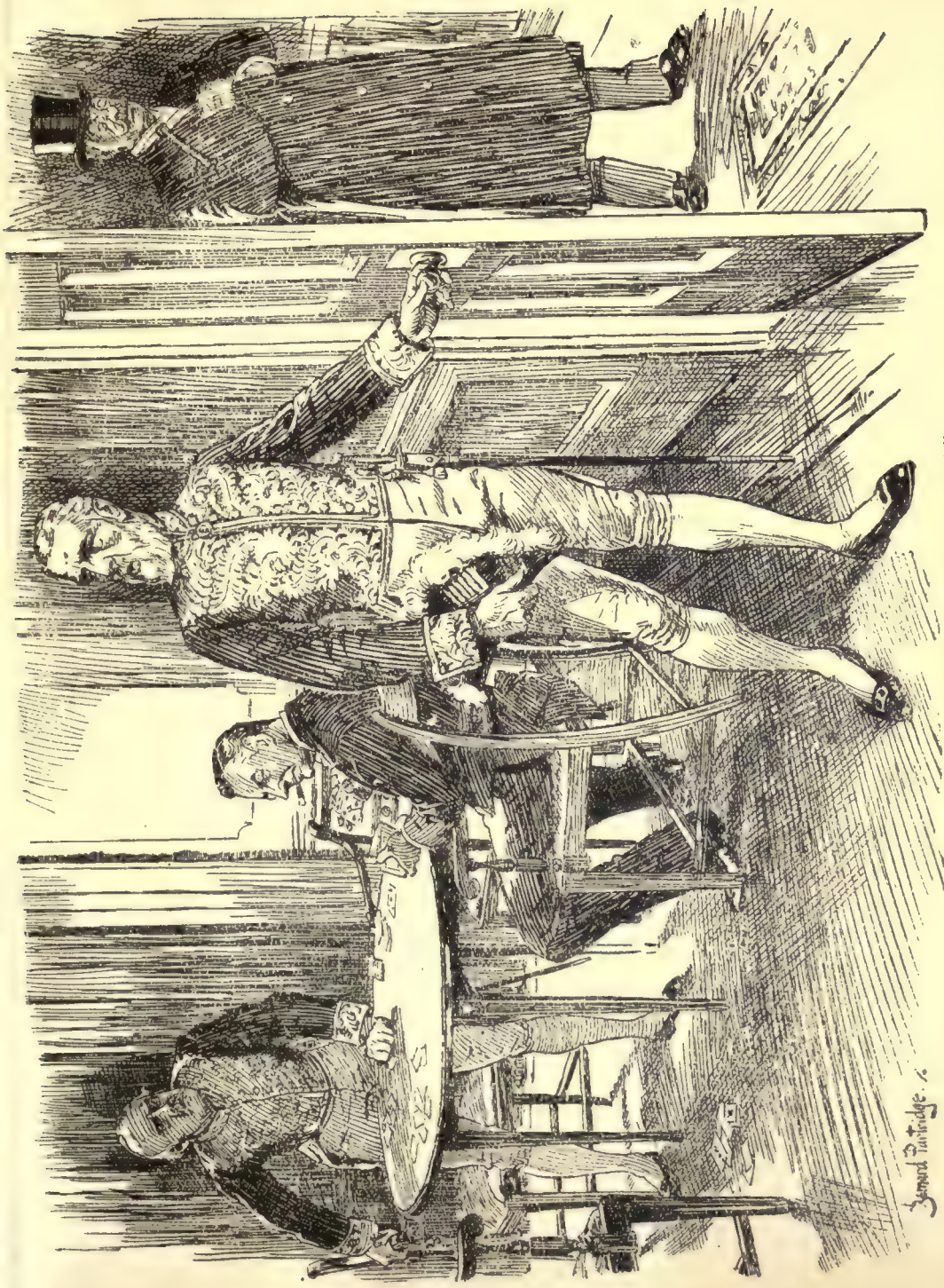
In reply (October 3), Mr. Balfour expressed his surprise at the new decision, in view of the intimate and confidential communications that had passed between them since September the 16th, when the Duke had resolved to remain in the Government. That resolve he had looked on as final, and had accordingly consulted the Duke

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on the delicate matter of filling up the vacancies in the Government, and had, moreover, accepted such proposals as he had initiated. Mr. Balfour said he failed to discover in his Sheffield speech any valid reason to account for the "sudden transformation." He considered that his recent declaration of policy was destined to produce greater harmony than had prevailed in the party since the fiscal question had been first mooted, but now the Duke's action in resigning was calculated to make more hard than ever the task of peacemaker.

"What and where is this discrepancy which has forced you in so unexpected a fashion to reverse a considered policy?" he wrote. "I do not believe it exists, and if any other man in the world but yourself had expended so much inquisitorial subtlety in detecting imaginary heresies I should have surmised that he was more anxious to pick a quarrel than particular as to the sufficiency of its occasion. To you, fortunately, no such suspicion can attach; yet am I unreasonable in thinking that your resignation gives me some just occasion of complaint, and perhaps some occasion of special regret to yourself?"

On the publication of this correspondence some of the Liberal Free Traders literally danced with jubilation, while the dissatisfied Unionist Free Traders sang pæans in honour of the weighty addition to their forces. Their sole regret was to be found in the fact that one of the Duke's name graced the new Cabinet, and that the heir of the retiring Minister should consent to throw in his lot with those pledged to the open mind. The Liberals professed to see in the resignation the hand of retributive justice. Mr. Ritchie and Lord George Hamilton, they declared, had been "jockeyed" out of their posts to make room for those who favoured Mr. Chamberlain's extravagant theories, and thereupon the Duke, with studied ponderosity, had prepared a stroke the severity of which had called forth the "wail of anguish" that was heard in between the sentences of Mr. Balfour's remarkable epistle. Unionists who regretted "the wail" were inclined to sympathise with the Prime Minister, and declare that he was entirely justified in feeling aggrieved by the abrupt and disturbing nature of the transformation. In a speech in the Lords (June 15), the Duke had admitted that at present we had not got Free Trade. "What the real Free Trader exacts³ is the free interchange of all commodities between all nations . . . What *we* have got is a system of free imports on one side and exports burdened on the other by every barrier that fiscal ingenuity can devise." He then also said he was bound to admit that much had happened in fifty years, indeed during the last fifteen which had elapsed. No progress whatever had been made in any part of the world in the direction of real Free Trade. Foreign countries had not lowered or relaxed the barriers they had set up against imports from this country.



THE "ACCOMPLISHED WHIST-PLAYERS."

(NOT according to Cavendish.)

J. M. Partridge.

London Oct 2

Life of Chamberlain

What was this but a re-echo of Mr. Chamberlain's contentions, and more followed in the same vein, which justified Mr. Balfour in the belief that the Duke would support his policy. When the Cabinet crisis occurred, when Lord George Hamilton and Mr. Ritchie resigned, and the Duke did not follow the course taken by his colleagues, the public as well as the Prime Minister believed that the Duke was in favour, if not of the unformulated principle advocated by Mr. Chamberlain, at least of an attempt at fiscal reform. They imagined that the Duke favoured such retaliation as might be necessary and expedient against the foreign tariffs which he admitted were injurious to British trade, and they therefore shared with Mr. Balfour the surprise at finding that the Sheffield speech had been the cause of sending the Duke, body and soul, over to the political "do-nothings." But the thing happened, and the great Unionist party that, through Mr. Chamberlain, had united to save the honour of the Empire, was now splitting asunder at its most vital points. Mr. Balfour, much discomfited, set to work and got together a new Cabinet, which some abused as a stop-gap Government of "beardless boys"—a very hotch-potch of incompetency, while others welcomed it heartily, declaring that new blood and young blood was exactly what was needed for the reconsideration of a fifty-year-old and played-out policy. The Tories owing to various causes had lost four great men—the late Lord Salisbury, the Duke of Devonshire, Sir Michael Hicks-Beach, and Mr. Chamberlain, yet they declared that they still felt confident in their ability to cope with the present Opposition.

In order fully to appreciate the new phase that was now entered upon, the following table, representing the Cabinet before and after reconstruction, may be examined.

THE CABINET

	CONSTITUTION IN JULY 1902	RECONSTRUCTED OCTOBER 1903
<i>Prime Minister</i>	Arthur James Balfour	Arthur James Balfour
<i>Lord High Chancellor</i>	Earl of Halsbury	Earl of Halsbury
<i>Lord Chancellor of Ireland</i>	Lord Ashbourne	Lord Ashbourne
<i>Lord President of the Council</i>	Duke of Devonshire	Marquess of Londonderry
<i>Lord Privy Seal</i>	Arthur James Balfour	Marquess of Salisbury
<i>First Lord of the Treasury</i>	Arthur James Balfour	Arthur James Balfour
<i>First Lord of the Admiralty</i>	Earl of Selborne	Earl of Selborne

Secretaries of State

<i>Home Affairs</i>	Aretas Akers-Douglas	Aretas Akers-Douglas
<i>Foreign Affairs</i>	Marquess of Lansdowne	Marquess of Lansdowne
<i>War</i>	Hon. St. John Brodrick	Hugh O. Arnold-Forster
<i>Colonies</i>	Joseph Chamberlain	Hon. Alfred Lyttelton
<i>India</i>	Lord George Hamilton	Hon. St. John Brodrick

Critics on the Cabinet

	CONSTITUTION IN JULY 1902	RECONSTRUCTED OCTOBER 1903
<i>Chief Secretary to the Lord Lieutenant of Ireland</i> . . . }	George Wyndham	George Wyndham
<i>Chancellor of the Exchequer</i> . . .	Charles Thomson Ritchie	Austen Chamberlain
<i>Postmaster-General</i> . . .	Austen Chamberlain	Lord Stanley
<i>Secretary for Scotland</i> . . .	Lord Balfour of Burleigh	Andrew Graham Murray

Presidents of Committees of the Council

<i>Board of Trade</i> . . .	Gerald William Balfour	Gerald William Balfour
<i>Local Government Board</i> . . .	Walter Hume Long	Walter Hume Long
<i>Board of Agriculture</i> . . .	{ <i>Robert William Hanbury (dec.)</i> }	Earl of Onslow
<i>Board of Education</i> . . .	{ Earl of Onslow }	Earl of Onslow
	Marquess of Londonderry	Marquess of Londonderry

Mr. Victor Cavendish, M.P., was appointed Financial Secretary to the Treasury, and Earl Percy, M.P., became Under Secretary for Foreign Affairs.

The new appointments were, of course, not allowed to pass without hostile criticism, Mr. Chamberlain's enemies declaring that his son was placed in the Cabinet as a species of "warming pan" for his father, while others jeered that Mr. Austen Chamberlain in accepting a post in a Government from which his father had cut himself adrift, had expressed by deed, if not by word, his disapproval of the dangerous doctrines which his parent was disseminating throughout the Empire.

CHAPTER V

I.—THE GREAT CAMPAIGN—SPEECH AT GLASGOW, OCT. 6

THE proverbial nine days of wonder were not allowed to critics of the Prime Minister's speech, for, on the 6th of October Mr. Chamberlain started on his great campaign. The sensation of being once more a Free Lance appeared to have nerved and rejuvenated him, and those who had seen him embarking on the momentous "unauthorised programme" in 1885, marvelled and rejoiced to see how beneficently the years had handled him. He left Birmingham at half-past eleven, and steamed to his destination amid shouts of "Good old Joey," "Three Cheers for Joe," that seemed to be caught up by the winds which, echoing and re-echoing them, carried the same burden all the way to the North. At Stafford, at Crewe, at Carlisle, at every point where the train drew up was heard the hearty ring of British voices, the lusty note of welcome and appreciation—appreciation not so much for the project which was as yet but adumbrated, as for the superb sincerity of the man who had staked his political life on the issue of it.

St. Andrew's Hall, the largest hall in Glasgow, was packed like a sardine-box, 60,000 persons having applied for tickets where 6000 only could jam together, and this expectant multitude accorded the statesman the right royal reception he deserved. After the soul-stirring tornado was over, Mr. Chamberlain opened his discourse by describing his own great daring in coming to the city where Free Trade first took root, and where Adam Smith taught so long, to combat Free Imports, and to advocate preference with the Colonies. Taking for his text, "Defence is greater than Opulence," he specially called the attention of those who surrounded him to the duty to defend and maintain that which the men of Scotland had so largely contributed by their genius, capacity, and courage to create. Though no longer a leader, he told them, he was still a loyal servant of the party to which he belonged, and whatever libellous insinuations might be circulated, there was one certain fact, that in no circumstance would he allow himself to be placed in competition with his friend and chief, the Prime Minister.

"What is my position?" he asked. "I have invited a discussion on a question which comes peculiarly within my province, owing to my past life, and

A Change of System

owing to the office which I have so recently held. I have invited discussion on it. I have not pretended that a matter of this importance is to be settled off-hand. I have been well aware that the country has to be educated, as I myself have had to be educated before I saw or could see all the bearings of this great matter, and therefore I take up the position of a pioneer. I go in front of the army, and if the army is attacked I go back to it. Meanwhile, putting aside all these personal and party questions, I ask my countrymen, without regard to any political opinions which they may have hitherto held, to consider the greatest of all great questions that can be put before the country, to consider it impartially, if possible, and come to a decision. It is possible—I am always an optimist—it is possible that the nation may be prepared to go a little further than the official programme. I have known them to do it before, and no harm has come to the party—no harm that I know has come to those who as scouts or pioneers, or investigators and discoverers have gone a little before them. Well, one of my objects in coming here is to find an answer to this question: Is the country prepared to go a little further?"

A response in the form of a choral "Yes" was combated by "Noes," vociferous and decided. This is what the pioneer had expected, and he dwelt on differences of opinion that were inevitable, describing them as merely differences of *method*. The two objects that he had at heart—the maintenance and increase of national strength—and the realisation of a dream of an Empire "such as the world has never seen," the consolidation of the British race, he inferred, were paramount objects with all of us. Then he pointed out the urgency of the consideration at the present time. We have to meet the clash of competition, commercial now, though sometimes in the past it has been otherwise, and it may be so again in the future. "Whatever it be, whatever danger threatens, *we have to meet it no longer as an isolated country. We have to meet it as fortified and strengthened and buttressed by all those of our kinsmen in those powerful and continually-rising States which speak our common tongue and pay allegiance to our common flag.*" How was this to be accomplished? A successful change in a system could be effected not merely by party support but by the support of a nation whose aspirations, feelings, and interests were in harmony with the policy. He spoke then of Venice, and of beautiful cities which had fallen to decay and crumbled away in ruin, and though at the moment he did not foresee such ruin overshadowing Great Britain, he pointed out how it might eventually come to pass. *All was not well with British industry*, and though the whole world was now prosperous, he detected signs—ominous signs—of change. Lucidly he put forth his facts.

"The year 1900 was the record year of British trade. The exports were the largest we had ever known. The year 1902, last year, was nearly as good, and yet if you will compare your trade in 1872, thirty years ago, with the trade of

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1902, the export trade, you will find that there has been a moderate increase of £20,000,000. That, I think, is something like $7\frac{1}{2}$ per cent. Meanwhile the population has increased 30 per cent. Can you go on supporting your population at that rate of increase when even in the best of years you can only show so much smaller an increase in your foreign trade. The actual increase was £20,000,000 with our Free Trade. In the same time the increase in the United States of America was £110,000,000, and the increase in Germany was £56,000,000. In the United Kingdom trade has been practically stagnant for thirty years. It went down in the interval. It has now gone up. In the most prosperous times it is hardly better than it was thirty years ago. Meanwhile the protected countries, which you have been told, and which I myself at one time believed, were going rapidly to wreck and ruin, have progressed in an infinitely better proportion than ours. Now, that is not all. Not only has the amount of your trade remained stagnant, but the character of your trade has changed. When Mr. Cobden preached his doctrine he believed, as he had at that time considerable reason to suppose, that while foreign countries would supply us with our food and raw material we should remain the workshop of the world, and should send them in exchange our manufactures. *That is exactly what we have not done.* On the contrary, in the period to which I have referred we are sending less and less of our manufactures to them, and they are sending more and more of their manufactures to us."

He then proceeded to discuss a table that had been constructed as a basis of his contention—it was necessary to examine and compare—to analyse trade, studying not merely the amount but of what that amount was comprised.

"What has been the case with regard to our manufactures?" he asked. "Our existence as a nation depends on our manufacturing capacity and production. We are not an agricultural country. That can never be the main source of our prosperity. We are a great manufacturing country. In 1872 we sent to the protected countries of Europe and to the United States of America £116,000,000 in exported manufactures. In 1882, ten years later, it fell to £88,000,000. In 1892, ten years later, it fell to £75,000,000. In 1902, last year, though the general exports had increased, the exports of manufactures had decreased again to £73,500,000, and the total result of this is, that after thirty years you are sending £42,500,000 of manufactures less to the protected countries than you did thirty years ago. Then there are the neutral countries—that is, the countries which, though they may have tariffs, have no manufactures, and therefore the tariffs are not protective—such countries as Egypt and China and South America and similar places. Our exports of manufactures to them have not fallen to any considerable extent. But on the whole they have fallen £3,500,000. Adding that to the loss on the protected countries and you have lost altogether in your exports of manufactures £46,000,000. How is it that that has not impressed the people before now? Because the change has been concealed by our statistics. I do not say they have not shown it, because you could have picked it out, but they are not put in a form which is understood of the people. You have failed to observe that the continuance of your trade is dependent entirely on British possessions. While to these foreign countries it

Labour Leaders' Arguments

has declined by £46,000,000, to your British possessions it has increased £40,000,000, and at the present time your trade with the Colonies and British possessions is larger in amount, very much larger in amount, and very much more valuable in the categories I have named, than our trade with the whole of Europe and the United States of America. It is much larger than our trade to those neutral countries of which I have spoken, and it remains at the present day the most rapidly increasing, the most important, the most valuable of the whole of our trade. One more comparison. During this period of thirty years in which our exports of manufactures have fallen £46,000,000 to foreign countries, what has happened with their exports to us? They have risen from £63,000,000 in 1872 to £149,000,000 in 1902. They have increased by £86,000,000. That may be all right. I am not for the moment saying whether that is right or wrong, but when people say that we ought to hold exactly the same opinion about things that our ancestors did, my reply is that I dare say we should do so if circumstances had remained the same."

He demonstrated that our Imperial trade was absolutely essential to our prosperity at the present time, and that if trade should decline or even remain stationary without increasing in proportion to our population, and to the loss of trade with foreign countries, we must sink to the position of a fifth-rate nation. Like the nations of the past, we should have reached our highest point and must decline as they had declined. This decline of trade is inevitable unless steps be taken at once to preserve it.

"Have you ever considered why it is that Canada takes so much more of the products of British manufacturers than the United States of America does per head? When you answer that, I have another conundrum. Why does Australasia take about three times as much per head as Canada? And, to wind up, why does South Africa—the white population of South Africa—take more per head than Australasia? When you have got to the bottom of that—and it is not difficult—you will see the whole argument. These countries are all protective countries."

He then combated the arguments of the labour leaders, who had stated that it was to the interests of the working class to maintain the present system of Free Imports, and declared that a six months' experience of the Colonies would make them sing a very different tune.

"The vast majority of the working men in all the Colonies are Protectionists, and I am not inclined to accept the easy explanation that they are all fools. I do not understand why an intelligent man—a man who is intelligent in this country—becomes an idiot when he goes to Australasia. But I will tell you what he does do. He gets rid of a good number of old-world prejudices and superstitions. I say they are Protectionist, all these countries. Now, what is the history of Protection? In the first place a tariff is imposed. There are no industries, or practically none, but only a tariff; then gradually industries grow up behind the tariff wall. In the first place they are primary industries, the industries for which the country has natural aptitude or for

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which it has some special advantage—mineral, or other resources. Then when those are established the secondary industries spring up, first the necessities, then the luxuries, until at last all the ground is covered. These countries of which I have been speaking to you are in different stages of the protective process. In America the process has been completed. She produces everything; she excludes everything. There is no trade to be done with her beyond a paltry six shillings per head. Canada has been protective for a long time. The protective policy has produced its natural result. The principal industries are there, and you can never get rid of them. They will be there for ever, but up to the present time the secondary industries have not been created, and there is an immense deal of trade that is still open to you, that you may still retain, that you may increase. In Australasia the industrial position is still less advanced. The agricultural products of the country have been first of all developed. Accordingly Australasia takes more than Canada. In South Africa there are, practically speaking, no industries at all. Now, I ask you to suppose that we intervene in any stage of the process. We can do it now. We might have done it with greater effect ten years ago. Whether we can do it with any effect, or at all twenty years hence, I am very doubtful. We can intervene now. We can say to our great Colonies: 'We understand your views and conditions. We do not attempt to dictate to you. We do not think ourselves superior to you. We have taken the trouble to learn your objections, to appreciate and sympathise with your policy. We know you are right in saying you will not always be content to be what the Americans call a one-horse country, with a single industry, and no diversity of employment. We can see that you are right not to neglect what Providence has given you in the shape of mineral or other resources. We understand and we appreciate the wisdom of your statesmen when they say that they will not allow their country to be solely dependent on foreign supplies for the necessities of their life. We understand all that, and therefore we will not propose to you anything that is unreasonable or contrary to this policy, which we know is deep in your hearts; but we will say to you 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. Don't increase your tariff walls against us. Pull them down where they are unnecessary to the success of this policy to which you are committed. Do that because we are kinsmen without regard to your 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.' Now, suppose that we had made an offer of that kind—I won't say to the Colonies, but to Germany, to the United States of America—ten or twenty years ago. Do you suppose that we should not have been able to retain a great deal of what we have now lost and cannot recover?

"I will give you an illustration. America is the strictest of protective nations. It has a tariff which is to me an abomination. It is so immoderate, so unreasonable, so unnecessary, that, though America has profited enormously under it, yet I think it has been carried to excessive lengths, and I believe now that a great number of intelligent Americans would gladly negotiate with us for its reduction. But until very recent times even this immoderate tariff left to us a great trade. It left to us the tinplate trade, and the tinplate trade amounted to millions per annum, and gave employment to thousands of British

A Great Opportunity

workpeople. But if we had gone to America ten or twenty years ago, and had said, 'If you will leave the tinsplate trade as it is, put no duty on tinsplate—you have never had to complain either of our quality or our price—we in return will give you some advantage on some articles which you produce,' we should have kept the tinsplate trade. It would not have been worth America's while to put a duty on an article for which it had no particular or special aptitude or capacity. If we had gone to Germany, in the same sense, there are hundreds of articles which are now made in Germany which are sent to this country, which are taking the place of goods employing British labour, which they would have left to us in return for our concessions to them. We did not take that course. We were not prepared for it as a people. We allowed matters to drift. Are we going to let them drift now? Are we going to lose the Colonies? *This is the parting of the ways.*"

And here Mr. Chamberlain dwelt on circumstances which his opponents seem to overlook, and made a prophecy which owed its being to the illuminating nature of the intimate work which he beyond any other living man had been enabled to carry forward towards the consolidation of the Empire. "*You have an opportunity—if you do not now take it, it will not recur.* I predict with certainty, that Canada will fall to the level of the United States, that Australia will fall to the level of Canada, that South Africa will fall to the level of Australia, and that will only be the beginning of the general decline which will deprive you of your most important customers, of your most rapidly increasing trade."

The Colonies, he said, were prepared to meet us. In return for very moderate preference they would give us substantial advantage, and, he believed, reserve for us the trade which we already enjoy. Not only would they enable us to retain the trade we have, but they were ready to give us a preference on all the trade which is now done with them by foreign competitors.

"I never see any argument of the free importers in reference to the magnitude of this trade. It will increase. It has increased enormously in thirty years, and if it goes on with equally rapid strides we shall be ousted by foreign competition, if not by protective tariffs, from our Colonies. It amounts at the present time—I have not the figures here, but I believe I am right in saying it is £47,000,000. But it is said that a great part of that £47,000,000 is in goods which we cannot supply. That is true; and with regard to that portion of the trade, we have no interest in any preferential tariff. But it has been calculated, and I believe it to be accurate, that £26,000,000 a year of that trade might come to this country, which now goes to Germany and France and other foreign countries, if reasonable preference were given to British manufactures. What does that mean? The Board of Trade assumes that of manufactured goods one-half the value is expended in labour—I think it is a great deal more, but take the Board of Trade figures—£13,000,000 a year of new employment. What does that mean to the United Kingdom? *It means the employment of 166,000 men at 30s. a week. It means the subsistence, if you include their families, of 830,000 persons; and now, if you will only add to that our present*

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export to the British possessions of £96,000,000, you will find that *that gives employment at 30s. a week to 615,000 workpeople, and it finds subsistence for 3,075,000 persons.*"

He explained that he was sensible that this statement would be described by the Leader of the Opposition as a "squalid argument," but he came as a business man, and as such he appealed to employers and employed. But he could also appeal to higher motives, to the supreme call of duty, and point out the responsibilities that necessarily accompany the pride of being citizens of the greatest Empire the world has ever known—an Empire which, with statesmanly organisation and consolidation, might be absolutely self-sustaining. *Nothing of the kind had ever been known before. There is no necessity of life and no luxury of existence that might not be produced somewhere in the Empire if the British Empire holds together, and if we who inherit it are worthy of its traditions.*

He discussed another product of the Empire—men. Proudly he alluded to those colonial brothers who had proved themselves worthy of the best traditions of the British Army, who in time of need had given us moral support and material assistance; and to millions of other men born in tropical climes of races very different from ours, and who, though they were prevented by political considerations from taking part in our recent struggle, would be in any death-throe of the Empire equally eager to show their loyalty and their devotion. Was such a dominion—such an inheritance, with its grand traditions, its commercial and sentimental possibilities—worth preserving? Others had laid the foundations, we had but to continue to build, to unite. And then he brought to remembrance a fact which the insular Briton is apt to ignore, that we are only part of a large whole—a whole which may be broken up by the storm and fret of time. The Colonies are not ours; they are sister States, *willing to hold to us, but able to break with us.* After eight years of experience, and communion with the most distinguished minds of the Colonies, Mr. Chamberlain said he had learnt to understand them, and to believe that they did not desire separation. But "*I have found none who did not believe that our present colonial relations cannot be permanent. We must either draw closer, or we shall drift apart.*" Here he gave the audience the key to the inmost closet of his statesmanship, and he pointed to the footprints of the great man Cecil Rhodes, who, before him, had faced the same spectacle—Separation. Twelve years ago, he said, that great man, as Prime Minister of Cape Colony, had written to the then Prime Minister of Canada and to the Prime Minister of New South Wales. Characteristically terse was his argument. "*The whole thing lies in the question, Can we invent some tie with our Mother Country that will*



MRS. JOSEPH CHAMBERLAIN

Photo CHANCELLOR, DUBLIN.



What will it Cost?

prevent Separation? It must be a practical one. The curse is that English politicians cannot see the future." Mr. Chamberlain repeated the question, and not content with quoting Mr. Rhodes, he gave verbatim Lord Rosebery's opinion, expressed at Leeds in 1888:—"The people in this country will, in a not too distant time, have to make up their minds what position they wish their Colonies to occupy with respect to them, or whether they desire their Colonies to leave them altogether. *It is, as I believe, absolutely impossible for you to maintain in the long run your present loose and indefinable relations, and preserve these Colonies parts of the Empire.* I do not say that you can obtain the great boon of a peaceful Empire encircling the globe with a bond of commercial unity and peace without some sacrifice on your part."

Nowadays a great deal was made of possible sacrifice and very little of possible gain, but Mr. Chamberlain went straight at the subject.

"What will it cost you? What do the Colonies ask? They ask a preference on their particular products. You cannot give them—at least it would be futile to offer them—a preference on manufactured goods, because at the present time the export manufacture of the Colonies is entirely insignificant. You cannot, in my opinion, give them a preference on raw material. It has been said that I would propose such a tax; but I repeat now, in the most explicit terms, that *I do not propose a tax on raw materials*, which are a necessity of our manufacturing trade. What remains? Food. Therefore if you wish to have a preference, if you desire to gain this increase, if you wish to prevent Separation, you must put a tax on food.

"There is the murder—the murder is out!"

After referring to the half-truths that his opponents put forward to misrepresent his statements, he outlined a plan of action consistent with his statement that "*nothing that I propose would add one farthing to the cost of living of the working man or of any family in this country.*"

"I recognise that you have a right to call on me for the broad outlines of my plan, and those I will give you if you will bear with me. You have heard it said that I propose to put a duty of five shillings or ten shillings a quarter on wheat. I propose to put a low duty on foreign corn, no duty at all on the corn coming from our British possessions. But I propose to put a low duty on foreign corn, not exceeding two shillings a quarter. I propose to put no tax whatever on maize, partly because maize is a food of some of the very poorest of the people, and partly also because it is a raw material for the farmers, who feed their pigs on it. I propose that the corresponding tax which will have to be put on flour should give a substantial preference to the miller. I do that in order to re-establish one of our most ancient industries in this country, believing that if that is done, not only will more work be found in agricultural districts, with some resulting tendency, perhaps, against the constant migration from the country into the towns, and also because, by

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re-establishing the milling industry in this country, the offals, as they are called—the refuse of the wheat—will remain in the country, and will give to the farmers or the agricultural population a food for their stock and their pigs at very much lower rates. That will benefit not merely the great farmer, but it will benefit the little man, the small owner of a plot, or even the allotment owner who keeps a single pig. (I am told by a high agricultural authority that if this were done, so great an effect would be produced on the price of the food of the animal, that where an agricultural labourer keeps one pig now he might keep two in the future.)

“I propose to put a small tax of about 5 per cent. on foreign meat and dairy produce. I propose to exclude bacon, because, once more, bacon is a popular food with some of the poorest of the population. It forms the staple food for many of the poorest of the population. And, lastly, I propose to give a substantial preference to our Colonies on colonial wines, and perhaps on colonial fruits. Well, those are the taxes, the new taxes or alterations of taxation, which I propose as additions to your present burden, but I propose also some great remissions. I propose to take off three-fourths of the duty on tea, and half of the whole duty on sugar, with a corresponding reduction on cocoa and coffee.

“What will be the result of these changes—in the first place on the cost of living, in the second place on the Treasury? As regards the cost of living, I have accepted, for the purpose of argument, the figures of the Board of Trade as to the consumption of an ordinary workman’s family both in the country districts and in the town, and I find that if he pays the whole of the new duties that I propose to impose, it would cost an agricultural labourer $16\frac{1}{2}$ farthings per week more than at present, and the artisan in the town $19\frac{1}{2}$ farthings per week more. In other words, it would be about 4d. per week of an increase on the expenditure of the agricultural labourer, and 5d. per week on the expenditure of the artisan. But then there are the reductions which I propose. Again I take the consumption as it is declared by the Board of Trade. The reductions would be in the case of the agricultural labourer 17 farthings per week, in the case of the artisan $19\frac{1}{2}$ farthings per week. *You will see, if you follow me, that on the assumption that you pay the whole of the new taxes yourselves, the agricultural labourer would be half a farthing per week to the better, and the artisan would be exactly the same.* I have made this assumption, but I do not believe in it—I do not believe that these small taxes on food would be paid to any large extent by the consumers in this country. I believe, on the contrary, they would be paid by the foreigner.”

And he quoted economists in support of his contention. Moreover, he quoted one of the highest of the official experts whom the Government consults, who stated that in his opinion the incidence of a tax depends on the proportion between the free production and the tax production.

“In this case the free production is the home production and the production of the Colonies. The tax production is the production of the foreigner, and this gentleman is of opinion that if, for instance, the foreigner supplies, as he does in the case of meat, two-ninths of the production the consumer only pays two-ninths of the tax. If he supplies, as he does in the case of corn, something like three-fourths of the consumption, then the consumer pays three-

Scientific Taxation

fourths of the tax. If, as in dairy produce, he supplies half of the production, then the consumer pays half of the tax. That is a theory like any other that will be contested, but I believe it to be accurate, and at all events, as a matter of curiosity, I have worked out this question of the cost of living on that assumption, and I find that if you take the proposition, then the cost of the new duties would be $9\frac{1}{2}$ farthings to the agricultural labourer and 10 farthings to the artisan, while the reduction would still be 17 farthings to the labourer and $19\frac{1}{2}$ farthings to the artisan.

“ You see my point. If I give my opponents the utmost advantage, if I say to them what I do not believe, that I will grant that the whole of the tax is paid by the consumer, even in that case my proposal would give as large a remission on the necessary articles of life as it imposes, and the budget at the end of the week or the result at the end of the year will be practically the same even if he pays the whole duty. And if the consumer does not pay the whole duty then he will have the advantages to which I have already referred. In the case of the agricultural labourer he will gain 2d. a week, and in the case of the town artisan he will gain $2\frac{1}{2}$ d. a week. . . . The last point I have to bring before you is that this advantage to the consumer will involve a loss to the Exchequer. You will see why. The Exchequer, when it reduces tea or sugar, loses the amount of the tax on the whole of the consumption, but when it imposes a tax on corn or on meat it only gains the duty on a part of the consumption, since it does not collect it either on the Colonial or on the home production. I have had that worked out for me also by an expert, and I find—even making allowance for growth in the Colonial and the home production, which would be likely to be the result of this stimulus which we give to them—if you make allowances for these articles which I do not propose to tax, the loss of the Exchequer will be £2,800,000 per annum. How is it to be made up? I propose to find it and to find more in the other branch of this policy of fiscal reform, in that part of it which is sometimes called Retaliation and sometimes Reciprocity. . . . A moderate duty on all manufactured goods—not exceeding 10 per cent. on the average, but varying according to the amount of labour in these goods; that is to say, putting the higher rate on the finished manufactures on which most labour would be employed in this country and the lower duty on goods on which very little or less labour has been employed—a duty, I say, averaging 10 per cent. would give to the Exchequer at least nine millions a year. Nine millions a year! I have an idea that the present Chancellor of the Exchequer would know what to do with such a full purse. For myself, if I were in that onerous position—which may Heaven forbid—I should use it in the first place to make up this deficit of £2,800,000 of which I have spoken, and in the second place I should use it for the further reduction both of taxes on food and also of some other taxes which press most hardly on different classes of the community. Remember this: a new tax cannot be lost if it comes to the Chancellor of the Exchequer. He cannot bury it in a stocking. He must do something with it, and the best thing he can do with it is to remit other taxation. Now, the principle of all this policy is that, whereas your taxation, whether it be on food or anything else, brings you revenue and nothing but revenue; the taxation which I propose, which will not increase your burdens, will gain for you trade, employment—all that we most want to maintain, the prosperity of our industries. The one is profitless taxation, the other is scientific taxation. I have stated the broad outline of the plan which I propose. As I have said, *this can only be filled up when a mandate has been*

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given to the Government, when they have the opportunity which they desire to negotiate and discuss. It may be that when we have those taxes, or when we are prepared to put a tax on manufactured goods, we might be willing to remit or reduce it if we could get corresponding advantages from the country whose products would thus be taxed. It cannot, therefore, be precisely stated now what it would bring in or what we should do, but this is clear, that whatever it was we should get something for it. We should get something either in the shape of reduction of other taxation or something in the shape of a reduction of those prohibitive tariffs which now hamper so immensely our native industry. There will be according to this plan, as I have said, no addition to the cost of living, but only a transfer of taxation from one item to another."

He concluded by saying that all the Colonies asked was a tie that should avert Separation. The sincerity of their offer was proved by the fact that they had already made advances.

"Canada has given a preference of 33½ per cent. South Africa has given a preference of 25 per cent. New Zealand has offered a preference of 10 per cent. The Premier of Australia has promised to bring before Parliament a similar proposal."

In face of these offers and the urgent need to grasp an opportunity of union that might never return he begged his audience to consider and decide.

"It is for all these things, and, believe me, for no personal ambition that I have given up the office which I was so proud to hold—and that now when I might, I think, fairly claim a period of rest I have taken up new burdens; and I come before you as a missionary of Empire to urge on you once again, as I did in the old times when I protested against the disruption of the United Kingdom—once again to warn you, to urge you, to implore you to do nothing that will tend towards the disintegration of the Empire, not to refuse to sacrifice a futile superstition, an inept prejudice, and thereby to lose the results of centuries of noble effort and patriotic endeavour."

II.—THE GREAT CAMPAIGN—AT GREENOCK, OCTOBER 7—OPPOSITION ORATORY—MR. CHAMBERLAIN AT NEWCASTLE, OCTOBER 20—AT TYNEMOUTH, OCTOBER 21.

At Greenock on the following day Mr. Chamberlain was the guest of the Greenock Chamber of Commerce, the banquet being held next door to the Town Hall, where he again addressed a deeply interested audience of over five thousand persons representing every grade of labour. Before he developed the theme expounded at Glasgow, he expressed his satisfaction in visiting Greenock to confer "with a population whose commercial history is rather different from that of many of our great cities, and has an especial bearing on the great question that I want to discuss." It must be noted that Greenock owed her prosperity to cane sugar, and her decline to

A Confession

beet sugar bounties. He then proceeded to say that this great national question of fiscal reform, one in which every British soul was concerned, appealed to him firstly, and urgently, in regard to our relation with the Colonies—who had made an offer in the spirit of brotherhood, and in the unselfish desire to promote the interests of the Empire, to lend us a helping hand, and not as suppliants hanging on our decision; and secondly, in regard to Retaliation, as some expressed it, or Reciprocity. This led to a confession of faith :¹—

“I was brought up in the pure doctrine of Free Trade. I will not say that I believed it to be inspired, but I believed the statements of those who had preached it and who induced the country to adopt it. I accepted it as a settled fact, and nobody would have surprised me more than if twenty, or, still more, thirty years ago he had told me that I should now be criticising the doctrine which I then accepted. But thirty years is a long time. Has nothing changed in thirty years? Everything has changed. Politics have changed, science has changed, and trade has changed. The conditions with which we have to deal are altogether different to the conditions with which we had to deal thirty years ago. Let no man say that because to-day you and I are in favour of retaliation, or what our opponents call Protection—let no one say that that is at all inconsistent with our having been Free Traders under totally different conditions. When the temperature goes up to a hundred I put on my thinnest clothes. When it goes down below zero there is nothing too warm for me to wear. When the prophecies of those who supported Free Trade appeared to be in the course of realisation, what reason was there why any of us should consider the subject, or should express any doubt? And for something like twenty-five or thirty years after Free Trade was preached and adopted, there was no doubt whatever that in my mind it was a good policy for this country, and that our country prospered under it more than it would have done under any other system. That was for twenty-five years.”

But during the last thirty years conditions, he showed, had changed, and men with them. As Cobden had understood Free Trade, it was as an example for the whole world to follow, one that would be imitated by every nation before five years were over; and his argument was that if they did not so imitate they would be ruined, and we should profit by their distress. Mr. Chamberlain then dwelt complimentarily on the policy of other nations, for the purpose of showing that we had no monopoly of wisdom, and that the model and example set by them were worth thinking over.

“If, in spite of my respect for the Americans, the French, and the Germans, I had found that the facts were against them; if I had found that they were receding because they had adopted Protection, and that we were progressing enormously because we had adopted Free Trade, then I should be in favour of

¹ This confession nullifies the speeches on the subject made in 1885, for which reason they have not been quoted at length, the dates only being given on page 43 for purposes of reference.

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it in spite of the majority being against me. Well, now, what is the policy of the other nations, deliberately adopted and deliberately pursued? It is a policy to use tariffs to increase home trade and, if you like, to exclude foreign trade. All these nations to which I have referred, and every other civilised nation on the face of the earth, have adopted a tariff with the object of keeping the home market to the home population, and not from any want of friendship to us. I do not believe it has been in the slightest degree actuated by ill-feeling to Great Britain, but because they thought *it was necessary for their own security and prosperity*. They have done everything in their power to shut out British goods. They have passed tariff after tariff. They began, perhaps, with a low tariff; they continued it as long as it was successful. If they found it ceased to do what it was wanted to do they increased it. What it was wanted to do was to exclude foreign manufactures, and, above all, to exclude the manufactures of this country, which at one time held the supremacy of trade in the world, and which was the greatest centre of industry in any part of it. Well, that was a deliberate policy. There is no doubt about that. Has it succeeded? Yes, it has. Whether it was right or wrong, what these people intended to do they have done; and if you look back for any term of years you will find that the exports of British manufactures have fallen off to these countries, while their exports to us have risen. Well, I do not know, there may be something wrong in my constitution, but I never liked being hit without striking back again. But there are some people who like to be trampled on. I admire them, but I will not follow their example."

As a Free Trader, he explained, he wanted to have free exchange with all the world, but if the world refused to exchange then he would not be a Free Trader at any price.

"It seems to me that the men who do not care for the Empire, the men who will sooner suffer injustice than go to war, the men that would surrender rather than take up arms in their own defence—they are the men in favour of doing in trade exactly what they are willing to do in political relations."

He then referred to criticism of the figures used to illustrate his statements. These, he said, were not to be considered as proofs. The proofs lay in the argument, not in any figures. The argument was that since these tariffs were raised against us our exports in the countries which raised them have been continually decreasing. If their prosperity had been going down in equal proportion it would be no argument at all, but while our exports to them have continually been decreasing, their exports to us have continually been increasing.

"How do the Free Traders explain that? Is it their view that these foolish Americans, these ridiculous Germans, these antiquated Frenchmen have been ruining themselves all this time? They may have kept their home market; it is all very well, but they would have lost their foreign market, and the good people whose cost of living has been raised, people who have the little loaf and not the big loaf—how can these people, who are hampered by tariff protection, be prosperous? They might keep their own trade, as I have said, but how

Our Rivals

can they do a foreign trade? It may seem very extraordinary, but they have done it, and their trade has increased in very much greater proportion than our trade, that of the Free Trade country which has the big loaf, which has all those advantages and none of those disadvantages. I say that it is a state of things which demands consideration. We are losing both ways. We are losing our foreign markets, because whenever we begin to do a trade the door is slammed in our faces with a whacking tariff. We go to another. We do it for a few months or for a few years, but again a tariff is imposed on us, and in that way they shut out our industry. One industry after another suffers, and in that way we lose, though not altogether, our foreign trade; and, as if that was not enough, these same foreigners who shut us out invade our markets and take the work out of the hands of our working people and leave us doubly injured. I say it is unfair and one-sided, and in my opinion threatens most seriously the position of every manufacturer, and above all of every working man in this kingdom. It threatens the position of the manufacturer; he may lose his capital, his buildings may be empty, but he will perhaps have something left, and he can invest it in manufacture in some foreign country, where he will give employment to foreign workmen. The manufacturer, therefore, may save himself, but it is not for him that I am chiefly concerned. It is for you—the working men. I say to you that to you that loss of employment means more than loss of capital means to any manufacturer. You cannot live on your investments in a foreign country. You live on the labour of your hands, and if that labour is taken from you you have no recourse, except perhaps to learn French or German."

One question he then asked, which he begged might be referred to the Cobden Club. Why do Germany, France, the United States prosper more rapidly than we, and on a system which the Cobdenites declare would be ruinous to us?

"I do not believe that all these foreign countries are wrong. I believe they are better strategists than we have been. Their policy, as announced by M'Kinley in America, and not by M'Kinley alone, but by the greatest of the Americans long before his time—by President Lincoln, by men like the original founders of the Constitution, the policy announced in Germany by Prince Bismarck, who was in his time a rather considerable personage—in France by many of their most distinguished statesmen—this policy had a great deal behind it. Its main idea was to keep for a manufacturing country its home industry, to fortify the home industry, to make it impregnable. Then, having left the fort behind, which no enemy could attack with possible advantage, move forward and invade other countries and attack specially one country, and that is our own, which we have left totally unguarded to all these assaults. We have left it unguarded because we think we are wiser than all the rest of the world, and the result has been, though our fort has not been taken, that it has received a very heavy battering. The time will come when perhaps we shall be unable any longer to defend it. Now these foreign countries have every advantage in their attack. They do not come like unarmed savages even to attack such a defenceless village as Great Britain. But they come with bounties of every kind. They have none of the disadvantages—I mean in a comparative sense—from which we suffer. We, in a spirit of humanity of which I entirely approve, have passed legislation—to which I may say I have,

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without boasting, myself contributed very largely—to raise the standard of living among our working people, to secure to them higher wages, to save them from the competition of men of a lower social scale. We have surrounded them with regulations which are intended to provide for their safety; we have secured them, or the majority of them, against the pecuniary loss which would follow on accidents incurred in the course of their employment. There is not one of those things which I have not supported. There is not one of them which I did not honestly believe to have been for the advantage of the country. But they have all entailed expense, they have all raised the cost of production, and what can be more illogical than to raise the cost of production in this country in order to promote the welfare of the working-classes and then to allow the products of other countries, which are not surrounded by any similar legislation, which are free from all similar cost and expenditure, to allow them freely to bring each country in competition with our goods, which are hampered in the struggle? . . . If these foreign goods come in cheaper, one of two things must follow: either you will have to give up the conditions you have gained, either you will have to abolish and repeal the fair wages clause of our Factory Act and the compensation to workmen, and either you will have to take lower wages or you will lose your work. *You cannot keep your work at this higher standard of living and pay if at the same time you allow foreigners at a lower standard and lower rate of pay to send their goods freely in competition with yours.* The Cobden Club all this time rubs its hands in the most patriotic spirit, and says: ‘Ah, yes, but how cheap you are buying!’”

He then demonstrated how different classes were affected by cheapness. The interest of the capitalist, a man living on his income, is to buy in the cheapest market because he does not produce, but can get every article he consumes. He does not buy a single article in this country, and need not make a single article. He can invest his money in foreign countries and live on the interest, and then in the returns of the prosperity of the country it will be said that the country is growing richer because he is growing richer. But the class that depends on having work in order to earn wages or subsistence cannot do without the work, and yet the work will go if it is not produced in this country. In Greenock, and in many other parts of the country, they had suffered, but their suffering had been nothing to what might be expected in the future; and *a propos* of this he described an interview between a director of the American Steel Trust and a reporter:—

“The American Steel Trust is the greatest of all American Trusts,” he explained. “It produces at the present time twenty million tons of steel per annum, a very much greater quantity than is produced in this country. The director told the reporter that trade was falling off. There are many reasons for that. Financial difficulties in America seem likely to hasten the result. Orders are falling off. The demand for railways is less, and this director anticipated that before long the American demand would fall several millions of tons short of the American supply.

“‘What are you going to do?’ said the reporter.

American Methods

“‘Oh,’ said he, ‘we have made all our preparations; we are not going to reduce our output. We are not going to blow out a single furnace. No, if we did that would be injurious to America. We should have to turn out of our works into the streets hundreds of thousands of American workmen, and therefore what we are going to do is to invade foreign markets.’

“And, remember, it may not be easy for them to invade the German market, because in every case they will find a tariff which, if necessary, can be raised against them. *They will go to the only free market.* They will come to this country; and before you are two or three years older, and unless there is a change in the situation, I warn you you will have dumped down in your country ten million tons of American iron. There is no iron manufacturer in this country who can regard such a proceeding as that without the greatest anxiety. You will see many ironworks closed. You may see others continued at a loss, struggling for better times, but what will become of the workmen employed? Hundreds of thousands of English workmen will be thrown out of employment in order to make room for hundreds of thousands of American workmen who are kept in employment during bad times by this system. I sympathise with American workmen. I am glad if he or any man should be kept in employment, but after all I belong to this country. I admit I am not cosmopolitan enough to see the happiness, success, or prosperity of American workmen secured by the starvation and misery and suffering of British workmen.”

After dwelling on the advantages which had been derived by the working people through free education, Factory Acts, mining regulations, fair wages, compensation for accidents, and other measures which he had helped to promote, he showed that these things would be of infinitesimal value in comparison with a policy of legislation which would ensure to workmen continuous employment at fair wages.

“If your employment is filched from you, if you have to accept starvation wages, if you have to give up the advantages which you have obtained, then I tell you that your loaf may be as big as a mountain and as cheap as dirt, but you will be in the long run the greatest sufferer.” He quoted figures to illustrate his case. “Since 1882 the total imports of foreign manufactures have increased £64,000,000, and meanwhile our exports of manufactures to these countries have increased £12,000,000, so that in the balance we have lost £52,000,000. Now, I know perfectly well it is very difficult to make people appreciate the meaning of a million. People who very seldom see many shillings or many pounds together find it very difficult to understand what ten hundred thousand pounds mean, and still more what fifty-two times ten hundred thousand pounds mean. Therefore I intend, as far as I can throughout this discussion, to translate money into work. What would this fifty-two millions of money have given to you if you had been able to get it? £52,000,000 a year would have provided constant employment at 30s. a week for 333,000 workpeople, and it would have provided, of course, subsistence for their families, that is for more than one and a half million. Well, I think we are all agreed that that would be worth having. If you give employment to-morrow, by new trade suddenly sprung up anywhere which employed 333,000 men and keeps 1,500,000 people in comparative comfort, would not you say that the person who brought it to you was the greatest

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philanthropist you had ever known? But what do the Free Traders say? No, I will not call them that; they are not Free Traders, but Free Importers. 'Yes, it is quite true that the foreigners are doing the work of 333,000 British, and they are earning the wages that would have supported 1,500,000 British people. That is true. That does not matter in the least to the British workman or the British people, because they have found other employment. Having been turned out of this employment they have gone into something else, in which they are getting just as much and are just as well off as they were before, and they have not lost by the change, even if the foreigner has gained.' It is a very comforting doctrine for the armchair politician, but is it true?"

To show the fallacy of the saying that workmen could find an alternative occupation he took the state of Greenock itself. In the past it had been one of the great centres of the sugar trade. It had many refineries, a profitable trade, and employed many workmen, and gave employment in subsidiary industries to many more. Then came a change. Foreign competition, aided by bounties, caused a decline, and only the very richest, most inventive, and enterprising could hold their own. But for these circumstances, owing to the increased consumption of sugar, as many men would be now employed as in the most palmy days of the trade. As it was, many refineries had been closed, the capital lost, while the workmen—what had become of them? Had they found other employment? It was all very well to say that if our primary industries were doomed we would find compensation in secondary and subsidiary industries, and he sarcastically alluded to what a member had said on this subject in the House:—

"We are to depart from our high position, lose those industries for which the country has been so celebrated, and which have made it great and prosperous in the past, and deal with inferior subsidiary industries. Sugar has gone. Let us not weep for it. Jam and pickles remain! Of all those workmen, those independent artisans who were engaged in making machinery for sugar refining in this country, I would like to know how many have found rest and wages and comfort in stirring up jam pots and bottling pickles. This doctrine, this favourite doctrine, about the transfer of labour is a doctrine of pedants who know nothing of business and nothing of labour. It is not true. When an industry is destroyed by any cause, by competition as well as by anything else, the men who are engaged in that suffer, whatever happens in the future.

"Their children may be brought up to new trades, but they, who are in middle life, or past middle life, feel the truth of the old proverb that you can't teach old dogs new tricks. You can't teach men who have attained skill and efficiency in one trade—you can't teach them at a moment's notice skill and efficiency in another. Free imports have destroyed, at all events for the time—and it is not easy to recover an industry when it has once been lost—they have destroyed sugar refining for a time as one of the great staple industries of the country, which it ought always to have remained. They destroyed agriculture. Mr. Cobden said, and I am sure he spoke the truth as it appeared to him, that if *his views were carried out not an acre of ground*

British Traditions

would go out of cultivation in this country, and no tenant farmer would be worse off. I am not here to speak to an agricultural audience, but if I were what a difference there would be between that expectation and hope of Mr. Cobden's and the actual circumstances of the case. Agriculture, as the greatest of all trades and industries of this country, has been practically destroyed. Sugar has gone, silk has gone, iron is threatened, wool is threatened, cotton will follow. How long are you going to stand it?"

Then he quoted the remedy that the Prime Minister had proposed at Sheffield, and asked if we intended to become afraid to emulate the policy of foreigners lest they should be offended? Were we to receive their orders with "bated breath and whispered humbleness"?

"It is absolutely absurd," he went on, "to suppose all these countries, keenly competitive among themselves, would agree among themselves to fight with us when they might benefit at the expense of their neighbours. Why, at the present time we take from Germany about twice as much as she takes from us. We take from France about three times as much, and from the United States of America we take about six times as much as they take from us. And after all that, do we stand to lose if there is to be a war tariff? Ah, and there is something else we have what none of these countries have. We have something the importance of which I am trying to impress on my countrymen, which at present they have not sufficiently appreciated. We have a great reserve in the sons of Britain across the seas. There is nothing we want that they cannot supply; there is nothing we sell that they cannot buy. One great cause for the prosperity of the United States of America, admitted by every one to be a fact, is that there is a great Empire of seventy millions of people, that the numbers of these people alone without any assistance from the rest of the world would ensure a large amount of prosperity. Yes, but the British Empire is even greater than the United States of America. We have a population, it is true not all a white population, but we have a white population of over 60,000,000 against the 70,000,000, who are not all white by-the-by. Against the seventy millions of Americans we have in addition three hundred and fifty or more millions under our protection, under our civilisation, sympathising with our rule, grateful for the benefits that we accord to them, and all of them more or less prospective or actual customers."

He dilated on the inconceivable way in which we had ignored our Colonies in the past—almost alienated them—but we were now prepared to do all in our power to promote a greater and a closer union. In doing this we might be isolated, but that isolation would be indeed splendid if we were fortified, "buttressed" by the affection and love of kinsmen throughout the world. During his visit to South Africa, he noted the most inspiring evidence of how those descendants of the Old Country retained its old traditions, remembered how their forefathers lay in British churchyards, and that they, speaking the same language, guarding the same

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flag, were part and parcel of the Empire which they with us had contributed to make. The sentiment is there, powerful, vivifying, influential for good.

"But," said Mr. Chamberlain, "I did not hesitate to preach to them that it was not enough to shout for Empire, that it was not enough to bear their sentiment in their hearts, but that they and we alike must be content to make a common sacrifice, if that were necessary, in order to secure the common good. To my appeal they rose, and I cannot believe that here in this country, in the Mother Country, their enthusiasm will not find an echo. They felt as I felt, as you feel, that all history is the history of States once powerful and then decaying.

"Is Britain to be numbered among the decaying States? Has all the glory of the past to be forgotten? Have we to prove ourselves unregenerate sons of the forefathers who left us so glorious an inheritance?

"Are the efforts of all our sons to be frittered away? Are all their sacrifices to be in vain? Or are we to take up a new youth as members of a great Empire which will continue for generation after generation the strength, the power, and the glory of the British race? That is the issue that I present to you—that is the great, the paramount issue. . . .

"Rightly or wrongly, and as I think, rightly, power lies with the people. No dictatorship is possible, no policy can be forced on you, to give a preference to the Colonies, to put a duty on foreign manufactures, to protect your trade. If you choose to remain unprotected, if you do not care for your Colonies, no statesman, however wise, can save those Colonies for you. *You cannot shift the responsibility on us. We look to you. We appeal to you. We try to put the question fairly before you. The decision, as I have said, is yours.* I have been in political life for thirty years, and it has been a cardinal feature of my political creed that I have trusted the people. I believe in their judgment, in their good sense, their patriotism. I think sometimes their instincts are quicker, their judgment more generous and enlightened, than those even of classes who have greater education, who have, perhaps, greater belongings, who are more timid and cautious. One of the greatest of our statesmen said something to this effect, that the people were generally in the right, but that they sometimes mistook their physician. *Gentlemen, don't mistake your physician.*"

After taking a lunge at the persons who had declared that in putting his views before the public he was committing political suicide, and replying to a vote of thanks for his address, he stated that in existing circumstances he believed a moderate tariff would be necessary for this country, in order that distinction might be made between those who freely opened their ports to us, and those who impose the less moderate restrictions. He thought that varying degrees of exclusion would need to be encountered by varying degrees of retaliation.

"There is one thing I impress on you, and it is my last word, that whether you have retaliation or whether you have preference, it will cost nothing. You gain from a tax on corn. The Exchequer gains. What the Exchequer

A Double Union

gains by a tax on foreign manufactured products will be returned in meal or malt. If you don't get it in one way you will in another, as far as I am concerned. The chief object of any future Government will be to return to you such increased taxation as they may receive in the shape of reduction in the necessaries of your life, and in those taxes which bear most hardly on the industry of the country. In my opinion your present taxation is the most unscientific that can possibly be devised. You must be taxed. There is a Government expenditure for your comfort, for your defence, for the defence and comfort of us all, which is incurred by any Government, and which has to be paid for, but there are two ways of paying for it. You may pay for it in a way that will indirectly benefit you, or you may pay for it in a way which will give you no compensation whatsoever. I have said enough to enable you to see which way I think would be the wiser for you to adopt."

Mr. Chamberlain took little rest, for he arrived at Cupar, Fife, from Glasgow, on the 8th, and paid a visit to Hon. T. Cochrane, M.P., at Crawford Priory. At the station, in response to an almost overpowering reception, he alluded to the hearty welcome that had been accorded him on a previous occasion, and expressed a hope that to the end of his career he would retain the confidence and support that he had ever enjoyed of the working classes. He then feelingly referred to the maintenance of our close relationship with the Colonies. "Somehow or other—whatever the differences may be in atmosphere—the moment a man leaves Scotland or England and goes to Australia or Canada he becomes convinced that the old Cobdenite policies are no longer suited to modern conditions, and becomes what our opponents call Protectionist—but as I should rather be inclined to call patriotic."

In regard to our Colonial brothers, he said: "We know what advantages we derive from their friendship, confidence, and support. Where should we have been without not only the material assistance but moral support which they gave us during our recent war, which enabled us to hold our heads high in spite of the criticism foreigners used towards us? That feeling," he said, "that strong sentiment of union, must be reciprocated in this country—and by none more heartily than the working classes in this country. If we recognise that there may be something in their ideas, if we recognise that there may be some duty on us to give up our old prejudices, to make even some sacrifice in order to maintain the Empire which we share with them—if we do that, then I confidently look forward to this great sentiment transmitting itself into something stronger still; the union of hearts will become a union in fact, we shall have an Empire federated, strengthened, and united against, if need be, all the rest of the world."

On this day Mr. Asquith at Cinderford opened the campaign on the part of the Opposition, criticised Mr. Chamberlain's representa-

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tions, and declared that the practice of retaliation was shown by experience to be fatal as a weapon of offence. Two spectres, he said, haunted Mr. Chamberlain—the decay of British trade and the decline of the British Empire. Home trade was ignored, though under Free Trade our shipping had continuously increased. He pointed out that Mr. Chamberlain had committed what he called an absolutely unpardonable error—unpardonable in a man who had acquainted himself with the A B C of the subject—of taking the year 1872 as the year for his comparisons. If he had taken 1870, two years before, or 1876, four years after, instead of finding only a growth of twenty to thirty millions, he would have found a growth of eighty-four millions in exports, and what is still more striking, if he had taken the exports of 1900, at the prices of 1872, he would have found they amounted to four hundred and twenty-five millions, or an increase of one hundred and seventy millions, instead of the said thirty millions.

Mr. Ritchie at Croydon, on the 9th, addressed a stormy meeting, which was repeatedly interrupted by cries and “Three cheers for Joe,” and discussed his objections to the proposal to keep on the shilling tax and give a preference to the Colonies. It was evident that he looked at the scheme as the thin end of the wedge—the beginning of a larger scheme which, instead of uniting the Empire, would have the reverse effect. The most interesting feature was his reference to his resignation. “Neither then nor at any subsequent period until the Duke of Devonshire told me on Thursday, the 17th, was there the least idea in my mind that Mr. Chamberlain would resign or that preferential treatment would be abandoned. The Duke and myself, with Lord Balfour and Lord George Hamilton, met on Monday and Tuesday after the Cabinet, and we came to a decision to send in our resignations without a word having been said between us to the effect that Mr. Chamberlain was to resign. I make no complaint or charge against any one, but I feel bound to state the facts after what has appeared in *The Times*.¹ Had I known what occurred my resignation might have been delayed, but the publication of the letters between Mr. Balfour and Mr. Chamberlain would have made it clear to me that I could not remain a member of the Government.”

On the same evening (9th) came a vitriolic attack from Lord Spencer. He said that Mr. Balfour’s policy was Protectionism, and that Mr. Chamberlain was, in his belief, the real leader of the Conservative party, and characterised him as “one of the most reckless and unscrupulous of statesmen, who never hesitated to use any weapon that would advance his cause.”

¹ *The Times* had stated that other Ministers concluded at their last Cabinet meeting that Mr. Chamberlain had resigned.

Opposition Arguments

Mr. Bryce on the same day inveighed against the great scheme, and vowed it would not bear a moment's examination, and that Mr. Chamberlain's policy rested on cooked figures, "sometimes specially cooked and sometimes unpardonably inaccurate." He reiterated the articles of his party's belief, but made one piquant statement worthy of record: *he had often thought Mr. Chamberlain did not understand the Colonies.*

Lord Rosebery on the 13th made little advance on his former declarations. His idea was to fight hostile tariffs by better education. No statesman, he was convinced, would have the courage to propose to the British electorate a reversal of the policy of free importation of food. Such policy in its working would be detrimental to the Empire. He somewhat exaggerated the evils that might be expected from a retaliatory system, and then said the prospect was not an alluring one. He bade us, before changing our fiscal policy, remember that Great Britain is the carrier and the clearing-house of the world. "Protection is a hothouse artificial system, but Free Trade is as the open air of heaven."

The gist of these pronouncements embraced the main objections offered by the Opposition, which objections were daily repeated here, there, and everywhere, and with variations mechanical and complicated as Thalberg's old-fashioned setting of "Home, Sweet Home." They banged at Mr. Chamberlain's tune, turned it inside out and upside down, ripped it up, gyrated round about it till its main purpose became almost unintelligible. But no alternative was offered; no counter advance was made. The stock idea of Liberal policy at the moment was to do nothing but hammer loud and long, and attack not only the principle, but the man who had the courage to persist in it. Whether the principle was right or wrong none but a magician could then have determined, but of one thing the mass of the people was convinced, that, however rickety the superstructure might appear to be, the originating motive was unselfish, patriotic, and sound at the base.

Lord Goschen, on the 16th, discussed food prices in relation to poverty, and expressed the hope that he would not fall under the denomination of those who were called "musty." We depended for nearly four-fifths of the supply of our foodstuffs on over-sea supply. Our price of wheat was much below that of Germany or France, and he showed the system of taxation practised in those countries. "They are represented to be almost a kind of fiscal and economic Garden of Eden," he said. "Every speaker in certain directions points to the example of Germany and France, as if their economics are the economics that ought to be followed—as if they are the repositories of fiscal wisdom. Well, if they are so wise as

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regards a certain portion of their plans, how can we reject their wisdom in another? How can we say that in their fiscal architecture we only agree as regards their façade, but entirely reject the other part of the system which they have developed?" The proposed two shilling tax on wheat it was thought would be paid by the consumer. He refused to see compensating attractions in the taxation that would be taken off or the rise in wages.

Mr. John Morley, at Manchester on the 19th, defended Free Trade, and denounced the new proposals as crude, raw, and unthought out. All this tariff jingoism was a backwash of the war, he said, and he lauded Cobden, declaring that those who complained of his policy should devise a better remedy. What would preferential tariffs do for Lancashire, for instance; and as for dumping, there was no dumping so deadly as that of a Custom House officer on these shores. Vehemently he declared that he had never known politicians in a more squalid and humiliating position than that occupied by the Government.

A new phase of affairs presented itself on the 20th, when Liberal Unionists met at the conference of the Durham and North Riding Liberal Unionist Association. The Duke of Devonshire had expressed in a letter his objection to defining in existing circumstances the position of the party organisation in regard to fiscal policy. Nevertheless a resolution was carried to the effect that the time had arrived for the reconsideration of the policy of the country, with a view to the promotion of closer union of the Empire and modifying foreign hostile tariffs. As a result of this victory there was an astonishing exodus, and Mr. A. Elliot, Mr. F. W. Lambton, Sir Lowthian Bell, Mr. Hugh Bell, Mr. Crawford Smith, and Professor Jevons shook the dust from off their feet—in other words, removed their names from the list of the Vice-Presidents or the Executive Council of the Association.

On the same evening, at Newcastle, Mr. Chamberlain, who was in first-rate fighting form, though pale from recent indisposition, made a masterly reply to his critics. He overlooked the vituperation that had been levelled at him, amusingly referring to their assiduity in attacking one who, they said, was crushed and pulverised, and devoted himself to the main points of objection to his policy which had been advanced by Lord Rosebery, Lord Goschen, and Mr. Asquith. He pointed out that their assumption that the prosperity of the country was due to Free Trade was a mistake; our whole prosperity was dependent on our widening Colonial trade. We had but to examine the increasing trade of the United States, Germany, France, and even Sweden—countries which had pursued a policy different from ours—to discover that there were other



A "MISSIONARY OF EMPIRE": MR. CHAMBERLAIN INAUGURATING HIS FISCAL CAMPAIGN AT GLASGOW, OCTOBER 6, 1903

Drawn by S. BEGG from Sketches by W. A. DONNELLY.

Political Troglodytes

factors to success to be considered. The economic condition of the world, Mr. Chamberlain found, had been transformed by various agencies—machinery, the growth of railways, gold discoveries, and other developing circumstances. If a man could not see the difference between the state of things to-day and that of thirty years ago, he ought to call himself a troglodyte and live in a cave. Mr. Chamberlain refused to accept the extravagant statements made by Opposition calculation, and justified his use of the years 1872–1902 as illustrative epochs.

“Mr. Asquith says that I have committed an unpardonable error because I took 1872 as the year of comparison. Gentlemen, permit me to say that if this was an error I should hope it would not be unpardonable, because if every error uttered by the various disputants in this controversy is to be treated as unpardonable, the number of unforgivable offences will grow to extraordinary magnitude. But I beg Mr. Asquith’s pardon, and I venture to stick to my own figures. They are very good figures, and I do not think he can improve on them. I did not take 1872 as my standing-point. I took last year. If I had not taken last year I should have been told that I had committed an unpardonable error, because, forsooth, I did not take the last year for which figures were available. I took 1892, and I went back by ten year periods to 1882 and 1872, and whether I took 1892, 1882, or 1872 the result is just the same—there is a great decline in our exports of manufactured products to these protected countries. I leave him to make his choice between these figures. I give him another choice, and I think that 1872 is a very good year, because it happened to be what is called a ‘boom’ year; it was a magnificent year for our trade owing to the Franco-German War. He thinks 1892 was a magnificent year for our trade. As a matter of fact, judging only by the total amount of our exports, the year 1892 was better than 1872, and therefore it seems to me that I am really making a concession to my opponents when I take so prosperous a year as 1872 in order to compare with another prosperous year. It would not be fair of them, it would not be fair of me, to compare a bad year with a good year, but I compare good year with good year, bad year with bad year, one takes on an average year by year the same number of loaves, the same number of pounds of tea, the same number of pounds of coffee, the same number of eggs, the same amount of bacon, the same amount of meat. All these things are given to you in the Board of Trade returns, and though there may be exceptions—there are persons who would not drink tea, just as there are persons who would not eat bread—though there are exceptions the average is the same. What does it matter if I want a halfpenny from you whether I charge it on bread, which is an absolute necessity? *You will not eat any less bread for that. But as you have to pay a halfpenny more you will perhaps take a halfpenny off your expenditure on tea, and then when you come to buy your tea you find it is so much cheaper that you can buy as much for a penny as you could previously buy for twopence. What you lose on the bread you save on the tea, and when you come to the end of the year you are in exactly the same position.* You have merely transferred one part of your taxation to another part of your taxation, and you have not increased the cost of living: the budget of the working man, the expenditure of the working man, you have not increased it by a single farthing. Well, why do I want to make this transfer? I get no more

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revenue, I am not earning a penny more for the Exchequer, and I have to make this change, and to take the taxation off tea, where it benefits nobody, in order to put it on bread in order to benefit your kinsmen, your kinsmen across the sea, who are most necessary to you as customers, and more necessary as brothers and fellow citizens and as helping you to buttress the great Empire to which they and you equally belong. What is their position? Their position is also one in which they are called on for no sacrifice. They will have to give us preference over the foreigners and review their tariffs in order to see whether, without injuring their manufactures, they cannot open their markets more widely to us. But in return you will have given them very much larger trade in the articles which they chiefly produce, and they know perfectly well what that means to them—how it means that every industry in their country will be enlarged and improved. And they at any rate are ready to come into the negotiations to which I have invited them. That is the second point. The third point I put is that at the same time we make this transfer of taxation, which does not alter the cost of living, we also secure for ourselves a large increase of the valuable trade of our best customers, and we are doing a great deal to weld the Empire into a solid whole, which all the best thinkers and wisest statesmen who have dealt with this subject declare to be the main thing by bonds of interest as well as bonds of affection. That is my point. I can perhaps put it in different words, but I do not think I can put it more clearly. That is the plan.”

In regard to Sir Henry Campbell-Bannerman's calculations and figures he would not say he altogether disbelieved in them, but he declared “we have no right to say that the country is doing so well, whether it is in consequence of Free Trade or anything else, so long as there is so large a proportion of the country unemployed, and so long as there is so large a proportion of the working-classes that have nothing to look to in their old age but the workhouse.”

He then tackled Lord Goschen's “economic facts.”

“He said that a tax is always paid by the consumer, and that therefore the small taxes which I propose to impose on bread and meat would be paid by the consumer, by the poor as well as by the rich. Now I want you to consider this argument, but before considering it bear in mind that, like the other arguments I have been considering, it has nothing to do with my case, because for the sake of my argument I have assumed that the consumer does pay the whole. In the plan I have laid before the nation I have assumed that whatever tax would be paid the whole of it would be paid by the person who is taxed, and the amount I have taken from tea and sugar and other things is equivalent to the whole amount of the tax, and not to any calculation I have made as to the amount he may be likely to pay. Therefore, I want to point out to you that if Lord Goschen is right, and if the tax is wholly paid by the consumer, it does not touch my case at all; but I utterly disbelieve, and I challenge the so-called economic fact, it is not true that either the poor man or the rich man will pay the whole. It is not certain that he will pay any of the new taxes or any of the taxes which are levied on him by way of taxes on income. . . . Lord Goschen tells you that France only takes 2 per cent. of its corn from abroad, it is self-sufficient, and that Germany only takes 30 per cent., whereas he says we take

Commercial Union

four-fifths. That is not a comforting reflection. It is too big a question for me to deal with to-night, but it is not a comforting reflection to think that we, part of the British Empire, that might be self-sufficient and self-contained, are nevertheless dependent, according to Lord Goschen, for four-fifths of our supplies on foreign countries, any one of which by shutting their doors on us might reduce us to a state of almost absolute starvation. Well, there is something more than that. What the working men have to fear, and I call the attention of working men to this point, is not the tax—not any tax—that might be put on corn, but the working man has to fear the result of a shortage of supplies and of a consequent monopoly. If in time of war one of the great countries, Russia, Germany, France, or the United States of America, were to cut off its supply, it would infallibly raise the price according to the quantity which we received from that country. If there were no war, if in times of peace these countries wanted their corn for themselves, which they will do, or if there were bad harvests, which there may be, in either of these cases you will find the price of corn rising many times higher than any tax I have ever suggested. There is only one remedy for it, there is only one remedy for a short supply, it is to increase your sources of supply. You must call in the new world, the Colonies, to redress the balance of the old; call in the Colonies and they will answer to your call with very little stimulus or encouragement, they will give you a supply which will be never failing and all-sufficient.”

After saying that his opponents offered no alternative at all, he dwelt on the suggestion made by Sir Edward Grey regarding a Federal Council. Who, he asked, had first originated that idea? He then called to mind his own proposition, when he had said, “We call you to our councils,” and they had decided that they would not in that way advance towards Federation. “I believe,” Mr. Chamberlain declared, “if my proposal were carried, a Federal Council would be a necessity; but you cannot have it at present at any rate, and I do not see any sign of your ever having a Federal Council first. The Colonies want to know what it is they are to discuss before they come to your Council. When you have got a commercial union, that will be something to discuss, and I have no doubt that will come, but, meanwhile, this alternative so lightly thrown down by Sir Edward Grey is no alternative at all. You cannot approach the closer union by that means, and having tried first in one direction, then in another, I tried next in connection with Imperial defence. Again I was beaten by the difficulties of the situation; but I did not on that account give it up, and I come back, therefore, to this idea of commercial union, which will bring us together, which will necessitate the council, which council in time may do much more than it does in the beginning, and may leave us, though it will not find us, a great united, loyal, and federated Empire.”

But this large Empire could not be federated in a day, and he saw in preferential tariffs a stepping-stone. Such a move—or some

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move—is urgent if British commercial supremacy is to be maintained, and Mr. Chamberlain returned again to the facts advanced at Glasgow and Greenock in order that his new audience should grasp all the particulars of the sacrifice and the gain that was enclosed in the one great problem of keeping the Empire together. He appealed to their patriotism, to their paunches, to their pockets. With the keen discrimination peculiar to him, he let none of the three considerations outweigh the other. He made them aware of their proud position as heirs to the greatest Empire the world has known; he touched the domestic chord of appetite, and showed again how he would poise the weekly cost of the breakfast-table, and finally vowed death to the “dumpers,” urged the revivification of many trades, and the swelling of the national and individual purse.

At Tynemouth, on the 21st, Mr. Chamberlain was entertained at luncheon by the Conservative and Unionist Association of the borough, after which a vast audience that had collected at the Palace was addressed. Mr. Chamberlain was obviously suffering from the fatigue of his efforts after his recent illness, but he took care to forget none of the points it was desirable to reiterate, beginning with the prosperity of the home trade and ending with the union of the Empire.

He first explained his resignation.

“I assert here that whatever any member of the Cabinet may have heard or have thought, I distinctly declared my intention that if this policy of preference tariffs were not accepted as the policy of the Government I would be unable to continue in the Government, that I should feel it my duty to appeal to Cæsar, not, indeed, in the least degree in opposition to my colleagues, or with any unfriendliness to them, but in order to give this new policy, which for the moment is not ripe for decision—to give it a fair chance of being heard and understood of the people. But though my resignation and the additional importance which this may have given to the subject may have been unexpected, there is no suddenness in the policy. Neither I nor any one else have thought that a question of this kind should be forced on the people, that they should be asked to give a decision until they had considered the full effect of it to each one of them. Every trade, every interest, every man, every woman—I want that they should have time, and from the first it was part of my policy that this matter should be discussed between now and the next general election, but that nothing should be done by the Government, and nothing will be done, and nothing would have been done by the Government if I had remained in it to commit the people to this policy without their full authority. What I advocate now, my endeavour now, is to make the importance of this matter clear, and is not to steal a march on you. On the contrary, it is to prepare you for that general election, which, in spite of all that some prophets have announced, may still be postponed for a considerable time. During that time I am going to work, and, as far as I can see, I am going to keep my opponents at work too. If I succeed in convincing you that this change is necessary in your

Broad Outlines

interests, necessary in the interests of the Empire, the greatness and importance of which we are at last beginning to understand, then my work is done. But if I fail the first time, and life and health are spared to me, I will go on again.

"I will never drop this subject that I have undertaken until indeed I am convinced, which I think is impossible, either that the Colonies would reject it, or that the people of this country are so provincial in their politics that they are unable to understand its magnitude and importance."

It was no new question this that he placed before them, he said. It had been raised as long back as the Eighties by Lord Randolph Churchill, Mr. Ritchie, and by Lord Rosebery; and the subject was taken up again at the conferences with the Colonial Premiers. The subject, therefore, was not premature, and it was high time that it was considered. He had no cut-and-dried policy; it must as yet be viewed in broad outline; detail could only be arranged when a mandate from the people called for a commencement of negotiations.

"What is going to happen if I am successful—if I carry the people of this country with me, and, above all, if I carry the working-classes—the majority of the voters? Well, what is going to happen is that the Government elected on this principle will immediately have a series of negotiations to undertake. It will have to negotiate with the Colonies. For my part I think it would not be bad if the then Secretary for the Colonies were to go to the Colonies and negotiate on the spot. I have no right to complain, at any rate, of my experience, for certainly the generosity of the South African colonists was even more than I could have expected, and I never had, from first to last, the slightest difficulty in making a bargain with them. Not only have you to go to the Colonies, but you have also to go to the foreign countries that are concerned. They must negotiate each a treaty of their own, and lastly—and this, perhaps, is more important than all—if I had anything to do with such a thing, I would not consent to move a step without calling in experts from every industry in the country. I know a good deal of business, but there are a good number of businesses about which I know nothing, and for me to pretend to say whether thimbles should be taxed more than anchors, or on my own accord, and from my own small knowledge, to attempt to draw up a tariff would be perfectly absurd. Everybody interested, whether in thimbles, in anchors, or in anything else in the multiplicity of trades in this country, would, of course, be glad to assist any commission attempting to make a tariff. Their witnesses would be heard. Everything they had to say would be taken into account, and then, and then only, could we say in detail, and with absolute accuracy, what each article would pay, or what articles might be entirely relieved. I think you will see the reasonableness of that. At the same time, you will feel that while it is impossible for me without the greater influence which I can only gain by means of your good will and support—while it is impossible for me to deal with it in detail, yet I can make out a pretty good case in these broad outlines for a policy that would enable us to defend our homes, which would enable us to draw closer to our friends across the sea."

Before passing on, a word must be said of the Free Food

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League. A meeting took place on the 16th, when a letter was read from the Duke of Devonshire accepting Sir Michael Hicks-Beach's invitation to join the League. In this epistle the Duke pointed out that he intended to act rather as adviser than as combatant. The purpose of the League was to offer uncompromising opposition to Mr. Chamberlain, and to exercise friendly restraint on the Government. In a speech at Derby (23rd), on which day the Duke was elected President of the League, Mr. Victor Cavendish, his heir, explained that the attitude of his noble relative had been adopted to prevent the Government from going too far—in fact, “to be a sort of drag on the wheel” was the avowedly lofty ambition of the Nestor of British statesmen!

III.—AT THE HIPPODROME, LIVERPOOL, 27TH–28TH OCTOBER

The next great pronouncement was made at Liverpool, on the 27th, where the late Colonial Secretary was heartily welcomed by a crowd of working men. For the benefit of these he made a survey of the fiscal situation, reiterating his belief (despite his critics) in the importance of the use of export returns as a test of prosperity. For some thirty years exports had been practically stationary, while commerce in foreign protected countries had increased by leaps and bounds. But this was not all. Whatever our present losses might be, those of the future threatened to exceed them, for not only old causes existed, but new ones were coming into operation.

He referred to the practice known as “dumping,” and to Mr. Asquith's humour in enriching the language with the term, “dumpophobia.” But this was no time for jokes; for it was plain that Mr. Chamberlain detected an analogy between dumping and destruction—destruction of British trade.

What is dumping? he asked, and proceeded to explain it for the benefit of those little versed in the slang of the United States.

“Dumping is the placing of the surplus of any manufacture in any country which is able to take it. Dumping takes place when the country which adopts it has a production which is larger than its own demand. Not being able to dispose of its surplus at home, it dumps it somewhere else. Now England, the United Kingdom, is the only country where this process can be carried on successfully, because we are the only country which keeps open ports. Every other country, all the great countries, that is to say, if dumping takes place, immediately put on a tariff, large or small, to keep out these dumped articles. The peculiarity of the situation is that they are not sent in under conditions of fair competition. Their surplus stock is being got rid of below cost price, and just as you find a great surplus sale of some gigantic emporium may have the effect of ruining all the small shops in the neighbourhood, so that surplus sale

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of the products of all the producing countries in the world may very well ruin the trade of this country."

He pointed out that dumping only takes place seriously where the country that has recourse to it is in a state of depression. So long as any country is able to take up all its own supply for its own demand it does so; but when the time comes that trade is depressed, either in Germany or in the United States or in any other foreign country, then, under our present system, they do not do what we do under similar circumstances. They do not close their shops, blow out their furnaces, shut up their factories; but they go on making in full proportion at the lowest possible price, and they sell the surplus for what it will fetch in England. "A very good policy for them, a very bad policy for us," he emphatically declared. "And as I look forward, in the ordinary course of things, to a time of depression which will follow a time of prosperity, which we have recently enjoyed, I think before long Mr. Asquith may discover that dumpophobia is something really to be afraid of, and not to be laughed at."

The sole subject for congratulation had been the growth and prosperity of our trade with the Colonies. In almost exactly the same proportion with which the trade with these foreign protected countries had continuously fallen off, trade with our Colonies and possessions had continuously risen, and if we had good trade to-day—if the last year, 1902, was one of the best years that British trade had known—it was not thanks to the foreign trade, which had decreased, but thanks to the Colonial trade, which had increased.

To meet this state of things, he proposed to fight the foreigner with his own weapons—to retaliate or to reciprocate—and, moreover, treat the Colonies more favourably than they had hitherto been treated, with the object not alone of augmenting trade prosperity, but of enhancing the bonds of blood and sympathy that already exist. Sir Edward Grey, as Liberal Imperialist, had expressed an ideal that there should be no barriers within the Empire. This Mr. Chamberlain admitted was his own ideal; but though Imperial Free Trade throughout the Empire was eminently desirable, practical statesmen were agreed that it could but be approached step by step, and was at present impossible. His proposals were the nearest thing towards the ideal which both statesmen had in common, but there were objections—two of them. The objection of moderate Radicalism (or was it rabid Toryism?) to accept any scheme of change in this best of all possible worlds; and the objection to running the chance of dear food—a chance which he proceeded to show did not exist. "*If you accept my proposals as they stand, I pledge myself they will not add one farthing to the cost of living of any*

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family in the country, and, in my opinion, in the case of the poorest families, they will somewhat reduce that cost."

Later he asked :—

"What is the whole problem as it affects the working-classes of this country? It is all contained in one word, Employment. Cheap food, a higher standard of living, higher wages—all these things, important as they are, are contained in the word employment. If this policy will give you more employment, all the others would be added unto you. If you lose your employment all the others put together will not compensate you for that loss. Now, it is rather an interesting thing, which seems to me to have escaped altogether the attention of any of my opponents, who probably have not read the history of the Anti-Corn Law movement, that when Free Trade was carried out the working-classes were neither represented nor consulted. I don't say that that makes Free Trade good or bad, but it is a fact that the movement was a manufacturers' and a middle-class movement. The leaders of the movement, or some of the leaders of the movement, admitted that they thought it would enable wages to be kept at what they called a reasonable level. They thought that it would give cheap food, and that if the labourer had cheap food he could afford to work for lower wages, and that they therefore could afford to carry on a competition with which they were threatened in the goods they manufactured. And it is rather curious to remember that long after Free Trade was carried, even as late as 1888, Mr. Bright, in writing to a friend in America, and protesting against the doctrine of Protection, points out to him that if the Americans made Protection their policy they would have to give higher wages to their working-classes. *What I want to point out is that, rightly or wrongly, the leaders of the Free Trade movement believed that the big loaf meant lower wages.* Well, then, there is another thing. At the time of the Free Trade agitation what was the action of the Radicals of those days? The Radicals of those days were represented by the Chartists. The Chartists were entirely opposed to the Free Trade movement. They said that they alone had the right to speak for the unrepresented classes, that Free Trade was a red herring drawn across the path of electoral reform, and they invited their followers to spurn and scorn this action of the Anti-Corn Law hypocrites. Well, I do not think that was just. I do not think that the leaders of the Corn Law agitation were hypocrites at all. I believe they sincerely thought that what they were doing was for the good, not only of the manufacturers and middle classes, but also for the good of the working-classes. But the interesting point is that at that time the working-classes, who, as I say, had no Parliamentary representation, through their leaders declared that the thing was only an attempt to draw a red herring across the path, that it was for the benefit of the manufacturers, but that it would not be for the advantage of the working man. Fortunately, no condition of that kind can ever again occur in this country. The working-classes are represented now very much, thanks to the efforts of one of the great Free Traders, my old friend and colleague, Mr. Bright."

He explained that the responsibility of making or marring a policy no longer rested with the aristocracy or with the House of Lords. The people had now the franchise; they had the majority of votes; they had the power to say "Yes" to this policy, or to crush

Sweated Goods

it. On their shoulders the duty rested. But he expressed his confidence in the working-classes, he believed in their perspicacity. With them at the back of him, the Cobden Club "might rage furiously" in all the languages of the civilised world, and the Free Fooders continue their vain imaginings, but victory would be won. Then, commenting on the resolution passed against him by the Trade Union Congress, he said that Cobden was no friend of Trade Unions, and he quoted words spoken by the Free Trade apostle in 1844, just before the repeal of the Corn Laws: "Depend upon it, nothing can be got by fraternising with trade unions; they are founded upon principles of brutal tyranny and monopoly. I would rather live under the Dey of Algiers than a Trades Committee."

He then argued that to buy in the cheapest market is not the sole duty of man.

"Free Trade says you are not to interfere with the freedom of independent men, not to prescribe to an employer what he shall or shall not do, but leave him free to bargain as he likes with his workpeople; and, on the other hand, you are not to make combinations which tend in the slightest degree to destroy the liberty of the workman to sell as high as he pleases. Those are the doctrines of Free Trade, and all these doctrines we have put aside now for twenty years in our endeavour to benefit the condition of the working men and to raise the standard of living; and it is a little too much now to come down and tell me that I am a heretic; that I ought to be put out of the congregation, forsooth, because I will not allow to be sacred and inspired these doctrines that those who accuse me have abandoned long ago. But there is another most important point which I want working people to consider. Grant all this legislation, and much more of the same kind, I warn you it will be absolutely futile, unless you are prepared to go further. *What is the good, I ask in the name of common sense, of prohibiting sweating in this country if you allow sweated goods to come in from foreign countries?* If you insist on limitations of hours and on precautions for security, bear in mind that all these things add to the cost of production, to the difficulties of the manufacturer in selling his goods, and unless you give him some increased price, some increased advantage in compensation, then he cannot carry on competition any longer—all these conditions in the long run will result not to your advantage, for you will have no work to do, but it will conduce to the advantage of the foreigner, who is not so scrupulous, and who conducts his work without any of these conditions. I say, then, if it were possible to calculate exactly what these precautions cost over and above similar precautions taken in the other countries with which we are competing, we should be justified, without the slightest infraction of the true principles of Free Trade, in putting on a duty corresponding to that cost."

He then took the fair wages clause, and told a pertinent anecdote regarding the purchase by the London County Council of some £41,000 worth of tram rails from Germany. They had acted on the Cobden Club maxim, and bought what they wanted in the cheapest market. For themselves the gain had been small, and the

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loss to their country great. He went on to show that if protected labour was good, then it was good to protect the results of labour. The great need of the people was not so much cheapness as regular and remunerative employment. This it was his ambition to promote—first, by keeping a firmer hold on home markets ; second, by having something to bargain with when we trade with foreign countries ; and lastly, by stimulating the very best and most expanding of our trades—trade with our own kith and kin across the seas.

Proceeding to set forth how local interests would benefit by adopting his policy, he said :—

“Liverpool boasts itself to be the sea-carrier of the merchants of the world. I say to those who are concerned in this great industry : the injustice of supposing you are not capable of as much patriotism or of as much self-sacrifice as the working-class of whom I have previously spoken—I say to you as I said to them : ‘You will benefit by this policy. You can’t lose by it. . . .’ I will say that I believe that if this great industry were seriously endangered by my proposals I should think that not only would the shipowners be justified, but that they were bound by patriotism to resist it, because what is our shipping industry ? Our shipping industry is one of the very greatest of our exports. It does not show in the figures, but we know it exists, and I doubt myself whether it is so large as some of our statisticians appear to think. Bear in mind whether it be fifty millions or ninety millions, as some suppose it to be, the only part of it with which we are concerned, and which we can call British exports, is the part that goes back to British subjects. What is paid the alien seamen, or what is paid in the purchase of alien goods abroad, these are in the nature of imports into this country and not exports out of it. But whatever may be the actual facts, and they are very difficult to ascertain, I admit as fully as any one the importance of this trade, and I desire as much as any one to increase its prosperity. . . .”

He then took the precaution to point out that critics ignored comparative progress, but judged by actual progress alone :—

“It is not what we have got now, but the question is how long shall we keep it, and how much shall we keep of it ? We are like a man in a race. He starts with a great advantage. He has given him a hundred yards, perhaps. In the first lap he loses thirty, in the second lap he loses fifty more, and then he is seen by an observer from the Cobden Club, and the Cobden Club says : ‘That is my man ; he is still ahead.’ I think we know better. Now, my case is that British shipping, admirable as its condition is in many respects, is not progressing so fast as foreign shipping, and I do not like those symptoms at all. According to figures which appeared in *The Times*, British tonnage entered and cleared in foreign ports increased twenty millions in ten years—1890 to 1900. But foreign shipping in the same period and in the same ports increased eighty millions, four times as much, and, what is more interesting to be observed, the increase was chiefly in the later years. That is to say, not only is the movement going on, but it is going on in accelerated ratio. Now, then, take foreign trade with the United Kingdom from 1890 to 1892. It increased fifteen millions, and the British trade in our own country in the same

British Shipping

period only increased a little more than twelve millions; that is to say, increased less than the foreign. Well, we are losing both ways. We are losing at home, we are losing abroad. Then again, and it is curious how similar the facts are whether you look to shipping or any other trade in the whole category of the trades of the United Kingdom, it is curious to observe that the portion of the trade which is thoroughly satisfactory is the colonial trade, the trade with our foreign possessions, and that has doubled, I believe, in the period of which I am speaking. Now, take two other facts from another source; this is from the *Newcastle Chronicle*. The tonnage built in the United Kingdom in 1902—that is, last year—was an increase in the year of 591,000 tons over 1893, but the tonnage built abroad by foreign nations—and our Colonies, of course—chiefly by foreign nations, increased by 885,000 tons; that is to say, the building was 294,000 tons more abroad than it was at home in a single year—the increase I mean, not the total building. Then this is the last figure. They are worth consideration. This comes from the Blue Book. From 1890 to 1901 we are told that the total increase in the tonnage of the whole British Empire was 1,400,000 tons, and meanwhile the total increase in foreign tonnage was 2,200,000 tons, or 800,000 tons more than the British tonnage. I think serious people ought to give serious consideration to what at any rate are signs. What is the use of saying the house is still standing if you know that there is rot in the foundations?"

The evil might be traced, not, as Mr. Asquith had said, to want of intelligence among our people, but to bounties and subsidies. Were the advantages for which we had paid so dearly in all quarters of the globe to be taken from us by bounties given to foreign shipping? He pleaded for a scientific treatment of trade subjects, and dwelt on the disabilities to which British ships were exposed—the very right regulations which he had assisted to promote, that exact a loadline for them, and other humane precautions—disabilities to which foreign ships are not subjected. There was another disadvantage—the English had to register tonnage and the foreigner had a different register. Thus the last, who might have a vessel of exactly the same cargo carrying capacity as that of his rival, would pay less dues.

"What about the exclusion by certain foreign countries of British trade from what is called the coasting trade?" he then asked. "And what about the definition of 'coasting trade' which makes a voyage from Riga, in the Baltic, to Vladivostock, in Siberia, a coasting voyage, or from Portland, Maine, to San Francisco, on the Californian coast, a coasting voyage? Yet these are voyages which no British ships may entertain, while, on the other hand, a foreign ship can come in here at Liverpool, may travel all round our coast, calling at every port as it goes, or it may go from here to the farthest end of the earth where the British flag flies, and in no circumstances will it be placed at any disadvantage with regard to us. Now, gentlemen, let us see how this works. A few years ago we had a growing trade with Madagascar. Madagascar was protected by the French. We thought honestly that we had a clear and distinct and unmistakable arrangement with the French that they would not interfere in any way with our liberty and existing conditions of trade with Madagascar.

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The French thought otherwise; they have excluded us altogether from that trade. It has gone with all its possibilities of extension, and so much for the trade. How long do you think that the French, who now do that trade, are going to allow your shipowners to carry it in British ships? Not one moment longer than they can prevent it. It may not be gone, but is that a reason why you should not bestir yourselves in order to keep it? *Rest assured, if you don't take the warning that is written on the wall, the trade will go, and you will never be able to recover it.* We will take another case, a more important case, that of Cuba. Cuba, a great island only requiring the good government which it now has under American protection to make it one of the richest countries in the world, was exactly like Madagascar, handed over to the care of America, and it was our idea that our conditions of trade with Cuba would be respected. They have not been respected. Perhaps the Americans did not understand them in the same sense as we do. Be that as it may, all representations by us have been fruitless, and the American Government, the American President, proposes preferential arrangements with Cuba, treating Cuba exactly as I want you to treat our colony of Canada. He proposes to make a preferential treaty with Cuba, the result of which will be that no more English goods will go to Cuba, and all the traffic between Cuba and the United States will be done in United States ships. And not merely that. See how these things begin. See how these things end. Not merely that. I am told a large trade is done between Rangoon and Cuba in Indian rice, and that is now done by British ships, but the result will be that rice will go to New York, and from there to Cuba in American ships. And once more a portion of your trade has been snipped off, and because you have gained somewhere else you will have the Cobden Club still holding high its flag and saying: 'See how great is our trade. See what a magnificent people we are, and the losses we can sustain without complaints!'

Something in the matter of shipping must be done; some system of bargaining must be acquired so as to get rid of unfair restrictions. Both he and Mr. Balfour had asked for the power to bargain, and if necessary to retaliate; and if difference existed between them it was because he (Mr. Chamberlain) went further than the Prime Minister. Was it possible to name a single Protectionist country which, while building up to its own markets, had failed to increase its foreign exports? he asked. Should we also not be able to hold our own market and to increase our trade with foreigners, making only a change in the *character of the cargoes*? "*I want to see less of their finished manufactures coming in, and I want to see more of their goods—raw materials and things of that kind—in return for our exports of finished manufactures.*" The underlying principle of Cobdenism was cosmopolitan; it was the care for all the world avoiding, even despising, the special care for which he pleaded—the care for those near and dear. So now, as a Little Englander had expressed it, the issue was no party question; it resolved itself into the conflict of Imperialism *versus* Little Englandism. And it was for the Imperialists to prove that they were worthy their great

Who Pays the Duty?

ancestors, and show that prosperity had not corrupted our blood, weakened our nerve, or destroyed our fibre.

The audience was aglow with admiration and sympathy, and Mr. Chamberlain received a wonderful ovation, which proved how earnestly every word he had spoken had been weighed, assimilated, and approved.

On the following day (the 28th), indefatigable as ever, the statesman made two more speeches of over an hour in length. He was royally entertained by the Lord Mayor, and, after the necessary compliments, he tilted straight at Lord Goschen's antiquated economic arguments, which, he admitted, were propounded in the most scientific spirit. The old-fashioned doctrine is that you cannot put any tax whatever on imports without putting it entirely on the consumer.

This had been disposed of by later economists; but Lord Goschen, who had supported the recent registration duty on corn as a permanent widening of the basis of our taxation, had argued that, though no one felt the tax and it was absolutely imperceptible, the tax must have fallen on the consumer. Mr. Chamberlain did not think an argument which was based on the imperceptibility of the tax, which tried to prove the existence of something not to be seen, felt, or touched, was a very powerful argument against a change which may be desirable on other accounts. He also pointed out that any such argument was entirely opposed, not only to all the scientific doctrines of other countries, but to all the practice and present opinion of these countries.

The reception given to the subject by foreigners went far to prove that they believed that not the consumer but themselves would have to pay the duty.

"I have been looking at this question, and I have come to the conclusion that in no single case with which I am acquainted is it a fact that on the average and as a rule the extra price to the consumer has been in any real proportion at all to the amount of the taxes. . . . Take, in the first place, the case of France. Now, before 1878 the duty there on corn was 1s. 0½d. per quarter, and that continued for five years. I take five years as a sufficient period for comparison. In the five years 1878 to 1882, when the duty of only 1s. 0¼d. was on corn, the price was 49s. 10d. In the next five years, after the duty was raised to 12s. 2½d., the price fell to 37s. 3d.; that is to say, the duty rose 11s. 2d. and the price fell by 12s. 7d. Well, that is not conclusive. Of course, it may be because the price of corn fell all over the world, and, therefore, I must compare with the country in which there was no duty, namely, England. Now what was the case in England? You compare the price in France with the price in England. The excess of price in France when the duty was 1s. 0½d. was 4s. 10d., but in the period when the duty was 12s. 2½d. the excess rose from 4s. 10d. to 9s.

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In other words, an increase of 11s. 2d. on the duty only increased the comparative price by 4s. 2d.; and 7s. of the difference, therefore, or 60 per cent., must have been paid by the foreigner. If my figures are correct there can be no doubt as the result of the argument that France did not pay the full excess of duty, but only 4s. 2d. out of the excess of 11s. Now take Germany. A rise of duty took place in 1885—a rise of duty of 4s. 4½d. The average price fell during the three years 8s. 6d. below the average of the price under the previous duty. That, again, is due to the general fall in the price of wheat, but in the United Kingdom for exactly the same period the price fell 10s. 7d., or 2s. 1d. more than it fell for Germany. In other words, an increase of 4s. 4½d. on the duty only increased the comparative prices by 2s. 1d. and 2s. 3½d., or more than 50 per cent. increase must have been paid by the foreigner. The argument is the same and the result is the same in Sweden. The duty was increased 8s. 10d. per quarter in 1888, and prices rose about 1s. 6d. a quarter. In the United Kingdom they fell 2s. 6d. during the same time that they rose 1s. 6d. in Sweden. The difference in the comparative prices was 4s., the difference in the duty was 8s. 10d., accordingly 4s. 10d. of that tax, or 55 per cent., was paid by the foreigner. I apologise for putting these details before you, but I think they are important, and justify my doing so. If I am correct, if my figures are correct, if my argument is correct, then these facts exactly vindicate the doctrine of the modern economists, Professor Ashworth and Professor Nicholson, and, among the older economists, John Stuart Mill and the late Professor Seton, all of whom have said at one time or another that in connection with any duty imposed on imports, part at any rate is paid, not by the consumer, but by the foreign exporter."

Mr. Chamberlain next carried the war into the enemy's camp, and hoped the Duke of Devonshire with his great practical common-sense would induce the Free Fooders, whom he had joined, to change their name, for a more misleading appellation could not be imagined. Their preposterous doctrine put in a few words was this:—

"In the way of imports a tax on food, or a tax on anything else, is perfectly justifiable if it is a tax purely for revenue purposes. If the tax only benefits the Exchequer, and does not do good to any other living soul, it is a good tax; but if incidentally, or even directly, as its proper and necessary purpose, it benefits any interest in this country, or any trade in this country, if it benefits the whole country and carries forward the great ideal of Imperialism, then it is anathema, and wholly unworthy of consideration by any true follower of Mr. Cobden."

All this Mr. Chamberlain attributed to the old, bad doctrine of *laissez faire*, which was at the bottom of the whole policy of the Free Traders in times before we appreciated our position as a great Imperial race, and proposed to substitute a scientific system of taxation for taxation "in its most brutal and arbitrary form." Mr. Gladstone, he showed, had repudiated the idea of the Free Traders, and in 1860, fourteen years after the Anti-Corn Law Legislation was passed, had said:—

The Watch Trade

"It is a mistake to suppose that the best method of giving relief to the labouring classes is simply to operate on the articles consumed by them. If you want to do them the maximum of good you should rather operate on articles which can give them the maximum of employment. . . . What is it that has brought about the great change in their position of late years? Not that you have legislated here and there, taking off one penny or twopence in the pound off some articles consumed by the labouring classes; it is that you have set more free the course of trade; it is that you have put in action the process that gives them the widest field and the highest rate of remuneration for their labour. Take the great change in the Corn Laws. It may even possibly be doubted whether up to this time you have given them cheaper bread. At best it is but a trifle cheaper than before."

An interesting feature of the visit was an allusion made, after the presentation of an address in St. George's Hall, to disappearing trades, and the wonderful facts that Mr. Chamberlain's inquiries had brought to light. The fulness of his knowledge, the grasp of his subject, and the soundness of his contentions struck his audience with amazement and conviction.

"I am told that within very recent years, down to the present time, a very considerable and important watch trade has been established at Prescot. I am told that at this moment, or within the last few months, an American salesman has come over here, it is said, with seventeen thousand or twenty thousand watches, and that he is prepared to offer them at any price he can get for them. Well, why did he do that? Because the great watch manufacturers in America have agreed together that they will not reduce their productions, but that they will fix on a home price that will satisfy the market there, and, having done that, they will go on making, keeping all their workmen at work, and if there is any surplus they will dump it in the only country which is magnanimous enough, generous enough, foolish enough to allow it. Now, follow that out a little. Suppose that is taking place, what is going to happen? These watches are sold at any price, below the cost at which the British working man could possibly make them even if he accepted half wages. Meanwhile the Prescot works have to take lower prices, and do what they can, and have to turn off workmen; and if that goes on long enough—it depends on the good pleasure of our friends the Americans whether it does—if it goes on long enough, the Prescot works will close, the whole of their trade will be gone, and then—those of you who have been buying in the cheapest market, and buying American watches—what do you think you will have to pay for your watches? There is only one place from which you can get them. When there is no longer any home competition, when you are dependent absolutely on the prices that the Waltham factory chooses to make them at, you won't gain in the long run. At the same time, so long as our present system is continued, I don't blame any one who buys his watches where he can, and provided he gets a good quality at lower prices—I blame the policy of this country which allows all this, which makes it possible.

"If the Prescot factory tries to send a watch into America, what happens there? A duty of 45 per cent. is clapped on it—half the value—and if the American watch, or even an English watch, having got to America—strayed there somehow—if it were sent back here it would enter our ports free. Now that

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is a comparatively small trade, but it affects very much a very interesting and important industry, and affects a smaller industry in my own neighbourhood at Coventry."

He then turned to glass imports :—

"I am told that at the present time two hundred and forty millions of bottles are imported into this country. I think these come from Germany. Have Germans any special faculty for making bottles? Have they something that we have not got? If it were a case, for instance, where rice was sent into this country, I should say by all means do not put a duty on it, because we cannot grow rice here, and we want to have our rice as cheap as possible. Is there any reason similar to that which affects the reason why we cannot make bottles? The trade has been seriously injured, I will not say destroyed. Then there is plate-glass. It is a great industry at St. Helens. It was also a very great industry in the immediate neighbourhood of Birmingham. I believe that all the plate-glass works, at all events all but one, have been closed. The plate-glass industry employed 20,000 English workmen. Now that is all gone. But why? The foreigners put duties on plate-glass, varying, but rising to the enormous duty of 60 per cent. Therefore there is no chance of our sending any plate-glass into other countries, but there is nothing whatever to prevent them from arranging among themselves to charge a profitable price enough to cover their fixed expenditure on the sale of plate-glass in the United States of America, and then send all the surplus into this country below cost price. There is one more case, and this is Warrington. It is the case of wire. It is the case of a Manchester industry also. I remember great wire-works at Manchester, and there are great wire-works in other parts of the country. But here is a curious contrast, a most impressive contrast. Twenty-five years ago Warrington alone, one single town alone, exported more wire than the whole make of wire in Germany, and now Germany exports more wire than the whole make of England."

Mr. Chamberlain wound up by supposing for argument's sake that he—in common with ninety-nine out of every hundred of the whole civilised world—was wrong, and that his opponents were right. Even then it was still certain that the experiment would not do much harm, since our German competitors, our French competitors, our Italian competitors, our Russian competitors, our Swedish competitors, were all doing very well. It could not make the difference against us that the professors desired to represent.

"If these countries can have a protectionist system infinitely more severe than anything I propose, more severe than anything that I think to be wise, and still progress, surely you need not be afraid of trying my prescription—which, after all, only involves, if it involves anything, this small transference of taxation from certain kinds of food to certain other kinds of food, and this small protection against foreign manufactured goods, which I think can be justified entirely by the circumstances under which these goods are imported into this country."

Almost as an echo of Mr. Chamberlain's sentiments now came the congratulations of the High Commissioner of Canada and the



THE FIRST SITTING OF THE TARIFF COMMISSION

Drawn from Life by H. M. Taylor and T. C. Jenkins-S.

Scenting the Typhoon

Agents-General of the other self-governing colonies to Mr. Lyttelton on assuming office, and their expression of the feeling of the Colonies that the time was come for tightening the bonds of union, and that already better trade relations had been secured by the abrogation of the German and Belgian treaties and by the preferential treatment of Canada and South Africa. Meanwhile it is not to be supposed that Mr. Chamberlain's utterances at Liverpool disarmed his assailants. They sharpened their weapons and held forth in turn from that time onward. Their arguments are published in book form, and need not largely be quoted here, since no alternative plan was offered, nor did the speakers for the most part see the rock Separation upon the horizon, nor the storm that was the subject of Mr. Chamberlain's concern. Like an old sea captain, he could scent the typhoon though the sky smiled overhead. The landlubbers merely rubbed their hands and congratulated themselves on the immediate sunshine.

Sir W. V. Harcourt, speaking on the 31st, declared that it was not a fact that the exports of this country were stagnant, and, in regard to the progress of other nations, he said that the infant grows faster than the grown man.

Mr. Morley then kept the Little Englander ball a-rolling by saying on the 3rd of November that from a cupboard point of view many articles would come to be dearer. He quoted Holland and Denmark as next to Britain nearly Free Trade countries, and asked where in Europe were the working-men better off? One of the curses of Protection was that it built up powerful interests. The great, the fundamental problem was the well-being of employment in this country, and no phantasmagoria of Empire should lead him away from it!

So began November, with Mr. Chamberlain facing in comparative solitude the wild frenzy of the Opposition leaders and the opprobrium of some of the strongest Unionists who had been his colleagues—a champion "bruiser," though by no means conquering as yet, but nevertheless cool, unflinching, undismayed, a fine fighting figure fit to gladden the hearts of true Britishers and make them appreciate almost unquestioningly the old saying, "Might is right."

IV.—THE CLOSE OF 1903—NOVEMBER AND DECEMBER

A reception tremendous and tempestuous was accorded the campaigner on his return to Birmingham. An audience of some 10,000 of all classes mustered in Bingley Hall, November 4, to hear with their own ears the remarkable arguments that were sweeping over the country with the irresistible momentum of a cleansing

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tion. He began by reminding his hearers that it was exactly six months since he had invited discussion of the great question he put before them, and that his appeal had been answered by many who had refused to treat it as the delusion of a madman, and even by those who declared it unworthy of a moment's consideration, but who had since talked of nothing else! Then he proceeded to demolish the arguments of Sir W. V. Harcourt and other critics on the part played by Free Trade in reducing the price of corn and promoting the prosperity of the country. People were led to believe that the bad state of affairs that prevailed sixty years ago was due wholly to the Corn Laws, and that when these were repealed prosperity reigned in their stead. If this were the truth, and Protection wrought havoc and Free Trade plenty; if this were true, how was it that every foreign country had adopted Protection and profited by the experiment? He went back to history, to the troublous times preceding 1846, when we had become the workshop of the world. We had been very prosperous, we were increasing our production rapidly, and had outstripped the demands of the world. Foreign countries were in a poor condition then, prosperity had been hindered by many causes, and they were unable to take the surplus of our productions, and therefore many of our mills and factories had to go on short time or were closed altogether.

“ There was great want of employment—the one critical thing in all this discussion—there was great destitution, great misery, and consequently great discontent on the part of the majority of the population. This was a time, in 1841 and 1842, to which Sir William Harcourt referred to in his speech on Saturday last. He went back to the memory of his childhood and youth and said at that time he was in school at Preston, and he had been a witness to riots in which some of the people had been shot down by the military. The riots in 1841 and 1842, to which Sir William Harcourt referred, and which he apparently wished his audience to think were due to the Corn Laws—were due to Protection—were due to nothing of the kind. They were due to something absolutely different. They were instigated by the leaders of the Chartists in those days, and the Chartists in those days were absolutely opposed—the leaders—to the Anti-Corn Law agitation. They had the greatest contempt for the leaders of that agitation. They did not spare them; they said almost as bad things of them as my opponents say of me. No, sir; the Chartist leaders at that time told the working people, and I am not certain that they were not right, that what they wanted—that the one thing which would deal with the circumstances of their condition—was to give them efficient representation according to their numbers, and they begged of them not to be drawn aside by the Free Trade leaders, which they said was a red herring to divert them from what was much more important in their interest; and those riots, this discontent, was due to the action of the leaders of the Chartists, who urged the working men in this country to a universal strike. The riots were directed not in favour of Free Trade, but they were directed against the Manchester manufacturers and others who were at that time supporters of Free Trade.”

Cobden's Optimism

He then quoted from Mr. Morley's "Life of Cobden" to prove that Free Trade was a manufacturer's movement, and showed that the working-classes were opposed to it, and were really in favour of electoral reform, which eventually they secured. In short, the distress of 1841 *was not attributable to the Corn Laws, it was not attributable to the price of bread, it was not attributable to Protection—it was due to other causes altogether, and the distress and the starvation and the destitution ceased when those causes were removed.*

He also quoted Mr. Montgredien, who said :—

"The adoption of Free Trade was not the result of pressure from adverse circumstances. The country was flourishing, trade was prosperous, the revenue showed a surplus, railways were being constructed with unexampled rapidity, the working-classes were fully and remuneratively employed, and bread was cheaper than it had been for many years."

He reverted to the awful potato famine and the misery then overshadowing Ireland, and explained how this must have influenced the minds of statesmen and impressed on them the necessity to relieve food from exaggerated taxation. Plainly he showed that it was the unprecedented calamity to the potato crops and not the Corn Laws that made change urgent.

"The price of wheat for the whole year 1846 was 54s. 8d. per quarter, and after the repeal of the Corn Laws, which took place in that year, taking the average of ten years the price of wheat was 55s. 4d. per quarter, or 8d. dearer than it was during the year 1846, when the repeal took place. Now, from all this I ask you to accept the statement, which I make without fear of refutation, that it is a mistake to say either that dear bread was the cause of the repeal of the Corn Laws, or, secondly, that the repeal of the Corn Laws produced immediately any reduction in the price of bread. But I have still something else to which I have to call your attention. It is true, as you have been told, that after the repeal of the Corn Laws this country entered on a period, which lasted for twenty-five years, of what I may call unparalleled prosperity. I do not deny it, but I say it had nothing whatever to do with the repeal of the Corn Laws, and very little to do with the introduction of Free Trade. *The cause of the prosperity was the discovery of gold in California and in Australia, the development of invention, the enormous increase of railways and the improvement of steamship communication, and generally the impetus which was given to the trade of the world.* Everybody prospered, and we prospered more than all. Why? Because under a system of Protection in the years of which I have spoken, before the repeal of the Corn Laws, we had secured the supremacy in the world's markets, and the other countries of the world were backward owing to various circumstances, and we alone were in a position to take advantage of this great boom, as we should call it now—this great advance in the general commercial dealings of the world."

Mr. Cobden's optimism, handsome as it might have been, had not been fulfilled. Other countries had not imitated our example, and conditions were entirely changed since he had said "the Americans would dig, delve, and plough for us." The Americans

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had shown other conceptions of their national destiny! In the speeches of the Free Traders Mr. Chamberlain could find no sign of appreciation of the value or the pride of Empire. If we should give the Colonies preference they would reciprocate, and it was to our interest—most imperatively to our interest—to preserve, to improve, and increase our trade relations with them. He apologised for feeling considerable sentiment in the matter, and decided to stick boldly to the interest side of the question.

“Every emigrant from this country who goes, let us say, to America, what is he? A prospective customer of yours to the extent of six shillings. If he goes to Canada he takes £2 from you. If he goes to Australia he takes £5 or £6. If he goes to South Africa he takes more. Is not that worth considering? While we are dealing exclusively with these matters of pocket, had we not better think whether it would be worth our while, while there is still time, to hold this Colonial trade, to increase it by every means in our power, rather than to depend on the crumbs which fall from the foreign man’s table? Therefore it is that I invite you—it is one of my reasons, at any rate, that I invite you—to treat your friends better than those who are your rivals and your competitors.

‘Those friends you have and their adoption tried,
Grapple them to your soul with hoops of steel.’

I say that it is in your own interest, that it is absolutely impossible that anything which contributes to the prosperity of the Colonies, which fills up their waste land, which makes them richer, will not react and add to your prosperity also.”

Then, in order to show how little Mr. Cobden’s views on Free Trade could possibly be adapted to the present time and our enhanced relationship with the Colonies, Mr. Chamberlain declared the Cobdenite idea had been that Free Trade would gradually and imperceptibly loosen the bands which unite us to the Colonies. In speaking of our relations with Canada Mr. Cobden had said: “In my opinion, it is for the interests of both”—that is, of this country and of Canada—“that we should as speedily as possible sever the political thread by which we are as communities connected, and leave individuals on both sides to cultivate relations of commerce and friendly intercourse with other nations.” This was certainly not the present-day view. But many of his critics also argued that the Colonies showed not the slightest inclination to respond to his offers. “I have not this special information at my disposal which would justify me in saying exactly how they will meet our offers when they are made to them. But time will show whether I have undertaken this crusade in ignorance of their wishes or of other

Colonial Wishes

intentions. We know," he said, "that a preferential system has been asked for by all the Colonies, and that on three separate occasions it was asked for at the Ottawa Conference and at the two conferences in London. We know as regards Canada that the Prime Minister of Canada, that the Leader of the Opposition, that Mr. Tarte, one of the most distinguished representatives of French Canada, were all in favour of the principle, and that Mr. Fielding (Minister of Finance in the present Government), in his Budget speech in the Canadian Parliament, while saying that reciprocal preference was what the Canadian people desired, stated that if their offers and suggestions were put aside by the Mother Country no one could complain if they considered themselves free to review, to reconsider the preference that they had already given us. Of their own accord they gave a preference of $33\frac{1}{3}$ per cent., and the result of that preference was that our trade with Canada has gone up in the last few years until it is nearly doubled. It has increased by something like six millions, and the Canadian Government and the Canadian Opposition said that if we were willing to reciprocate they were willing to negotiate and see if they could not give us further advantage." The Prime Minister of Australia and the Prime Minister of New Zealand both made this policy of reciprocal preference the leading article of their programme, and Mr. Reid (leader of the Opposition in Australia), though himself a convinced Free Trader, had declared that if he could not have absolutely Free Trade he should be prepared to give to the Mother Country a preference of 50 per cent. In South Africa the whole British community was in favour of the preference of 25 per cent. which had already been acceded to us. Mr. Hofmeyer, the leader of the Dutch community in Cape Town, made no objection, but he stated that if there was to be no reciprocity he did not believe that this preference would last. These things could not be repudiated. They were facts, from which one could draw their own conclusions. He went on to say: "When I remember how the Colonies responded to our appeal, when I remember how when we were in stress and difficulty they sent us men in thousands and tens of thousands, how they paid money, small, indeed, in comparison with our vast expenditure, but not inconsiderable when you have in mind the relative proportion of our population, when I remember how when every one's hand seemed raised against us we relied and rested on the moral support that we had from these great growing States across the sea, I for one am not prepared to treat their proposals with contempt, and I believe that we may reciprocate with them without fear of a quarrel, and that they will show to us the same spirit of generosity and patriotism which I hope we shall be ready to show to them."

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He turned to another critic. ("It was a case of 'one down, t'other come on,'" some one in the crowd said.) Far from ignoring the home industries, as he had been accused of doing, he proved that he saw breakers ahead.

"If the foreign trade is declining, and if at the same time foreigners are sending more and more of their goods into our home market, why, it does not take a genius to discover that in that case the home market will suffer sooner or later, and more likely sooner than later. All this is a part of the old fallacy about the transfer of employment. This is the idea: you are engaged in a certain industry; that industry is destroyed by dumping, or foreign competition, or by sweating, or by any other cause. Very well, you have no right to complain; some other industry is prospering, and it is your own fault if you do not leave the industry which is falling for the industry which is rising. It is an admirable theory; it satisfies everything but an empty stomach. Look how easy it is. Your once great trade of sugar refining is gone. All right, try jam. Your iron trade is going; never mind, you can make mouse-traps. The cotton trade is threatened. Well, what does that matter to you? Suppose you try doll's eyes. It was once a Birmingham trade. That is why I mentioned it. How long is this to go on? Take sugar refining. That went; jam took its place. Why on earth are you to suppose that the same process which ruined the sugar refinery will not in course of time be applied to jam, and when jam has gone then you have to find something else; and, believe me, though the industries of this country are very various, you cannot go on for ever. You cannot go on watching with indifference the disappearance of your principal industries and always hope you will be able to replace them by secondary and inferior ones. And putting aside altogether the unfair individual suffering that is caused by every process of employment, by taking a working man from some trade to which he has been brought up, in which he has been engaged all his life, and setting him down to something to which he is not accustomed, and for which he has no aptitude—putting aside all that individual suffering, I say, there is no evidence whatever that there is a real compensation to be made; there is no evidence whatever that when one trade goes that another immediately takes its place."

He then discussed the condition of certain decaying industries.

"I will take one or two out of a sheaf in which Birmingham men are concerned. Take the jewellery trade. We have only statistics for three years; before that time the Board of Trade did not separate jewellery. In 1900 we sold to foreigners £50,000 worth, we imported from foreigners £137,000 worth, and we were £87,000 to the bad. That was in 1900, but in 1902 we were £170,000 to the bad. That is to say, in those three years in this foreign trade we are twice as badly off as we were in 1900. What is the reason? Well, there are tariffs, tariffs which prevent you from sending your jewellery into those foreign countries, and which range up to 45 per cent. And at the same time that that is going on, the Colonies are buying from you twice as much as all the foreign countries put together. It is a very curious thing whichever way you look at this matter, whether you take an individual trade or whether you take the general results of trade altogether, it is always the same thing—decline in exports to foreign countries, increase in foreign imports to this country, only concealed, only compensated by increase in Colonial trade. Take

Pearl Buttons and Cycles

brass manufactures," he said, "the smaller brass manufactures. In the last ten years the imports from foreign countries increased threefold. The tariff on brass work ranges up to 60 per cent. The Colonies are our best customers. Well, I do not know what our people think; but I think that if this continues, and that if the Colonial trade were to decline, as it will do if you do not adopt this system of reciprocal preference, then the brass trade will decline, and not all the trade unions in the world will save the brass trade from ruin, or the people who are employed in the brass trade from the destitution and misery from which we wish to save them."

Turning to the pearl button trade, one of the oldest trades in Birmingham, he proceeded:—

"In the pearl button trade six thousand workpeople used to be employed; to-day there are about one thousand, and very few of them have full employment. Why is that? It is largely due to the influence of the M'Kinley tariffs, which shut out the pearl buttons from America, and it is partly due to the dumping of pearl buttons from the Continent into England and even into Birmingham itself. I received a telegram to-day from a great house in the city which said that whereas Birmingham used to produce small wares of all kinds and was the largest source of them, now they were got chiefly from Germany, and that one of the greatest of the German manufacturers had told him that if Mr. Chamberlain's policy were to be carried he would bring his manufactory over here, and if he brought his manufactory over here it would be British workmen who would be employed, and who would get the wages which are now enjoyed by German workmen. I wonder what has become of the five thousand pearl button makers who were once employed, and who have lost their employment?"

Another example was the cycle trade.

"I am going to take this time a comparatively new industry. Take the cycle trade. Now, what is the case there? Our exports to the foreign protected countries fell £566,000 in ten years, and our exports to the Colonies rose in the same period £367,000. Why was that change? When the foreigners found that the manufacture of cycles was rather a good thing, they put up their tariffs. The tariffs now on cycles range up to 45 per cent. And not content with that, when the time of depression was strongest in America, the Americans dumped their cycles down here at prices with which English manufacturers could not compete. In 1897 the United States sent to the United Kingdom alone £460,000 worth of cycles, and at the same time they flooded the Colonies and sent them £340,000 worth, all of which we might have had if we had had a tariff here to prevent unfair competition, and if we had had a preference arrangement with the Colonies, which would have kept the trade for us."

And now followed a delightful little comedy for the audience—a problem comedy in which Mr. Chamberlain, as Imperial baker, put the big loaf and little loaf question practically before them. He first reminded them of a flaming poster that had defaced the walls of Birmingham—one that was intended as the advertisement of a journal notorious for its pro-Boer sympathies, and which exhibited the outline of a grand Free Trade loaf in opposition to a

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dwarf Zollverein loaf, in the hope to show the miserable vacuum that would occur in the domestic stomach if Mr. Chamberlain's preferential scheme were adopted.

"I felt a curiosity to inquire what would be the exact difference in the size of a loaf if the whole tax which I propose to be put on corn was met by corresponding reduction in the size of the loaf, and I asked my friend Mr. Alderman Bowkett to make me two loaves in order to test this question." (Mr. Chamberlain, to the surprise and joy of the company, then displayed on the rostrum two loaves of bread of identical size. When the cheering that had greeted this display had subsided, he said)—"I do not know whether your eyes are better than mine, but when I first saw these loaves I was absolutely unable to tell which was the big one. I know there is a difference, because I know that in the smaller one a few ounces less flour had been used in order to correspond with the amount of tax; but it is still, I think, a sporting question, which is the big one and which is the little one."

Finally he returned to his continual arguments that the main burden of whatever tax there might be would fall on the foreigner and not on the consumer, and that he was the last man—the very last—to propose to raise the cost of living to the poor of the country. In conclusion he said—"What I care for is that this people should rise to the height of its great mission, that they who in past generations have made a kingdom surpassed by none, should now in altered circumstances and new conditions show themselves to be worthy of the leadership of the British race, and in co-operation with our kinsmen across the seas, they should combine to make an Empire which may be, which ought to be, greater, more united, more fruitful for good, than any Empire in human history."

At Leicester, on the 7th, Lord Rosebery responded. He said the Government was waiting to decide what line was expedient for an appeal to the country. What they wanted was not a mandate from Mr. Balfour, but from Mr. Chamberlain. Meanwhile Mr. Chamberlain's promises were vanishing, and the Colonies were not acting as Mr. Chamberlain suggested.

Political London now became agog with a new problem. It saw the Liberal Party with three Leaders, and wondered what would be the upshot of this Cerberus-headed guardianship of the Empire. Here on one hand was the man who had accused the British Army—the combined Army of Great Britain and the King's Dominions Beyond the Seas who fought for the Empire—of barbarity; and here on the other was the man who was excommunicated in his lonely furrow by half his party because of the fact that he held himself as a patriot during the war.

Three Liberal Leaders

Could such two men agree? everybody wondered—agree on any one point save their hatred of Mr. Chamberlain?

Now, betwixt and between them, came the Duke of Devonshire, who at first had accepted Mr. Chamberlain's premises, and later on denied them, and suggested that retaliation must not go beyond threats. Much good threats had been to smash the Mahdi, or to smash President Kruger! The public has a long memory, and knew the Duke's connection with history. They saw that the Duke was prepared once again to write up "Beware of the dog," while not so much as a puppy was kept on his premises for protection. Here was a prospective head of the Liberal Party—an advocate solely of the policy of repose, while all the bees in the world's hive were gathering the honey; a leader whose policy would be to do nothing, but try to drift along between the Scylla of Home Rule and the Charybdis of pro-Boerism.

Curiosity found new hunting-grounds when, on the 11th, Lord Hugh Cecil and Mr. Winston Churchill pluckily went down to Birmingham for the purpose of bearding the lion in his den. Their reception was comparatively tame. Mr. Chamberlain's arguments were confuted without much dissentient uproar. The difference they endeavoured to define between the Prime Minister and Mr. Chamberlain was that, while the policy of the first aimed at preserving our import trade, that of the last aimed at destroying it. Mr. Balfour himself spoke at Bristol on the 13th, but his pronouncement dealt merely with the subjects he had comprehensively treated at Sheffield and in his pamphlet. Referring again to the power to retaliate when foreign countries attacked us, he said it was little short of lunacy, with dangers staring us in the face, not to take steps to bring about the growth of that condition which augured so much good for the industries of this country. A piquant feature of this occasion was the appearance on the same platform of Sir Michael Hicks-Beach, who but a few days before had entertained business men in Manchester with his criticisms of Mr. Chamberlain. He now expressed confidence in his leader, and admitted he was opposed to what Mr. Gladstone had called illegitimate cheapness; he was, nevertheless, still determinedly opposed to the unauthorised programme. He expressed himself as justly indignant at being classed among "Little Englanders." Meanwhile Sir Henry Fowler was speaking at another banquet, and declaring that the Government was Protectionist all round; while Sir Henry Campbell-Bannerman, at Frome, was denouncing the suggestion that the Empire would dissolve if Mr. Chamberlain's policy were not adopted, characterising the forecast as a "profligate statement."

Mr. Chamberlain, on the 18th, held a farewell official interview

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at the Colonial Office with colonial agents, and Lord Strathcona, in an eloquent speech, summed up the various momentous events that marked the late Colonial Secretary's term of office :—

“The Federation of Australia, the introduction of preferential tariffs in Canada and South Africa in favour of British imports, denunciation of the German and Belgian treaties, the laying of the Pacific cable, the establishment of penny postage within the greater portion of the Empire, the abolition of the sugar bounties, the inclusion of colonial stock among trustees' securities, and the visit to South Africa—a precedent which all hoped would be widely followed in the future.”

This leave-taking over, Mr. Chamberlain prepared to pursue his campaign. At Cardiff on the 20th, and at Newport on the 21st, his discourse, as usual, combined the ideal and the practical, and was listened to by an audience that was as delighted as it was inquiring. First he alluded to an epithet that had been applied to him by the Opposition. Cobden had been called a Manchester money-grabber, which was far worse than “Brummagem bagman,” so he had no cause to be displeased. He knew something of commercial travellers, and had had reason to admire their energy, their capacity, aye, and their patriotism! Whether as missionary or as bagman he pursued his work, he was glad to enjoy the support of that great confraternity. Referring again to the miscalculation of the original Free Traders, he said :—

“Mr. Cobden believed, and told the people of this country, that he did not suppose that his proposal would throw a single acre of land out of cultivation, or place any tenant farmer in a worse position than he was before. At the time they enjoyed a national protection in the share of freights and charges, which amounted, if I remember right, to something like 10s. a quarter. He said that with 10s. a quarter they ought to be satisfied, and ought to be able to hold their own; but neither he nor any one else at that time could have foreseen the reduction of that natural protection, until now it hardly exists. This great industry was brought down to its present condition, so that while, as I have said before, it still employs the largest number of persons engaged in any single industry, still in each succeeding decade the number continues to be reduced, and fewer and fewer people are employed on the land. This industry has a right to be consulted, and before our discussion is ended I hope to visit agricultural districts. But I have come to the towns first for several reasons. In the first place, because all that old jealousy which used to exist between the towns and the country, and between agriculture and manufacture, has almost disappeared; because the people in the towns and the people in the country recognise that their interests are identical. The influence of the towns spreads widely throughout the surrounding districts, and if I can persuade towns, and I don't think they require much persuasion, and if I can only persuade them the time has come to consider a change, I have no doubt whatever of being able in turn to convince the country districts.”

A Doomed Policy

But meanwhile he begged them to believe that the industrial interests of both town and country were identical and inseparable.

"You in the towns are the best customers of the country. The country supplies you, still supplies you, though in constantly decreasing quantities, with some of the principal necessities of your life. You in turn supply the country with all it wants except food. You cannot injure the prosperity of the towns without destroying the hopes of agriculture in the future, for, in my opinion, we have got so far that the best hope I have for the agriculture of the country is to be found in the increasing prosperity of the home market, in the increasing demand which will flow out of the towns towards the country."

He hoped none would look to his own and sole interests. All were bound up together, and the kingdom as a whole must be considered. South Wales, however, was a district where some of our primary industries had taken root almost from the recollection of man. Those industries were coal, iron, steel, and shipping, all of which subjects he proposed to treat. Tariff reform, though he had hoped it would be above all party politics, had already divided both parties. Yet it was no new question; it had occupied statesmen, Lord Salisbury and others, for years and years. But with them it had been of the nature of an inspiration rather than a question for practical politics. As for himself, he was merely a late recruit, and possibly might never have been the protagonist in this struggle but for the experience gained as Colonial Secretary, the knowledge acquired of the opinions of our kinsmen across the seas, and the conviction that the continued existence of the Empire could not be maintained save by the strengthening of the binding ties which unite the several portions of it.

He looked on the policy of the last fifty years as doomed. The present policy of the Government was easy to understand, and had been simply expounded by Mr. Balfour at Bristol. As for the Duke of Devonshire, his last intimation was that he was not opposed to the Government, but he hoped to be a drag on the wheel. A curious ambition!

"Here we are in the crisis of our lives, here we are with burning questions for which we have to find a solution, I should have thought that the time had come for statesmen of some energy and initiative, and of some foresight. Pitt, the great Pitt, was toasted, and is even now known to history as the pilot who weathered the storm. *I do not think I should much care to go down to posterity as a drag on the wheel.* Then there is Lord Goschen. Lord Goschen at Liverpool went a little further than the Duke of Devonshire; he said that if circumstances required heroic legislation he would be prepared to consider it favourably. I am afraid that my friend Lord Goschen has also the same desire to attain posthumous fame as a drag on the wheel. Then there are the twin brethren of politics, Lord Hugh Cecil and Mr. Churchill; they were at Sheffield and they heard the Prime Minister. They did not agree with him. They

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disagreed so seriously that they thought it necessary to send a particular and express message to the Press in order that the whole world might know the next day that they had voted against the resolution which approved of the principles of the Prime Minister's speech. Yes, the atmosphere to which we are all yielding something, the moving spirit by which we are all animated, has affected them also. They are not stationary. The other day they went to Birmingham, and they seem to have been afraid that Birmingham would be angry. I could have told them, if they had consulted me, that Birmingham was not angry, and that it was absolutely indifferent, but *they went there under the auspices of a Radical Association*. They addressed a packed meeting of their political opponents, every man of whom would have hooted them six weeks ago because of their views on education and other matters, but who cheered them uproariously when they knew they belonged to a cave which was opposed to the Government. *But the curious thing is this—and I am afraid they are devoid of a sense of humour—the comical thing is that these two gentlemen, after making orthodox Free Trade speeches, actually persuaded their Radical supporters to vote for a resolution which favoured retaliation under special circumstances. I really have hopes of the twins.*"

Then followed an analysis of trade conditions in South Wales. He spoke of Cardiff's fine fortune in possessing a practical monopoly of the best steam-coal. But did they think their export trade, except for special purposes—naval and maritime—was going to last for ever?

"Look at the returns of foreign countries, see the growth of the production of coal in the United States of America, in France and Germany, and you must see that it is inevitable that in the course of time, and no long time, these countries must be self-sufficient, they won't want any but the most special quality of coal. The ordinary qualities of coal they will supply themselves. It is not a question of tariff; they are not likely to put any serious tariff on coal, which is the raw material of their industries. As soon as they can get enough coal, and coal cheap enough, from their own mines, of course they will not any longer take it from you; and the time is coming, therefore, and it must come in a short period, when the prosperity of every coalowner will depend on the use of coal in this country. And that is what I want to impress on you. I want to impress on you to-night that your trade cannot be treated as though it were separate from that of everybody else. Your trade depends on other trades, and if your trade were to continue prosperous for a time while other trades were declining, you would find that in your turn you would suffer. You might for the moment not feel the dangers to which I refer, but in the long run you must suffer with everybody else. Your interest—I am now speaking to the miners—is to maintain and to increase those trades that will always be dependent on your coals. What are you doing to maintain those trades? They are in the first line, you are the reserve. You will not be attacked until they have been defeated. I call on you to defend them now."

Turning to the tinplate trade as a typical illustration of the influence of foreign tariffs, he said he had chosen it, not because it was by any means the most important, but because he thought he

The Tinplate Trade

could illustrate every branch of this controversy from the experience of that one trade.

“ In the first place, it is an historical trade. It is a trade for which this country has a special aptitude. It is not an exotic trade like cotton. We have no particular aptitude for the weaving or spinning of cotton. I suppose the natural aptitude is in India, or in the Southern States of America, where the cotton grows close to the mills that may be erected or have been erected to work it. We have, in that case, to bring all our raw material from a great distance before we work it up, but here everything is close to your hands. You have the iron, you have the coal, you have the workmen, you have the people who for generations have been devoted to this particular trade. It is recognised everywhere that this particular trade was favourably situated, and yet this trade, which ought to have been yours under any theory of true Free Trade or free exchange, received a few years ago a mighty and staggering blow. The greater part of the trade was done with the United States of America. The M'Kinley Tariff in 1891 put on it a prohibitive duty. This did not operate on your trade immediately, but, as always happens in such cases, behind the tariff a great industry grew up in America, a great industry which at the present time produces four hundred thousand tons of tinplates every year, and gives employment to fifty thousand working-men.

“ What was your position before the M'Kinley tariff? It is rather interesting. It was that of a trade increasing by leaps and bounds; I believe you could hardly find another instance of so large a trade making so large an increase in the years between 1872 and 1892. The exports of tinplates doubled in each successive ten years, and they reached a total of 450,000 tons in 1892. I like to give my authority, and I may say that the figures I am quoting are from the *South Wales Daily Post*, and from an article by Mr. Gilbertson. What follows, then? If that trade had continued normal, if it had continued to double every ten years, to-day it ought to have exports of 900,000 tons. When my opponents speak of the actual position of any trade, they leave out of account altogether its comparative position. If they can show that trade is as good as it was ten, twenty, or thirty years ago they are perfectly happy, and they are firm in their Free Trade orthodoxy. To me that is not enough. When population is growing, *when my neighbours are increasing in their prosperity with gigantic strides I want to see signs of progress. I am not satisfied to be stationary.* As a matter of fact, the tinplate trade has not even been stationary. In 1892, as I have said, the export had reached 450,000 tons. Last year the exports to the United States of America, which used to be the principal market, declined to 65,000 tons. But do you think you are going to keep that? You are very much mistaken if you do. It is a trade which has only been on sufferance; it is a trade which is due to the American system of having a drawback on the tinplate which is used in the exports of canned meat. It is a thing which will inevitably come to an end as soon as the American works are able to supply the whole demand at equally low prices. Therefore, though I take note of it, as I am bound to do, I say that trade of 65,000 tons is a trade which is as much gone, is as certain to go, at least, as anything can in this world. You cannot possibly expect to keep that trade. What do our opponents say on this point? I referred to the tinplate trade at Glasgow for another purpose, and I referred to it in order to point out that if we had not been bound hand and foot by our Free Trade policy we might have kept the American tinplate trade. What was

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the position at the time that Mr. M'Kinley put on the duty? At that time the whole manufacture of tinplates in America was 550 tons; now in a few years it has increased to 400,000 tons. A trade of 400,000 tons you cannot disturb; the vested interest is too powerful, the advantage to the country is too evident. The trade you have lost you have lost, and you will never get it back; but you might have kept it. What special interest had the United States of America in keeping a trade which only amounted to 550 tons of tinplates? If we had been able to go to them and say: 'If you will leave tinplates to us, we will in return give you something;' or even if we had said, 'If you do not leave tinplates to us, there is something we will take from you;' and in either of these cases, if we had dealt with business men as business men ourselves, I believe we could have made arrangements. It would have been better worth while for Mr. M'Kinley to have allowed tinplates to remain to us, provided on his side he had employment for American workmen to a larger extent in some other industry in which America was interested. Well, I say, I quoted the tinplate trade for that purpose, and that purpose alone. Now, a gentleman who is well known to all of you, and no doubt respected, the member for a division of an adjoining county, Sir William Harcourt, has referred after me to this question in these terms: 'I know something about it, because it flourishes in South Wales, where I have the honour of sitting for a county. There is no doubt that the tinplate trade was injured by the tariff, very much injured, but the tinplate trade, as the chairman has just described in another phrase, improved its operations, and got assistance from the dumping of plates from America at a cheaper rate, and the tinplate trade has been entirely revived in South Wales.' It has not been entirely revived; even I, who am not a member for a county, know as much as that. There is no doubt whatever that after the great fall consequent on the M'Kinley tariff, the tinplate trade has risen, has retrieved some of the ground which it lost, but why? Owing to two things; owing, in the first place, to the abnormal demand for South Africa during the war, and owing, in the second place, to the continually increasing demand from British Colonies and British possessions. But even now the total export last year *only reached 370,000 tons, and, therefore, you have actually lost as compared with ten years ago, 80,000 tons.* That is not all. Sir William Harcourt leaves out altogether what it might have been had you not lost the American trade, if you had got the trade which is now being carried on, the production which is now going on in America. Your loss would not have been 80,000 tons, but your gain would have been 320,000 tons. I have pointed out, and desire to impress on the minds of the working people of this country, that their interest in the matter is the question of employment, for 80,000 tons have ceased to be produced here that were produced. If 320,000 are not produced which might have been produced there is a great loss of wages. How much is it? Well, on the 80,000 tons, on the coal which would have been required if that 80,000 tons were still being produced, the wages would have been £60,000 per annum. On the 320,000 tons, the difference between what might have been and is, the amount of the loss of wages would have been between £200,000 and £250,000. That is all in one process, and on that alone you have actually lost, as compared with ten years ago, something like £60,000 a year in wages, and you might have had £200,000 a year more in wages now. Well, carry that all through the trades in which you are interested. This is only, as I said, a simple process of trade. Think of the iron trade, of the coal trade, of the shipping trade, every one of which is affected in the process."

Assets of the Empire

The loss of employment his opponents treated in jocund spirit. They said what does the loss of employment matter if they get some other employment elsewhere? But how about that employment elsewhere? asked Mr. Chamberlain.

“When a man has been a skilled artisan in making tinplates, is he equally happy when he works at smaller wages in carrying German bars from the ship to the mill? No; men who are turned out of any trade by this unfair competition, a portion of them go to the workhouse, and a portion drop into every kind of casual development, and some in time emigrate. Foreigners are glad to take your skilled mechanics. They have use for them. They teach the foreigners to compete with us, and they send us undesirable aliens in return. That is free exchange, but is it a good exchange for you? These men, your fellow-countrymen, your fellow-workmen, your comrades a few years ago, who have gone, let us say, to America, as long as they were here every man of them was a customer for British goods to the extent of, I should think, at least £50 a year. That which went out of the workmen’s wages must have been £50 a year at least in food and clothing. Where did he get his goods? His clothing from British manufacturers and his food from the shopkeepers. The shoemakers and manufacturers benefited. The same man to-day buys his goods in his new country, and he becomes one of a country which only takes from you 6s. per head. I call that a bad exchange to lose a customer worth £50 to gain a customer worth 6s. That is not business. There is something more than business in it. This man, whom I have supposed as a skilled mechanic working in this country, goes out from us. He then ceases to be under the British flag. In course of time, as is right and natural, he and his descendants become American citizens, true to a different but still glorious flag. But he is no longer one of the assets of the British Empire. He has gone to a new and a different country, a loss which to me is even greater than the loss of the money. That is a loss which I would stop by every means in my power.”

He combated Sir W. Harcourt’s protest that the tinplate trade depends on dumped steel, and called his attention to the statement of an important business man,¹ who said: “My firm would willingly sacrifice any advantage that they may gain at times, by getting American or German bars free of duty for the sake of an arrangement with the Colonies to give our iron a preference over that of foreign countries.” He then went on to show that though the tinplate trade might gain now by the process of dumping, hereafter there would be the dumping of tinplates as well as the dumping of iron. Then he demonstrated how hostile tariffs, scientifically directed, can kill a trade.

“The American tariff has killed the American trade in tinplates. It shows, in the second place, that when you lose a trade of this kind you must not expect that you can ever get it back again. Once an interest is created, once a foreign country has found its advantage in manufactures, you cannot in reason expect

¹ Mr. Lysaght.

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that they will ever allow you to take it from them. In the third place, the experience of this trade shows that at present of what you lose with foreigners owing to these tariffs you may retrieve a large portion by an increase of trade with your fellow-countrymen, your kinsmen, in the Colonies. It shows, in the next place, that protected nations, in spite of, or because of Protection, are able to dump their goods under cost, to the disorganisation and the destruction of some of our oldest industries; and, in the last place, it shows that where everybody is injured the working men are the people who are mostly injured. What other people lose is a portion of their capital; what other people lose is a portion of their investments. They are not destitute. The working man when he loses his employment has nothing else to live on, and nothing else to keep his wife and family on. Now all this is new here; in this district it is very new. It is only within the last three or four years, perhaps a little more, that this process of dumping has commenced. It is only a few years ago that the M'Kinley tariff was passed. Nothing of this kind was foreseen by Cobden and his friends. What they would have done if they had foreseen it, it is not for us to speculate; at all events the circumstances are so new that it seems to me only sensible to say that the policy must be new also. You must meet new conditions by a new policy. You are warned in time. The mischief at present has not gone far, but you have begun with dumping 250,000 tons. Do you suppose it will stop there?"

He jeered at the only remedy suggested by his opponents. Trade was falling off, foreigners were progressing with greater strides than ourselves, we were losing trade—it was being ruined under our eyes, yet Lord Rosebery said, "What we want is commercial repose." "Commercial repose! Rest and be thankful! Go to sleep, gentlemen, and forget your troubles. Are you in anxiety? Do you fear danger? Have you nightmare? Then try Lord Rosebery's specific. Try the famed soporific pills, and you will have a wholesome slumber."

Then, resuming the serious vein, he said what we wanted was not so much commercial repose as commercial activity. We no longer enjoyed our one-time supremacy in the commercial world, we were being outstripped by our competitors, we were surrounded by active, energetic, and successful rivals; it was time to change our system. We were losing our old customers. We must try to get them back. We had set them a good example; we had endeavoured to persuade them in our direction. But they did not see eye to eye with us; they did not follow our example nor accept our precepts. We must see whether a little gentle pressure might not be found more convincing.

Mr. Chamberlain wound up by setting forth his hope in regard to the consolidation of the Empire, and by thanking his Cardiff audience for the cordiality of their reception. It was not the first time he had received a Welsh welcome, he told them; but "last time it took the form of paving-stones." This reminded them of the



H. A. ARNOLD-FOSTER

Photo ELLIOTT & FRY, LONDON.

The A.B.C. of Business

days gone by, and of the contrast between the great night when he had gone there and been acclaimed as the rising star of Radicalism, and of his second visit, when he had stood alone against a storm of fury, his cause that time, as now, the cause of the Empire.

On the following night, Tredegar Hall, at Newport, was packed with some three thousand eager admirers. He set to work to propound his Imperial arguments, and to impress on his hearers how great was the importance of action in regard to our sentiment with these ever-growing Colonial powers. "We should say, 'We love you. We will do anything for you;'" and they should say, 'We respect you, and we will make any return in our power for any sacrifices which you have made on our behalf.'"

That was his idea, expressed again and again. He then explained how his opponents declared that no reform was necessary; that the country never was so rich, that never was so much income-tax paid, never were there so many cheques passed through the Clearing-House, never was such a satisfactory state of affairs with regard to the condition of the working man; and that, if they could only get rid of a certain pestilent ex-Colonial Secretary, they might be happy ever afterwards.

Political society was divided into the sheep and the goats; the self-satisfied and the divinely discontented—those who understood there was no finality in anything. He dwelt on the lack of employment, and his dread that this state unless remedied would continue, expressing impatience with the cowardly doctrine of those whose knees knocked together with fright at the prospect of tariff wars. He demonstrated how our behaviour in regard to sugar was restoring the West Indies to prosperity; and though some argued that the Sugar Convention was injurious to this country, and had raised the price of sugar, he showed that the price of sugar was always varying according to the market and to the supply. The price of sugar per cwt. is 10s. 1½d., and taking the average of five years before the convention, it was 11s. 3d., therefore the price at present was 1s. 1½d. less than it had been during the average of the five years preceding the convention.

He entered more fully on the dumping question, and declared that some of his critics did not know the A B C of business nor the motto

"'It is the quantity that pays.' What did that mean? If you make a thousand articles and sell them for a pound at a profit, then you can make a thousand articles more, a second thousand, and sell them for perhaps 15s. or 16s., because the first thousand had paid for all your administrative charges; and therefore if an American or German, having a demand for a thousand articles at home, sells them for a pound in his own country, he can very well

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afford to increase his work, to make a thousand more articles and sell them for 16s. in this country, where we can only make them for 20s. That is the explanation. But then it is said, 'Why don't you make two thousand articles, and then you would make as cheaply as the Germans?' Because we are not so big, our market is not so large, we have only our own market; they have their own market and ours too. Here's the case of America, for instance. In America they have their own market of eighty millions of people, from which we are absolutely shut out, they have a free market of forty-two millions of people in the United Kingdom. They have one hundred and twenty-two millions that they can supply under our condition of Free Trade. The Germans have a population of between fifty and sixty millions, and they have our market of forty-two millions. They have therefore a free market of ninety-two millions, while we have only forty-two millions. I am not speaking now of our Colonies or neutral markets, but taking only our own markets. We have a permanent disadvantage as long as we are shut out from any possibility of sending our goods to foreign countries, and they are admitted freely into ours."

Then he discussed local industries, and how foreign competition was affecting them. In 1903 some 250,000 tons of steel bars, billets, and booms were imported into South Wales, and this dumping of iron, partly from Germany and partly from the United States, was only the beginning of things. His arguments were many to prove the foreigners, besides invading our shores themselves, were sending us goods under cost price, to injure, disorganise, and finally destroy our industries, meanwhile, both by their presence and their goods, lessening the chances of employment for natives of Great Britain.

Mr. Asquith, who endeavoured to emulate Mr. Chamberlain's vigour and activity, and return thrust for thrust, on the 24th challenged Mr. Chamberlain to mention any important industry that had been destroyed by dumping. The real cause of depression, he asserted, was not attributable to Free Trade, but to imperfect education and antiquated methods. The tinplate industry, he contended, was a strong argument for Free Trade, since, despite hostile tariffs, its market, at home and abroad, was greater than it had ever been before. More interesting was the pronouncement, on the same day, of the Duke of Devonshire, as president of the Free Food League, whose attitude towards the Government, if not so uncompromising as towards Mr. Chamberlain, had hardened considerably. He confessed himself as willing to be termed the drag on the wheel, since the brake was no unimportant part of the mechanism of the locomotive. Lord Goschen, supported by a phalanx of Unionists, also furnished a fine fighting address, and expressed his readiness to be associated with the duties of the "brake."

The Earl of Rosebery took the stage at the Surrey Theatre, on the 25th, and though he half admitted there was nothing more to be said on the fiscal question, his entertaining "turn,"



AN EYE FOR EFFECT.

ARTHUR. "Ain't you made 'im too 'orrible?"

JOE. "No fear! you *can't* make 'em too 'orrible!"

(From *Punch*, Nov. 4, 1903. Reproduced by permission of the Proprietors of *Punch*.)

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as some called it, secured the attention of his hearers for a good hour and a half.

At the bye-elections in the Dulwich Division of Camberwell, and in the Borough of Lewisham, on the 15th of December, was seen what may be termed the initial development of Mr. Chamberlain's crusade. The two first Metropolitan constituencies to vote on this great issue showed most deliberately their appreciation by electing by large majorities Major Coates (Lewisham) and Dr. Rutherford Harris (Dulwich)—supporters of Mr. Balfour's open-minded policy, and sympathisers with Mr. Chamberlain's ideals. Thus it was plain that in response to their appeal, the working men, city clerks, and owners of fixed, but limited incomes, testified that the strenuous arguments about the dear loaf, and tariff wars, and other warnings that had been shouted in their ears by the noisy Opposition, had failed to influence them.

At Leeds, on the 16th of December, the next advance was made. Mr. Chamberlain, at the Coliseum, which was thronged by representatives of every branch of commercial enterprise, from worsted to war material, made a statement which aroused the interest of the industrial community, and lifted the fiscal controversy from a speculative to an active plane. "We have gone a long way," he said, "in the direction of forming a commission of business experts, comprising the leading representatives of every principal industry and every group of industries and representatives of the great self-governing Colonies, the Crown Colonies, and India, to consider the condition of our trade and the remedies which are to be found for it." The Commission would be non-political, and would invite information from every trade, and examine witnesses irrespective of their views on fiscal reform. After hearing all that could be said in regard to special interests or any particular trade, and in regard to the interests of all the other trades which might be in any way related to it, the Commission would "frame a model tariff" on the general lines already laid down in the course of the "unauthorised" campaign.¹ Mr. Chamberlain's idea was to expedite matters and not to leave things—as a "Free Fooder" had said would be the case—till he received a mandate from the country, and then set to work to spend two years in working out the details of the tariff. The tariff should be ready to hand. Mr. Chamberlain, with characteristic promptness, had appealed to business men and experts in industries and trades to render assistance in the work of construction. This was the main piece of news that set the Free Trade critics "capering," to use Lord Rosebery's expression; this was the hard nut they were required to bite or break their teeth against in the new year. Mr.

¹ A short account of the Commission is given at the end of the volume.

“Free Fooder’s” Orthodoxy

Chamberlain shot out at the score of physicians who had given him gratuitous prescriptions—at the imperial and reposing Earl, now enclosed, with his soothing syrup, in the tabernacle of Sir Henry Campbell-Bannerman; at Mr. Ritchie; at Mr. Asquith, who had asked to be shown trades that were destroyed by dumping, when Mr. Chamberlain’s object had been merely to call attention to the process by which destruction was wrought; at Sir Henry Campbell-Bannerman and his terror of tariff wars. He expanded his former arguments. He explained the failure of the Cobden gospel to secure converts, and the principles of real Free Trade; drew the ideal and the real picture of the future of the Empire, and forced his hearers to think seriously of the alternative prospects of Separation or Consolidation. He referred to his argument that his policy would add nothing to the cost of living, but went further, and declared that *if it did add something to the cost, even to the poorest, he knew his fellow-countrymen well enough to be certain that for a purpose sufficiently great they would not be unprepared to make the sacrifice.* Then he gave the opinion of Mr. Charles Booth, the greatest living authority on such social subjects. Mr. Booth said: “You ask for my answer to the question, Will the fiscal proposals you have laid before the country, so far as they have been elaborated, add to the cost of living of the poorest of the population? My reply is, that I do not think they would do so at all. But if to some extent they should have that result, it would not affect my opinion of the merits of your proposals, since the well-being of the poorer classes not less than that of the more regularly employed and well-to-do depend much more on the general conditions of prosperity and the fluctuations of employment than on the changes in the level of prices; and your proposals, if carried out with reasonable prudence and circumspection, seem to me likely to add to the national and Imperial prosperity.” Then he launched some acrid truths at the select society of the Free Food League, who

“While they profess to be thinking with us on party politics, and profess to be supporters of the Government, treat a question of this kind as though it were a question for a faction fight. These gentlemen of the Free Food League have swallowed retaliation with wry faces and choking throats. But still, they have swallowed it! They have thrown away the principle to which at the outset they attached so much importance. They are quite willing to put on a duty provided that duty only injures the foreigner, but if the duty is to benefit our own friends—our brothers—then their orthodoxy is rigid. Then, indeed, they appeal to the electorate; then, indeed, they would, if they could, hound from political influence and representation those of their colleagues and former friends whose only difference with them is on this single point. No, you may touch anything else. You may touch retaliation, you may put down dumping, you may meet unfair competition, but you are going to try and draw

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the Empire closer together by doing something that the great Colonies desire that you should do—that is a thing to which we who are Imperialists to the core and the backbone, that is a thing to which we will never consent. Imperialist! oh, it is a mighty word; oh, it is a theme for after-dinner platitudes! but we never expected—we do not approve of the action of those who would make of it a practical policy.

“I have heard something of an inclined plane in this controversy. *The Free Food Leaguers have been on the inclined plane too long; they have now got to the bottom—got to the absolute bottom pell-mell with the Home Rulers and the Little Englanders, whom they profess to oppose.* I wish them joy of their company!”

At an overflow meeting Mr. Chamberlain dealt with the question of alien immigration, arguing magnificently on the folly of encouraging the dumping either of foreign men or foreign matter on our shores.

“I think that the Government agree with me in believing that at all events now the time has come to deal with this growing evil, and therefore don't let my friends be afraid. We are not going to allow the foreign workman, unless he be, as I have said, of a very desirable description, to take the bread out of the mouth of the British workman. But please to see that the two things hang together at the present moment. As far as I know there is not a single trade-union leader here in Leeds, or in London, or all over the country, who does not oppose alien immigration. . . . But are you going to be so unwise, so unreasonable, as to keep the alien out and let the goods that he makes come in? How much better are you going to be for that? And yet it is true that a great number of the same people, some of those trade-union leaders—not all by any means, but still a great number of them—are going about denouncing me because I not only am opposed to sweating in this country, but I am also opposed to letting in any sweated goods. I do not mind fair competition, but if there is any one here who belongs to an industry that is going out of date, or cannot keep up with modern conditions, or that is purely artificial or could be carried on better abroad—if there is any one of that character in this hall I tell him frankly I do not propose to protect his industry. I do not object to competition. What I object to is unfair competition. It is unfair to this country when goods come into this country which are made under circumstances quite different to those which we have established here in order to raise the standard of living among the working-classes. What have we done in that respect? I myself am responsible for a great deal of this legislation. I have imposed legislation on the employers to compensate workmen for any accidents they may meet with in their employment—that is, in the majority of cases—but I want to see it extended. We have interfered with the employer in the Truck Act; by the establishment of all those factory regulations which deal with every detail of the conduct of your work, always with a view to your security, your health, and your comfort. We have done all that we were ripe for doing. Do you suppose it can be done for nothing? Are you aware that it adds 10 per cent., probably fully 10 per cent., to the cost of the article which you apparently, as I judge, would allow the foreigners, who are not subject to any of these regulations, to send in goods which are 10 per cent. cheaper in consequence into free market? How do you suppose under these circumstances your employment can continue? If your goods are 10 per cent. dearer than

German and American Wisdom

the foreigner, very well, in that case the foreigner must take the trade. Your goods will be dearer unless the foreigner takes some steps for the comfort and safety of his labourers, or unless you put on a duty that will be equivalent to the extra cost we have put on your employers. If you want these regulations, the only way in which you can secure them without loss of employment is by making the foreigners pay a part of the expenditure, which at present they do not do when they come in free without any interference.

"But the second point is this. He is not content with the fact that he makes cheaper because he takes less care of his workmen. He wants to do a larger trade to keep his mills always employed. He has his periods of bad trade as we have our periods of bad trade. In spite of this, what do we do when we have bad trade? We close our mills, shut them down, go on short time, and lower wages. Is there any working man here who has not had an experience of that in the course of his own lifetime? What does the foreigner do? He might do the same thing, but the first thing he does is to say: 'It would better pay me to keep open the whole of my works than to close half of them. If I close half I might meet all my needs, but it will cost me more to keep them open, as I have the same fixed charges and I have only half the returns. What I will do is this: I will keep one half of the mills open to supply my own country at a profitable price, and then send the other half into the only free market in the world below cost in order to keep my works going.' That is a perfectly paying transaction for him, but how does that affect you? You cannot do the same. You cannot return the compliment. If you could there is nothing to complain of. You cannot say, 'I'll keep my works open, and send all my produce to Germany or the United States of America,' because you are met by a tariff that makes it impossible. They can do it because there is no tariff of that kind in force in all the principal trades. This dumping has been going on; it is going to increase. It is worse in the worst times. As long as the Americans, for instance, with their great steel trusts were making enormous profits and using up every scrap of iron that they produced they sent very little. Now they are dumping here iron below the cost at which British ironmasters can possibly make it, sending it in by thousands of tons a week, and thousands of pounds of wages are being lost to the working men of this country, and in many districts there is great distress.

"Do not think that that will be confined to one trade or two trades. When they have dealt with them they will deal with you. They are dealing with you in this district. There is dumping going on, dumping in woollens, dumping in leather. The tanneries are suffering. If you think you can selfishly allow these industries to be destroyed you will deserve the fate which will come on you. Dumping will extend from one end of the kingdom to another, from one manufacturer to another, and all being attacked in turn all in turn will suffer. I want to deal with this evil while there is still time. There is no dumping in America, there is no dumping in Germany. Do you think the Americans are fools? Do you think the Germans have no wisdom? *They have found the way to prevent dumping. Don't let us be too proud to take a lesson from them.*"

At Halifax Mr. Winston Churchill bombarded the Reform Commission fore and aft. Of all surprising things, he declared, this far surpassed in audacity and presumption, in constitutional novelty and impropriety, anything that we had ever before had from Mr. Cham-

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berlain. "Who," he cried, churning the air with question after question—

"Who has appointed this Commission? Is it by command of the King? Is it on the authority of the Privy Council? Is it by and with the advice of Parliament assembled? Is it appointed by the responsible Ministers of the Crown? Is it appointed by the Prime Minister? Is there any Prime Minister?"

Despite Mr. Churchill's tirade, Mr. Chamberlain had every reason to be content with the reception accorded to the Tariff Commission. Unprejudiced business men regarded the move as a wise, prudent pledge that the inquiry would be proceeded with on purely business and not political lines. All interests were now to be consulted, and all views on the state of trade extracted from all available sources. The list of members was made out with reference solely to the authority and eminence of those members in the trades they represented, and in its complete state purposed to include important men from all trades, and together with eminent authorities on banking and finance. Certain Free Traders declared their determination not to give evidence, but their refusal to assist affected in no way the plan for the prosecution of the inquiry, for it was found that partners and directors of individual firms held differing views, and since no trade was solid in opposition to Mr. Chamberlain's theories, none would be solidly averse from coming forward to assist in obtaining the scientific conclusions desired by the Commission.

While all this stir was going forward in England, signs were not wanting to prove that the atmosphere of Germany was undergoing sympathetic agitation. Late in the year it was announced in the Reichstag, in course of the Speech from the Throne, that "in present circumstances, it would appear to be expedient to maintain the existing basis for the regulation of commercial relations with the British Empire. A Bill will, therefore, be submitted to you for continuing beyond December 31 of the current year the authorisation which empowers the Federal Council to grant the most-favoured-nation treatment to British subjects and British products." This wise statement laid down that discretion was to form the better part of valour, in face of the proposals made by Mr. Chamberlain; consequently the Ministerial Bill, which might have met at another time considerable opposition, passed smoothly through all its stages! What may be called a corroborative incident was the issue of an appeal to German manufacturers by the Central Bureau for the Preparation of Commercial Treaties in Berlin, for information as to the possible effects on their trade of the proposed British Preferential Tariffs.

CHAPTER VI

I.—JANUARY 1904—MR. CHAMBERLAIN IN THE CITY—"LEARN TO THINK IMPERIALLY"—RIFTS WITHIN THE LUTE OF THE LIBERAL UNIONIST ASSOCIATION

THE new year brought Mr. Chamberlain, from the Prime Minister of the Commonwealth of Australia on behalf of the people of Australia, an invitation to visit them at an early date. Mr. Chamberlain responded with cordiality; expressed his gratitude for the flattering invitation, and hoped that at some time not far distant he might avail himself of it. But for the present he must stick to his work.

"I think I can best serve our common cause by devoting myself to its promotion here, where the Motherland is called on to say what answer she will make to the advances of her children across the seas. I do not doubt that she will be ready to meet in no grudging spirit all proposals for strengthening the bonds between us, but until her mandate has been given I cannot leave for a lengthened absence."

At the dinner of the Birmingham Jewellers' and Silversmiths' Association (January 1), Mr. Chamberlain gave an interesting *résumé* of his work in the past two years, and of his present ambition. Putting his ideas into scientific phrase, in compliment to his hosts, he said we had an Empire in which were the elements of strength and permanence, but they were in solution. It was our duty to crystallise these elements—to solidify them—otherwise some transformation might take place which would certainly not be to our advantage. "The Principal was right," he went on; "I am a political visionary. Yes—I dream dreams of Empire."

"My waking thoughts are taken up with it. I see the two alternatives before us. I see this great country of ours following what has been the natural progression of events, arriving at its apogee, and then sinking gradually into a fifth-rate place. Descending from—again I am afraid I am venturing beyond my depth—but I was going to say, descending from a planet to an asteroid. That is one alternative. I see it, on the other hand, breathing into a new youth as a part of the Empire of which it will always be the most important part. I see it carrying on the traditions of the old days into the great future. I see the possibility of an accomplished ideal which was forbidden to our ancestors, though they also lived by faith, and believed that in the great sacrifices they made they would be rewarded by the respect and the admiration of future generations."

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He spoke of the defects in our national statistics, of our diminishing trades, and of the evils threatening colonial trade, which he had elsewhere described. Justly he condemned the attitude of the Opposition in its action of contradicting without disproving everything that he had advanced, and likened the cry of Lord Rosebery and other lovers of commercial repose to the text of Tennyson's "Lotus Eaters":—

"Let us swear an oath and keep it with an equal mind,
In the hollow Lotos Land to live and be reclined."

But he believed that a glimmer of light was dawning in some of those minds. "No limpet clings to his rock as closely as the new Radical clings to the wisdom of his ancestors," he declared, yet even these had begun to detect flaws in our vaunted monument of commercial prosperity; they found cracks and crevices, and charily admitted the need for repair. First they recommended a plastering of the metric system and Charlottenburg school, but afterwards they whispered timorously—it was only a shadow of a whisper—Retaliation. He went on to show that of course they were Free Traders and disapproved threats—they hoped such aggressive action might not be necessary—but still there was an advance.

Next came the fulfilment, on the 19th of January, of Mr. Chamberlain's promise to summarise in the metropolis of the Empire and "the centre of the commerce of the world," the great case on which he had laboured for the past nine months. The deliverance had been looked forward to with the utmost curiosity, for the Free Traders had maintained with confidence that feeling in the City—that sentiment, if such a thing can be associated with merchants or bankers—was cool in respect to the new proposals. Cool? Cold was the day—dark and drab and dismal, with a fine rain driving over the vast mass of sombre city buildings, and the vast mass of sombre City men who assembled in Basinghall Street to see the great man pass—but when he appeared, when his brougham merely came in sight, the roar that went up from calculating mercantile throats, from this great masculine multitude, was so lusty, so warmly cordial and appreciative, that there was no doubt left as to the nature of the welcome accorded by "the centre of the commerce of the world." "Why," said some, "even the clouds lifted, and the rain forbode to drizzle, rather than spoil that bright moment of national exhilaration."

Once on the platform, Mr. Chamberlain proceeded to combat the theory that real opposition can exist between bankers and merchants and the manufacturing classes. Then he hinted at signs which required grave reflection.

Civic Welcome

"Is it not the fact that within the last few years an unexampled thing has happened, that during the course of those years the rate of money has been higher in the city of London than in the city of Berlin or the city of Paris?" . . . He then mentioned another significant change in the position of the city. "There has been of late years a very large increase in the number of foreign banks, of foreign financial and commercial agencies. It may be—I am told it is—a testimony to your supremacy. If it had happened in any other city I should have thought it would have been an indication of the growth of the competition you have to meet. But I put aside these signs or indications—I attach no great importance to them myself—and I turn to the broader issue, the wider question. I ask, is there any one among you, is there any one who knows anything about the trade and commerce and position of this city who will seriously maintain that either its financial or its distributive position is anything which stands alone, isolated from the position of the rest of the country, independent of all the conditions which affect the rest of the country? Do you think it can separate itself? Do you suppose that it could be maintained in face of any serious falling off in the industries of the country, in face of any great change in the position of this country as compared with other nations, or in face of any great change in its character? The character of the population is an important element in the greatness of a nation. The character of the population depends on the occupation of the population. If the occupation of the population is changed, if those who in former times were our producers and artisans are to take other employment, though they may receive an equal wage, their importance as an element in the greatness of the Empire will be very seriously interfered with. Now, gentlemen, you are the clearing-house of the world. Why? Why is prosperity among you? Why is a bill of exchange in London the standard of currency in all commercial transactions? Is it not because of the productive energy and capacity which is behind it?"

He contended that if once this energy were reduced, paralysed, no power on earth could restore it, and that since *banking follows trade and not trade banking*, we must maintain and develop the productive energies of the country if the financial paramountcy of London is to be maintained. Foreigners already boasted they had destroyed our industrial supremacy, and before long they would boast over further conquests, commercial and financial.

Proceeding on his summary of the arguments used during the campaign, he alluded first to the efforts of Free Traders to disconcert him with relays of figures taken from Board of Trade sources to prove our prosperity. He reported on the returns, but did not put the same value on them as did the leaders of the Opposition.

Loud cries of "Which?" now disturbed the speech, but Mr. Chamberlain contented himself by leaving the leaders of the Opposition unnamed, and saying—"Any one outside an asylum" would admit that there had been and must continue to be a decrease in the imports of our manufactures by foreign protected countries.

"Here are these great foreign competitors and rivals of ours with a definite

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policy in which they believe. Their policy is to shut out from their markets all the manufactures which they think themselves able to produce as well as we. That is the whole object and theory of their protective tariff. They are wise enough to see that it shall be effective. I do not say that they close their markets entirely to our goods. No, they are ready to take our coal, our raw materials, everything which they do not or cannot make themselves. But if it is something for which they have domestic powers of production then it is their policy to shut us out, and they have done so. That is the first point. The second point is that this decrease of the export of our manufactures to foreign protected countries has been concealed hitherto and compensated for by an increase in our exports of manufactures to our own kindred and our own possessions. In connection with this there is a point which fills me with alarm. As long as increasing trade with the rest of the Empire compensates for diminishing trade with foreign countries I do not know that we shall have much cause to complain. But the position to which I wish to call your attention, and which you will find emphasised in the figures for 1903, is that in our own possessions, in our own Colonies there is a growth of foreign importation which in proportion greatly exceeds the growth of the importation from the home country. We are not even safe in our own Empire. *Foreign competition is beating us in the place in which we thought ourselves to be strongest.* If that goes on the time will come when the figures will be very different from those with which I am dealing. Meanwhile *here is another singular and important fact.* The countries which are closing their markets to us, the countries which, according to the Free Importers, are burdened with heavy taxation, in which the cost of production must necessarily go up, and which therefore are in too bad a position to compete with us, are *doing more and more business with us while we are doing less and less with them.* Those countries which, according to the hypothesis of the devotees of Cobdenism, ought to be ruined—they might, perhaps, expect to maintain a hold over their own market, but they could not by any possibility sell their goods abroad in competition with countries like ours, where everything is free, production is cheap, food is cheap, where there is the big loaf—these countries defy the hypothesis. They contradict the theory. *They are doing better in foreign trade than we are."*

The conclusion to be derived from a study of the figures of the Board of Trade was, firstly, the necessity for maintenance of our position as a manufacturing nation; secondly, for a change in our policy, which would enable us to deal with protective nations on equitable terms. Discussing our comparative position with other nations, he said:—

"The figures for 1903 show that we exported goods worth seven and a half millions more than in the preceding year, that is, about $2\frac{1}{2}$ per cent. increase. But what about Germany? We have in our possession the German figures for only nine months, but, assuming that they will continue in the same ratio, the German exports have increased by fifteen millions, twice as fast as ours, and if we calculate by percentages it will be a great deal more. If that goes on what is going to happen? We continue improving our position; they are making more rapid progress; we are already neck and neck, and it is perfectly clear that in a very short time they will have passed us, and we shall have fallen

Free Importers' Bogeys

from our position. But it is not a question of exports alone; it is a question of every other test by which you measure prosperity. We have not to look to the actual increase but to the comparative increase. *What is the proof of wisdom? Not to deal with a disaster which has already occurred, but to make preparations in order to prevent it.*"

Far from being more prosperous, statistics showed in 1903 a constant falling off in employment in the greater trades, and the deduction to be derived from this fact was that, taking our trade as a whole, it must have declined in proportion. Wages had been reduced, and daily some trade had to submit to reductions. Reverting to Cobdenite theories and our failure to find imitation on the Continent, he ridiculed the sorry and irrelevant tales told of Germany, whose population Lord Goschen suggested had been driven by Protection to a diet of horseflesh.

"Turn to the Blue-book and you will find a comparison of the prices of the principal articles of food. If you will take that comparison from 1890 to 1900 you will find that the price of corn and meat fell in Germany very considerably. It was not, therefore, owing to any increase in the price of these articles that the German people were forced to eat horseflesh and ceased to eat beef. But here is another curious thing. What happened during the same period in England, where there was no Protection? The price of corn fell much less than in Germany, and the price of meat did not fall at all, but rose very considerably. Then there is another point. It may be that, though the price of food fell in Germany during this period, the people had less money to buy food. But that is not any more true than the other argument, for again referring to the Blue-book we find that during the period I have referred to wages rose in Germany nearly 20 per cent. What happened in this Free Trade country? Wages only rose 11 per cent., or about half what they rose in Germany. In the same period deposits in the savings banks increased more rapidly in Germany than in the United Kingdom. Take emigration, a most important test—emigration fell off in Germany in the most extraordinary proportion; the figures are remarkable; they fell from 120,000 to 22,000, a reduction of four-fifths. In England they fell from 137,000 to 111,000, a reduction of only one-fifth. At the present time there go out from this country with its much smaller population—a country in which under Free Trade our prosperity should be beyond contesting—there go out five times as many emigrants as go out from Germany. Emigration is a great test of prosperity. If people had to eat horseflesh in this country and did not like it no doubt they would go to America or the Colonies, where no such necessity would be imposed on them, but in Germany they stay at home. And there I leave the sensational discovery of my Lord Goschen. Now let me sum up this part of the case. Taking all these figures together, they constitute conclusive evidence that even a heavy tax, even, as I think, an immoderate tax, does not necessarily interfere with the prosperity of a country. The little loaf and the consumption of horseflesh are mere bogeys created by the Free Importers, and they ought to be treated as of no importance compared with what is, after all, the great problem of this country—how to find more continuous and more remunerative employment for the masses of the people."

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From the question of Protection he approached the one dearest to his heart—Preference.

Were we to be an Empire or merely a Kingdom?

Napoleon had said that Providence was always on the side of the big battalions. Was it not the same with big countries as with big armies? In the future the struggle for existence would be between mighty empires, and minor states would be crushed between the larger contending forces.

“When we talk of the prosperity of America and of Germany our opponents say: ‘Yes, that is only natural. Are they not greater than we? Are they not more numerous?’ Then by a sort of despairing fatalism these gentlemen seem to say, ‘What can our little England do but fall a victim to the inexorable decrees of fate.’ I am not depressed by their pessimism. I refuse to despair of my country. Are we not also an Empire? Are we not as great in area, as great in population, greater in variety of our products and opportunities than any empire that exists or the world has ever seen? Yes, but our union is incomplete, and the question, which to me is everything, is, Will it attain a higher organisation? It is impossible that it can remain the same. It must either shrink or develop. Our greatest thinkers and writers put this problem clearly before all—Seely and Froude and Lecky. They also dreamed dreams and saw visions of a United Empire finding its salvation in new forces of attraction, capable of counteracting the centrifugal tendencies of its present organisation. Now is the time, now is the opportunity for us to do our part. What is the historical progression, the evolution of Empire? It begins by slowly consolidating itself, growing conscious of its strength, utilising its surplus energy, conquering new worlds. Then comes the time when Empire has been attained. Those who had the courage to attain it unfortunately had not the wisdom or the experience which would have enabled them to keep it up: we lost the greatest jewel the British Crown ever possessed. The United States of America left us for an independent existence. We profited by the experience; again a new Empire arises from the ashes of the old, and once more at the end of the nineteenth century we have a dominion greater than ever before. *We have the dominion, but the problem is not yet solved—the problem of how to keep the heritage that has come to us, how to make it permanent, how to give it strength.* In the last fifty years we have been groping for our destiny. We have been gradually becoming more conscious of our duty and our Imperial responsibility, and it remains to the statesmen of the twentieth century, those now living and those yet to come, to complete this great work, the greatest that has ever fallen to a governing race. We have to apply all the lessons of the past; we have to build up the framework for a new Empire under new conditions; we have to conciliate local and Imperial interests; we have to create new bonds of union. We have been tested in the past; we have had hard tasks given us to do, we have done them; those who have preceded us have done them. If we have like spirit, like courage, like resolution, we shall do also our share. Is there anything against us? Yes, it is that we have still a too provincial—perhaps I should say a too insular—spirit. In the great Revolution which separated the United States from Great Britain the greatest man that that Revolution produced was, according to my judgment, Alexander Hamilton. He was a statesman who left a precious legacy to his countrymen when he said to them, ‘Learn to

Liberal Unionist Jars

think continentally.' My fellow-citizens, if I might venture to give to you a message now I would say to you, '*Learn to think Imperially.*' I ask you to be worthy of your past; I ask you to remember that the *future of this country lies in the future of the British race.*"

At the conclusion of the address, Mr. Allan Gibbs moved a vote of thanks, and Sir J. Dimsdale, in seconding, observed that when the history of this time came to be written two great names would stand out prominently among those of British statesmen—the names of Benjamin Disraeli, Earl of Beaconsfield, and Joseph Chamberlain. Both were true Imperialists, both were Empire makers, and both Empire defenders.

The audience cheered itself hoarse, and believers and unbelievers, critics, agnostics and disciples were forced to agree that Mr. Chamberlain's arguments would need some complex refuting. Right or not right, Mr. Chamberlain showed himself ennobled by honest purpose and altruistic ambition, and his audience beheld in him the one statesman who had not only the courage to battle for reform, but the vigour, the industry, and the perseverance to carry that battle to a definite conclusion. If he was to be defeated it was plain that his opponents must invent some alternative means of sustaining our languishing industries, and that attacks launched in a sheer frenzy of bigotry, and without the semblance of justice to excuse them, would eventually, like chickens and curses, go home to roost.

Considerable political excitement was afforded by the publication of a correspondence which took place at the end of the year between the Duke of Devonshire and Mr. Chamberlain regarding the prospects of the Liberal Unionist Association. In the first letter (23rd October) the Duke pointed out that he was responsible for the funds of the Association, which were available for distribution to local associations, and that, in view of the neutrality of the Central Association, and the partisan resolutions of local branches, the position had become awkward in the extreme. In the circumstances he deemed it almost impossible to maintain the existence of the Central Association.

To this Mr. Chamberlain replied (26th October), expressing his astonishment that the Duke, of all men, should suggest the breaking up of an Association that was still one of the great barriers to the adoption of a policy of disruption. He averred that the main object of the Association—the prevention of the return of a Home Rule Government—remained unchanged, and predicted that a serious situation would result if it were deemed necessary to create a new test of Unionism. He expressed his conviction that the vast majority of the rank and file of the Liberal Unionists were at one

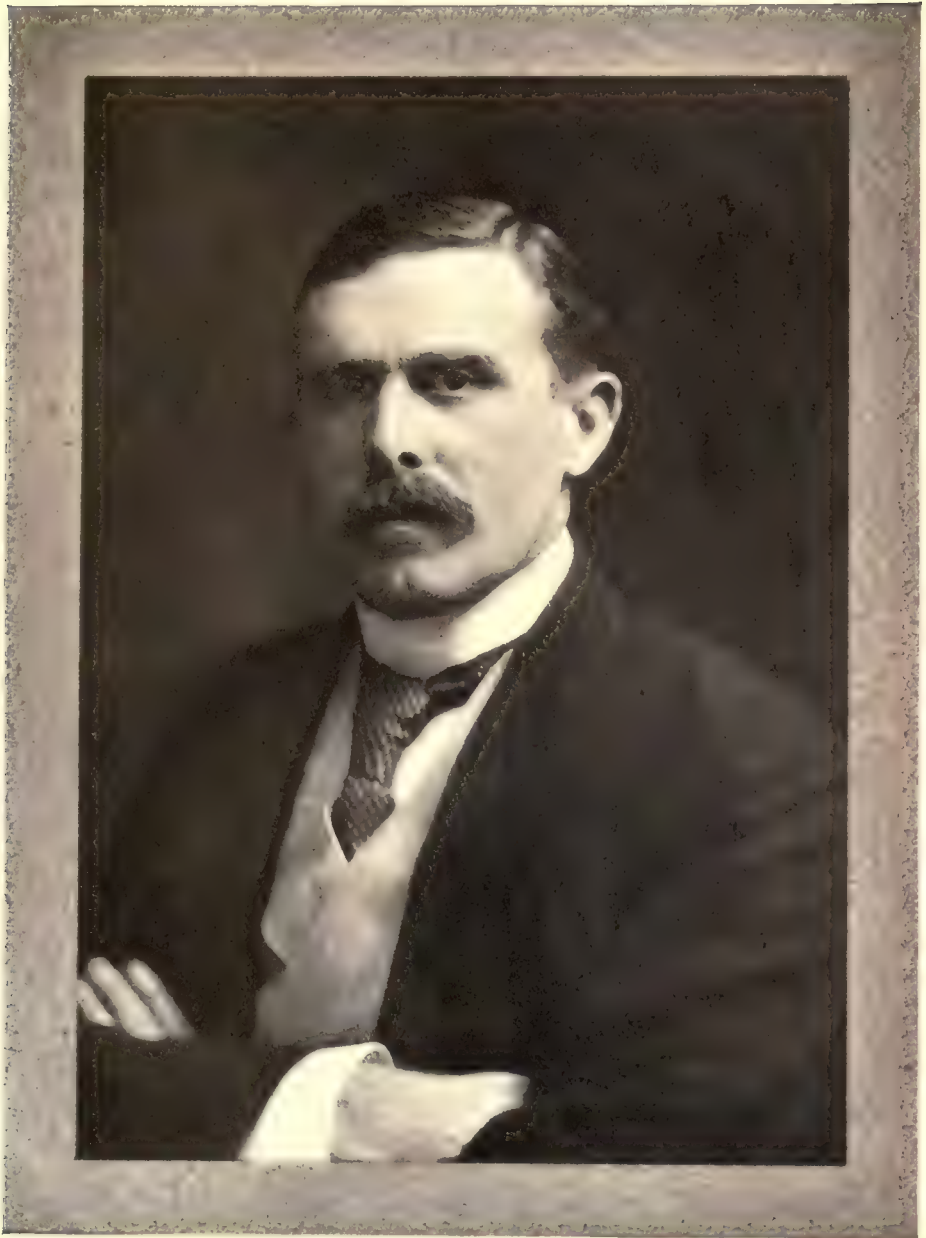
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with him on the fiscal question, and stated his willingness to put the matter to the test and abide by the result. Though appreciating the Duke's solicitude in regard to the funds, he explained that the Duke was not entrusted with these funds personally, as leader of the Unionist Party, but in his official capacity, and subscriptions had been received from persons many of whom shared Mr. Chamberlain's views, and who contributed for the objects of the Association without holding the Duke personally responsible for the distribution of the money.

The Duke (31st October) explained that what he really meant to say was that neutrality on the fiscal question must paralyse the action of the Association. He determined, however, to make no further reply till he had consulted Mr. Powell Williams.

In the meantime the Duke exhorted Liberal Unionists to vote against Unionist candidates who were in favour of Tariff Reform, and his extraordinary action called forth an exchange of letters on 22nd December and 2nd January, 1904, which resulted in the resignation of the Duke. "I cannot," he wrote, "be a party to a proceeding which can have no other effect than that of dividing it into sections, neither of which will have a right to assume to represent Liberal Unionist opinion; and if this course be insisted on by any section of the party, I shall have no other alternative than to resign the office of President, and leave to others the responsibility attaching to such a course."

There were now grave fears that the new "unauthorised programme" would end in the complete breaking-up of the Unionist Party. The political kaleidoscope threatened to make a revolution similar to that of 1886, when Mr. Gladstone sprung Home Rule in the midst of his party, and sent all the dissentient particles hither and thither till they settled down in an entirely new combination. This combination, which had stood so compact for nigh on twenty years, was in process of disintegration. The kaleidoscope had been roughly handled, and particles that had flown together to make a rich contrast of glowing harmony were now shooting apart, leaving in the centre a neutral-tinted diagram that represented a neutral-tempered Government. And the man who had first created the new combination was he who now destroyed it; the man who wrecked the old Liberal Party was now the one to fling it together again. By sheer force of the shock, he had caused the gelatinous and the invertebrate to cling for support round the three leaders of the party—the man who has been described as a "camp-follower," Sir Henry Campbell-Bannerman; the man who might, could, would or should lead, according to his temper, Lord Rosebery; or the man who for no other reason than that of pro-



RT. HON. ST. JOHN BRODRICK

Photo ELLIOTT & FRY, LONDON.

Dumping and Ireland

claiming war on Mr. Chamberlain's ideals, endeavoured to wreck the splendid solidity of the Liberal Unionist edifice, the Duke of Devonshire, who, after a series of oscillations, was swaying from Mr. Balfour into the arms of the very politicians whose methods and principles he had stoutly resisted for eighteen years.

Many who called themselves "old stagers," looking far ahead, could already spy sparks from the smouldering question between Ireland and this country, and detected on the lips of Free Trade Unionists a desire to fan those sparks into a flame sufficient to warm without scorching them. The Tories sniffed and smiled, and said, "the old, old bait," when they read Mr. Winston Churchill's interrogatories addressed to the Irish Institute of Bankers on the 25th of January. This brilliant son of a brilliant father flooded the poor bankers with questions which were really intended for Irish voters. If, he said, the Protectionists' theory were true, and the wealth of the country might be increased by the hindering or exclusion of foreign imports, what was true for England was equally true for Ireland. Why, then, should not Ireland become rich too? If foreign goods displaced English labour, English goods displaced Irish labour. The Colonies, who protected themselves against England, were to be given a preference on their special productions. Was Ireland, if Free Trade were proved wrong, to be forced to retain Free Trade and yet receive no special consideration. There could be no protection for Ireland which did not protect her from the competition of the greatest exporting nation in the world. What was the use of a tariff wall to keep away dumpers when the greatest dumper of all was inside that wall?

On the 3rd of February every member of the Liberal Unionist Council was invited to discuss the new situation, and to decide what was to be done. Mr. Chamberlain explained that in his opinion nothing had happened to make the existence of the Association less needful or desirable, and he pointed out that, as the Home Rule danger remained as ever in the front of the Nationalists' policy, he saw no reason why the organisation, as Liberals who objected to Home Rule and the disruption of the United Kingdom, should not remain united. He hoped that the Duke might reconsider his position, which, so far as concerned the original conditions and purpose of the Association, remained unchanged. After explaining the simplicity and oldness of the question of fiscal reform, he moved a resolution "that, in the opinion of this meeting, the existence and activity of the Central Liberal Unionist Organisation should be maintained." Against this there were but two dissentient voices.

Meanwhile a pleasing testimony of their appreciation of Mr. Chamberlain's services in South Africa had been afforded by the

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erection of a memorial clock in West Birmingham (at the junction of Vyse Street and Warstone Lane) by the working men of the division. Mrs. Chamberlain, on the 30th of January, performed the ceremony of publicly setting the clock going, and the late Colonial Secretary afterwards made a telling speech, which was in a measure the *résumé* of his life-work from the time when Birmingham had helped to hoist him to fortune, to the later days when he had gone across the world to preach the gospel of the future—peace and goodwill in South Africa, and the closer union of the British Empire.

II. — FEBRUARY TO MAY — THE WAR COMMISSION REPORT — BADGERING MR. BALFOUR — CHINESE LABOUR AND THE LICENSING BILL—MR. CHAMBERLAIN AND THE BISHOPS

Further exciting incidents occurred during the discussion on the War Commission Report (4th of February), and on the following day Mr. Robson moved as an amendment: "That the facts now made known in regard to the preparations for, and conduct of, the recent war in South Africa, and particularly the evidence taken by your Majesty's Commissioners appointed to inquire into those matters, and their report thereon, disclosed grave negligence and mismanagement on the part of your Majesty's Ministers, whereby the duration, magnitude, and cost of the war were greatly increased." These conclusions had been arrived at long before, and the truth of them admitted by even the staunchest allies of the Government. The defence given in the House was therefore weak and of the *tu quoque* schoolboy order; for Mr. Wyndham made his best point when he said that the Government had a record which he was not ashamed to compare with that of its predecessors—the one would stand examination, while the other would not. He then proceeded to waive the little matter of cordite, and to revert to the sorry state of affairs that had reigned during the Ministerial term of inanition between 1892 and 1895.

The spicy feature of the debate was the intervention of Mr. Chamberlain, who had detected in Mr. Robson's anxieties the perpetual endeavours "to lug in somehow or other King Charles the First's head, or the ex-Secretary of State's head, and present it on a charger for the repudiation and derision of the House." This, he protested, was a bad precedent. For some eight years the object of the said gentleman and his colleagues had been to get rid of the Secretary of State for the Colonies, and now that they had done so, now that he had voluntarily yielded office, they did not allow him to enjoy the immunities of a private member. What,

The War Commission

he asked, was the patriotic motive underlying Mr. Robson's inquiries? Would any one who listened to him believe that he cared a brass button for the lessons derived from the war? Not a bit of it. The whole course of his speech went to show that this war, which during the last four or five years the whole of the Opposition have been declaring was unnecessary and might have been avoided, was absolutely an inevitable conflict. "For my part I recognise most gratefully the result of his speech, but I do not believe that was his object." His object, Mr. Chamberlain said, appeared to be to trump up an indictment against the Prime Minister, who was absent and unable to defend himself.¹ What was the charge against the Government? That they had failed to provide for the defence of our threatened possessions, and the critic's "eloquent words" were directed to prove that a Government that could so have failed to provide for the defence of Natal and the Cape was unfitted to consider commercial questions. Here we got the peep of King Charles's head. The Government were to be abused and criticised in order to prove that they were unfit to deal with commercial questions. Mr. Chamberlain spoke of the hope that had actuated him and his colleagues of achieving a peaceful solution of the Transvaal trouble, and declared that such preparations had been made as were consistent with that desire for peace. He showed how peace was rendered impossible—first, by President Kruger's belief that he would receive the support of foreign nations, and the encouragement received of that belief; and secondly, by the confidence of the Boers in the support of the Opposition, which confidence must have been stimulated by the knowledge that in June and July, 1899, the leader of the Opposition was saying there was nothing to justify either warlike action or even military preparation. He went on to prove how seriously the persistent expression of the views of the Opposition had interfered with the diplomatic efforts of the Government, and he further defended what was called his "new diplomacy" in relation to his dealings with President Kruger. For many years before the Government came into power there had been danger of war, and though there had been serious trouble in Lord Loch's time, there had been only 3000 fighting men to defend South Africa. In the course of four years the 3000 had been increased to 12,000, but even then the force required co-ordination. Mr. Chamberlain then referred to a correspondence that had taken place in 1899 between himself and Sir Henry Campbell-Bannerman, which served to show that, though the leader of the Opposition declared there was no need for military preparations, he must have been aware that the 12,000 men in South Africa were not properly

¹ Mr. Balfour was debarred by illness from being present.

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co-ordinated, and that alterations and modifications were urgently required in regard to the force.

On the following day Sir Henry Campbell-Bannerman, with some acidity, declared himself constrained to intervene in the debate to defend himself from the attacks made by Mr. Chamberlain, and he proceeded to quote his own speech at Ilford (June 1899) when he had used the words: "I think it right to say plainly that I for my part discern nothing in what has happened to justify warlike action or military preparations." He then went back to the question of the Raid, and tried to prove that if the Liberal Party had been in power there would have been no raid. Mr. Chamberlain reminded him that the original negotiations for the transfer of Pitsani ("the jumping off ground") and the surrounding territory had actually been effected by the Liberal Government. After raking up some familiar details of the inquiry, and the giving of a "certificate of honour and good character to Mr. Rhodes," the Opposition leader furnished an account of a secret conference that took place between Mr. Chamberlain and himself in June 1899, and caused considerable sensation in the House by attributing to Mr. Chamberlain the words, "We are playing a game of bluff." Mr. Chamberlain on that date assured him there would be no fighting, but the Colonial Secretary proceeded to say that the force in Natal was deficient in equipment, that it lacked mobility, and he wanted to know, would there be any feeling of hostility expressed if that fault was made good?

"I said I would consult my colleagues on both of these proposals," said Sir Henry. "I called my colleagues together and told them what the right hon. gentleman had said. With regard to the equipment of troops, we said we thought there was nothing to be said against that, it being desirable, if we had a force there, that they should be efficient, provided it was done in such a way as not to be ostentatious or provocative. As to the other, we could only reply that the responsibility of a great movement of troops such as that lay entirely with the Executive Government, and we were not prepared to relieve them of any part of that responsibility."

Mr. Chamberlain's version of the conference (20th June 1899) differed from that given by his opponent. What he wished to impress on Sir H. Campbell-Bannerman had been, first, the difficulty of convincing the Boers that the British Government was in earnest; and second, his desire to remove the subject, if possible, beyond the bounds of party controversy. He referred to the number of troops required to complete the force in South Africa, and received from Sir Henry the reply quoted regarding the equipment of troops: "Then I said there was another proposal, which was to reinforce the garrison by sending out a considerable number of men. It may

The Game of Bluff

have been 10,000; I do not remember. I told him that in my opinion there was no probability, at that time, of war, but I said our difficulty was then, as it had been all along, to convince the Boers that we were in earnest, and that it had been represented—I do not know whether I expressed the settled opinion of the Cabinet, but at all events it had been under consideration by us—that we should consider whether it would not have a good effect to send out a considerable body of troops in order to impress on the Boers that we did mean to pursue this matter to the end.”

He went on to state that the word “bluff” was not one that he was fond of or likely to use, and he did not think he had used the expression. Of one thing he was certain, however, and that was that the term was not used in the sense put upon it, for his whole intention and object was to suggest that Sir Henry and his colleagues should consider whether a greater force should not be posted in South Africa with a view to strengthen the hands of this country in the arrangement of negotiations. In the matter of the letters Mr. Chamberlain gave also a differing version.

“My recollection of the letter is this, that having said in private conversation that so far as he was concerned he was quite willing to see a strengthening of the 12,000 men in South Africa, though he doubted whether his colleagues and he would be willing that a large additional force should be sent, he then in his letter wrote that having consulted his colleagues on the proposal I had made, and which included this proposition for a sort of neutral ground for political parties in this country, as far as the situation in South Africa was concerned, he found that his colleagues could not accept the offer of the Government, and must leave the Government entirely to its own responsibility. He went on to say in the same letter that in these circumstances I must understand that the words he had used, as expressing his own opinion with regard to the strengthening of the 12,000 men at the Cape, must be considered as withdrawn. That is my recollection, and, as I say, the production of the letter, either by him if he has a copy of it, or by me if I can find it, will clear up the point. It does not in the least degree affect the good faith and sincerity of the right hon. gentleman or myself, but it is not an unimportant difference as to the facts. My impression is that our offer was entirely and absolutely refused—that even in the small matter of increasing our force in South Africa by making it a complete unit the Opposition would give us no support.”¹

It is unnecessary to dwell further on arguments that merely tended to prove the well-known facts, that the critics who were most active in complaint of the Government for not having made preparations for the war were mainly responsible for having discouraged those preparations at all points, and for having still further stimulated the arrogance of the Boers to test the forbearance of the Government to an impossible pitch. Mr. Brodrick and Mr.

¹ The correspondence was published on February 11.

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Arnold Forster proceeded, as ably as possible in the circumstances, to defend the Government on military points; and finally, when the House divided amid a scene of great excitement, a Government majority of eighty-six was announced.

The Duke of Devonshire, in a speech at the Guildhall (8th), replied to Mr. Chamberlain's fiscal arguments, and declared, as he had done before, that we had not been behindhand in making sacrifices for the purpose of uniting the Empire, that the preferential proposals might be productive of irritation and discord, and that the Tariff Commission was a milk-and-water attempt to reproduce a German or M'Kinley tariff. The speaker indulged in many historic reminiscences, but failed to make them valuable in relation to existing conditions; while Mr. Chamberlain's main contention—the relative decline of British trade—he met in half-sceptical, half-scornful mood.

On the same date the public anxiously looked forward to the upshot of the debate on fiscal policy which began in the House of Commons. Considerable interest was evinced in the proceedings, though much of the zest was destroyed by the absence of Mr. Balfour through illness, and that of Mr. Chamberlain, who was mourning the loss of his old friend Mr. Powell Williams. Mr. Morley's amendment to the Address contained a number of studiously prepared propositions, which were strictly in order, but were the reverse of inspiring. He made graceful allusion to the absence of Mr. Chamberlain, to the "genius of friendship" possessed by him which prevented his attendance on this occasion, and then proceeded to give his reasons for not desiring a postponement of the debate, as it was necessary for the country to know whether it had a Protectionist or an anti-Protectionist Ministry to guide it. Nothing new was advanced in regard to fiscal matters, Mr. Morley repeating his belief that Protection would impoverish the country, and that nothing worse than that could happen to the Colonies. In response, Mr. Gerald Balfour ably defined and defended the position of the Government, and inquired what more lucid definition of opinion could be given than that already supplied by the Prime Minister? He had stated that existing conditions demanded certain measures of fiscal reform, that Great Britain must acquire a means of negotiating with other Powers and meeting them on equal terms, and that the strengthening and development of commercial relations with the Colonies were desirable, though only to be achieved by the approval of the British electorate. Without this approval no measures dealing with this matter would be introduced. Mr. Gerald Balfour repudiated any sympathy with the taxation of consumers to benefit producers, and announced himself as a Free Trader, declaring to the joy of the Opposition that he thought

Whole Hoggers and Little Piggers

a reversion to Protection would be highly mischievous. Mr. Bonar Law made a truly effective pronouncement, that of a "full-fledged Protectionist," declaring that if he were a Protectionist the word had not the same meaning as it had sixty years ago. The aims of the Government now were exactly the same as the aims of Cobden; these were to increase and not restrict the foreign trade of this country. When we got a preference from Canada our trade increased; before then it declined. He proceeded to give a detailed argument in favour of retaliation, and knocked the bottom out of the Free Importers' contention that the more we bought from foreigners the more foreigners would buy of us, by stating the fact that the more we purchased from industrial countries which were our competitors, the *less* they bought from us. It was dumping that awakened him to the conviction that change in our fiscal system was necessary, and he challenged the Opposition to give a single instance where dumping had stopped after it had once begun. "If we don't end it, it will never be ended," he emphatically concluded, amid a round of ministerial cheers.

Lord Hugh Cecil made a witty and effective speech, in which he admitted that there was a strong case in favour of retaliation. Profane persons called Mr. Chamberlain's out-and-out supporters "whole hoggers," while the supporters of the Prime Minister were known as "little piggers." He confessed he would be inclined to be a little pigger provided the subject were wisely handled; and as the Prime Minister was a man of delicate taste, he would probably have "a pig of the smallest dimensions," so that he might honestly continue to support him. In more serious vein he said that if he were found in the Opposition lobby it would not indicate that he dissented from the general policy of the Government, nor even from its economical policy, so far as it was explained by the President of the Board of Trade, nor that he would change his adherence to Conservatism as he understood it.

Sir Gilbert Parker (on the 11th) pointed out that it was not Mr. Chamberlain but Lord Rosebery who was the first to raise the question of the decline of British exports and the increase of British imports, and eloquently supported Mr. Chamberlain's plea for closer association with the Colonies. Sir John Gorst promptly attacked the Canadian member for Gravesend, declaring that he was an opponent of the Government, since he had supported Protection and Preference, both of which Ministers had renounced. Mr. Chaplin argued as usual in favour of fiscal reform, of preferential treatment for the Colonies, and of the imposition of a corn duty. Thereupon Mr. Bryce declared it significant that all the defence of the Government was supplied by Protectionists, and described

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the policy of Ministers as similar to radium in being almost invisible, but dissimilar in that it was not luminous. Mr. Lyttelton then defended the Government, and also Mr. Chamberlain's proposals, extracting from the Liberal side of his audience many furious "Oh's," jeers, and ironical snorts. While admitting that Colonial preference did not form a part of the Government policy, he appealed to friends and foes not to close the door on the suggestion, and protested against the injustice of treating Mr. Chamberlain's policy as though it were actuated by mean and sordid motives.

The debate dragged on till early on Tuesday the 16th, during which Sir Howard Vincent asserted that he stuck to his opinions of twenty years, to which tardy expression was now being given by the policy advocated by the Prime Minister and Mr. Chamberlain. Mr. T. G. Bowles made a sarcastic speech at Mr. Chamberlain's expense, and referred to the "presumptuous boast" of the Colonial Secretary, who had declared he could earn £100 a year as a working man. Mr. Asquith descanted in the Free-Fooders' strain, peppering his remarks with allusion to Mr. Chamberlain's arrogance in order to make them savoursome, if not nourishing; and finally, after a long tirade from Sir H. Campbell-Bannerman, and 'an appeal from Mr. Akers Douglas not to break up the Unionist Party over an imaginary issue, the House divided, and there voted—

For the Amendment	276
Against	327
	<hr/>
Majority for the Government	51

In crises such as the present it is interesting to note that the Unionists who voted against the Government were Mr. Ritchie, Lord George Hamilton, Lord Hugh Cecil, Mr. Winston Churchill, Sir John Gorst, Mr. T. G. Bowles, Colonel Kemp, Mr. Ernest Beckett, Mr. Goschen, Mr. Austin Taylor, Mr. Arthur Elliot, Major Seely, Mr. Charles Seely, Mr. Ivor Guest, Mr. Lambton, Captain Greville, Mr. Hatch, Mr. Wood, Sir J. Dickson-Poynder, Mr. Hain, Mr. Richard Cavendish, Mr. Abel Smith, Mr. H. C. Smith, Mr. Cameron Corbett, Sir Barrington Simeon, and Mr. Pemberton. Mr. T. W. Russell, as usual, voted with the Opposition.

Sixty-nine Nationalists voted for Mr. Morley's amendment, but one of their number (Major Jameson) voted with the Government.

Meantime, Mr. and Mrs. Chamberlain left England for a two months' holiday, and soon after the state of politics became dull in the extreme. The violence of discussion temporarily abated, but the Opposition continued to prod at fiscal matters whenever they chanced to afford a stray chance of lunging at Mr. Chamberlain.

Chinese Labour

Without the stimulus of that gentleman's retaliatory eloquence, however, the wits of orators languished, and their harangues grew wearisome, parrot-like, and unprofitable.

✓ The Chinese Labour Question varied the monotony of political discourses during the month of March, and that, together with Major Seely's revolt against Lord Milner's policy, and the capture of certain seats from the Ministerialists, excited the interest of politicians. By Easter, Mr. Winston Churchill had decided to declare himself an opponent of the Government, and said "that until the ghost of Protection was laid he had no policy but Free Trade"; while Lord Hugh Cecil avowed himself as of the noble army of Free Traders, whether Liberal or Conservative. On the 20th of April the Licensing Bill was introduced by Mr. Akers Douglas, and from that time forward this momentous and vexed question took a prominent place among the bones to be picked by political factions. The measure, in brief, contained four provisions: (1) the power to refuse the renewal of a licence held to be in excess of public requirements is transferred from the licensing justices to Quarter Sessions (or in county boroughs to the whole of the magistracy); (2) when the renewal of a licence is refused as being in excess of public requirements the ex-licensee shall be given compensation equal to the difference in value between the licensed and the unlicensed house; (3) the compensation shall come from a graduated tax levied on licensed houses; and (4) the amount of compensation so paid shall not exceed one million per annum.

The Opposition attacked it in all quarters; some declared claims for compensation would be nothing short of blackmail, and that the whole thing was a scheme for the propitiation of Mr. Bung. A few were prepared to grant compensation out of funds provided by the trade, but others averred that brewers and publicans had legally no right to reckon their licence as their own for longer than a year, and were therefore not entitled to lay claim to compensation for any licence that might be revoked at the year's end; but Mr. Balfour's alliance with the brewers, and the brewer bogey served, with various other bogeys, to frighten timid electors, who readily gulped down the bait thrown out at every Liberal meeting, that the Licensing Bill was introduced especially for the purpose of rendering more plethoric the already plethoric pocket of the brewers. In reality the measure was the best that Mr. Balfour's, or any other Government, could devise for furthering the cause of temperance and causing a large reduction of houses, without expense or injustice to any member of the public; and the argument that the brewer was being pampered and profited because he was allowed to insure himself against the loss of his trade, was equivalent in stupidity to any

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argument that might declare that a man setting apart certain sums annually for the purpose of insuring his life was increasing thereby his profits and income.

Mr. Chamberlain's views have been quoted, but on August 23, 1903, he re-expressed them in the course of a letter to the Birmingham and Aston Licensing Trade Committee, and stated that he was in entire accord with his colleagues in their decision to take the earliest opportunity of legislating to prevent an unjust exercise of the discretionary power of the magistrates in regard to licensing. "I am convinced that in any case such exercise would be quite exceptional; but, whether few or many, the individuals who are threatened with ruin for no fault of their own have a right to protection under such circumstances from the Government and from Parliament."

A strenuous opposition on the part of the Radicals and the Temperance Party,¹ and the question of how these last factions were to bridge the chasm caused by the Education Acts, and present an allied front against the enemy, was a puzzle that no one ventured to tackle. The situation was rendered more complex by the attitude of the Free Food Unionists, who were now constrained to invoke the sympathy of Home-Rulers and Anti-Imperialists, whom they detested, and to search for leadership from one of the heads of the Cerberus that guarded the asylum of Cobdenism in its paralytic old age. In the general confusion the Liberals saw a heaven-sent chance of retrieving public confidence, and set to work to devise such manifold sophistries and stratagems as would represent them as the saviours of the country from the menace of the empty paunch. But, curiously enough, public opinion, experiencing the same flux and reflux as nature's tides, was changing. The people by degrees were beginning to study for themselves the springs of commercial motion and the contributory causes of trade decay; and the tide, which at the first shock had receded from Mr. Chamberlain and his proposals, and left him, as the Liberals declared, stranded, now swelled up around him, and gradually, imperceptibly, bore him along in the direction of his goal. This change, minute as yet, was observable to Mr. Chamberlain's keen and practised eye when he returned (April 15) with renewed health to the scene of his work; and in a speech made shortly after his return to Birmingham, he summed up the slow but sure signs of his advance.

Meanwhile, he was assailed in regard to the Chinese Labour Question, which just then was rousing the festering fury of his opponents. His opinions have been quoted in the chapter dealing with his South African mission, and he adhered to his determination

¹ The Licensing Bill passed through the House of Lords on August 9.



GOOD OLD CUSTOMS.

RT. HON. J-S-PH CH-MB-RL-N (*back from his holiday*). "Well, it hasn't taken long to clear that, eh?"

CUSTOM-HOUSE OFFICER. "No, Sir. Free-Trade country, Sir!"

(From *Punch*, April 13, 1904. Reproduced by permission of the Proprietors of *Punch*.)

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to allow South African feeling to be the arbiter in the internal affairs of South Africa.

At Birmingham, on the 12th of May, he commenced the second stage of the campaign by presiding at the annual meeting of the Grand Committee of the Birmingham, Aston, and Handsworth Liberal Unionist Association. He opened the proceedings by a touching allusion to the loss of Mr. Powell Williams, and then reviewed the prospects of tariff reform as they appeared after a year's discussion, referring to the assurances of his opponents, who declared that his new programme had fallen flat, and that the unauthorised programme was "dead as a door nail." These gentlemen, he thought, were somewhat premature, for history taught that such a question could never die—it would remain till it ceased to be a question, and became an accomplished fact. There was much cause for congratulation for the reformers. One of the great political parties in the State had advanced so far as to recognise that the existing state of things could no longer continue—we could not remain the football of foreign nations. Also, the discussion had produced a salutary change beyond the shores of this kingdom, for foreigners now said that if the agitation in this country should succeed, they must change their policy to meet it, and see what could be done to retain something of that they had by means of mutual concession. Dumping, too, during the last twelve months had diminished, and the change was attributed to the fact that our ingenious competitors had thought it advisable to send of their superfluity elsewhere rather than irritate a controversy which already they would desire to put to rest.

Talking of the General Election, which he did not think ought to be delayed beyond a reasonable time, he said:—

"What are we going to fight it on? Are we going to fight it on the education question? There are numbers of people—hundreds—who have written to me—some of them Radicals, others members of my own party—and who say: 'We agree absolutely with the proposal which you make on the subject of our fiscal policy, but to us the matter of first importance is the question of religious instruction in the schools of the nation.' I sympathise a great deal with the honest convictions of these people. Though I differ from them as to the merits of the Government Bill, I think it will not be impossible to meet all reasonable objections without doing injustice to any sect; but I do not think that such a settlement can profitably be proposed during the existence of the present Parliament; and if it is the fact, as some of my political opponents say, that when the next election comes there will be a change of Government, I confess I should like very much to leave the settlement of this question to them. Whether these friends of mine who are going to vote for them because of their hope and expectation of a settlement in accordance with their own views will or will not be disappointed is another matter. I look forward with the greatest interest to see how these gentlemen are at the same time to con-

“Thorough”

ciate Dr. Clifford and the Archbishop of Dublin. . . . If we must fight, let us fight for something worth fighting for. After all, I do not much like the modern political nomenclature, and I will not use it, but I believe that those who adopt the Cromwellian motto, or put ‘Thorough’ as their guiding motto, will be much more likely to be successful than those who are half-hearted, weak-kneed, and trying to catch a breeze that will never come. What higher object can we have than that I have ventured to put before you? What higher object than in our time and generation to draw closer together this mighty Empire of ours, to unite the British race throughout the world?”

He reverted to his great Imperial ambition, and said, had he not been convinced of the extreme urgency of the case he was advocating would he have given up the office of which he was so proud, or resigned the ease that after long years of work he needed? The Colonies, despite differing conditions, had decided with unanimous voice that union could best be approached and effected on the commercial side. They had made concessions, and were ready to make even more sacrifices, in order to promote a self-sustaining Empire, and by strengthening the ties of interest, knit together the sympathies that already exist. Thus they would achieve the great consummation, the highest ideal to which a nation can reach—

“That of evolving from this loose assemblage of States a great Imperial organisation, preserving for all its members their local independence, but one against all the world when the interests or the honour of any of those members are attacked. How are we to deal with a situation so pregnant with our fate, with the fate of the British race? I declare I am almost in despair when I find statesmen who profess—with perfect good faith, I do not doubt, to be Imperially minded—when statesmen like the Duke of Devonshire, Lord Rosebery, Lord Goschen, and Mr. Asquith, all desiring—yes, I will say desiring—the objects which I have in view, and seeing these facts, having the evidence of this goodwill on the part of the Colonies, yet treat their offer, and offer it is, as though it did not exist, minimise its importance, doubt its good faith, go about assuring their countrymen that the Colonies will do nothing for them, will give them nothing worthy of their acceptance, and, on the other hand, will demand from them sacrifices which they cannot afford to make.”

He then repeated the arguments of the unauthorised programme, discussed last year’s trade returns, and maintained that however the Cobdenites might argue, our trade to foreign countries had declined, and disaster was simply staved off by the increase of trade with our Colonies.

“One of the most serious features in the situation is this, that year after year the foreigners are sending a larger proportion of goods to the Colonies; that whereas a few years ago we did such and such a percentage, now, five years later, our percentage is smaller, and foreigners are sending more in proportion to the total, and if that goes on, the course of the colonial trade will be what the course of the foreign trade has been.”

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Passing on to the personal side of his project, he argued :—

“Supposing I were false to all the principles I had professed—supposing I were trying in my old age to undo the work of my youth, do you suppose that men like Mr. Charles Booth, for instance, who has devoted a considerable fortune to investigating the condition of the poorest of the people with a view to relieving it; do you suppose that men like Mr. Mosely, who has shown himself a devoted friend of the working classes; do you suppose that they would preach my nefarious projects, do you think they would join with me heartily, as they do, in pressing on the working classes what we believe will be the greatest benefit we have yet conferred on them? But I think I may say I have taken every precaution. It is my firm belief that such a small increase on certain classes of food as I have proposed in order to be able to secure colonial concessions, in order to secure this mutual arrangement which, as I have told you, is a stepping-stone to higher things, it is my firm belief that that small addition will be largely, if not entirely, paid by the foreigner. But I have put that all aside. I have assumed that it will be paid by the consumer in this country, and it is part of my purpose, without which I would not have put it before you, that whatever tax may be laid on any portion of the food of the poor, whether it is paid by them or whether it is paid by the foreigner, a proportion, an equivalent decrease of the taxation, should be given to them on some other article of necessity and consumption.”

In conclusion, Mr. Chamberlain said that however his views and methods might have differed, he had throughout the whole of his political life been consistent to the two main objects he had ever in view—the greatness of his country and the elevation of the people, particularly the improvement of the condition of the very poor.

“For thirty years you have given me your full support. In good report and evil report you have been at my back. Nay, you have been at my side. You have strengthened me in times of discouragement. You have lifted up my hands, and all that I have done is the result of the help that you have given me. And now once more, as I come towards the end, I ask for your assistance and support. I ask it with unqualified confidence in your answer. I know that in the past Birmingham has sometimes been a little ahead of the country. The country has always come up to it in time. Now, I rely on you to help me to carry forward this beneficent reform, which will be the crowning act and glory of our political association.”

The reference made by Mr. Chamberlain to his general consistency may have been prompted by recent criticisms of his attitude in relation to the Southwark and Birmingham Bishopricks Bill. In moving the second reading of the Bill (4th May), Mr. Balfour explained its nature, and said that “not a shilling of the money which was to provide the endowment of these two new bishopricks was to be drawn from public funds. It was entirely of ecclesiastical

New Bishoprics

origin, and it was almost wholly subscribed *ad hoc* by private individuals. Churchmen, High, Broad, and Low, were united in desiring that this great reform in ecclesiastical organisation should take place, and he appealed to those who had the prosperity of the National Church at heart not to take up the ungracious position of saying that all this local effort in a purely spiritual cause should be of no effect because, for one reason or another, a certain section of Churchmen might desire to put a grain of sand into the ecclesiastical machine."

Various dissenting voices were heard, but Mr. Joseph Chamberlain, though he announced that he was a Nonconformist, and was, as he had always been, in favour of the policy of Disestablishment, supported Mr. Balfour. He showed no intention of embarking on a theological discussion, and merely referred to the complained of illegal practices in the Church to argue, as he had ever done, that law was law, and must be observed, whether by priest or layman. But why should the majority of worthy and law-abiding Church people in Birmingham, who desired to complete their spiritual organisation, suffer for the illegalities of a few persons? he asked. If the present law were inadequate, means should be found to bring about a remedy; but he objected to the unworthy methods by which people attempted by an indirect way of punishing the wrong people to obtain the desired ends. Mr. Chamberlain contradicted the assertion that the Church in Birmingham was scandalised by the appointment of the present Bishop of Worcester. The Bishop came there as a stranger, won golden opinions from everybody (from Nonconformists quite as much as from Churchmen), and his moderate, generous, broad, and religious influence had exercised the best effects on the people of the city. On behalf of Birmingham, therefore, he begged the House to consider what he assured them was almost the universal opinion, without respect to religious differences of the people of Birmingham, that it was most desirable, in every interest, that the organisation of the Church of England there should be completed.

Further progress in his effort "to capture the Liberal Unionist machine," as his opponents described it, were now made by Mr. Chamberlain. The cleavage between the old régime and the new was completed by the 18th of May, when the annual meeting of the Council was held, and the Duke of Devonshire made his valedictory speech. He entered into the whole history of his connection with the Association and its funds, described his communications with Mr. Chamberlain and with Lord Selborne, and definitely announced that he could no longer have anything to do with the official Liberal

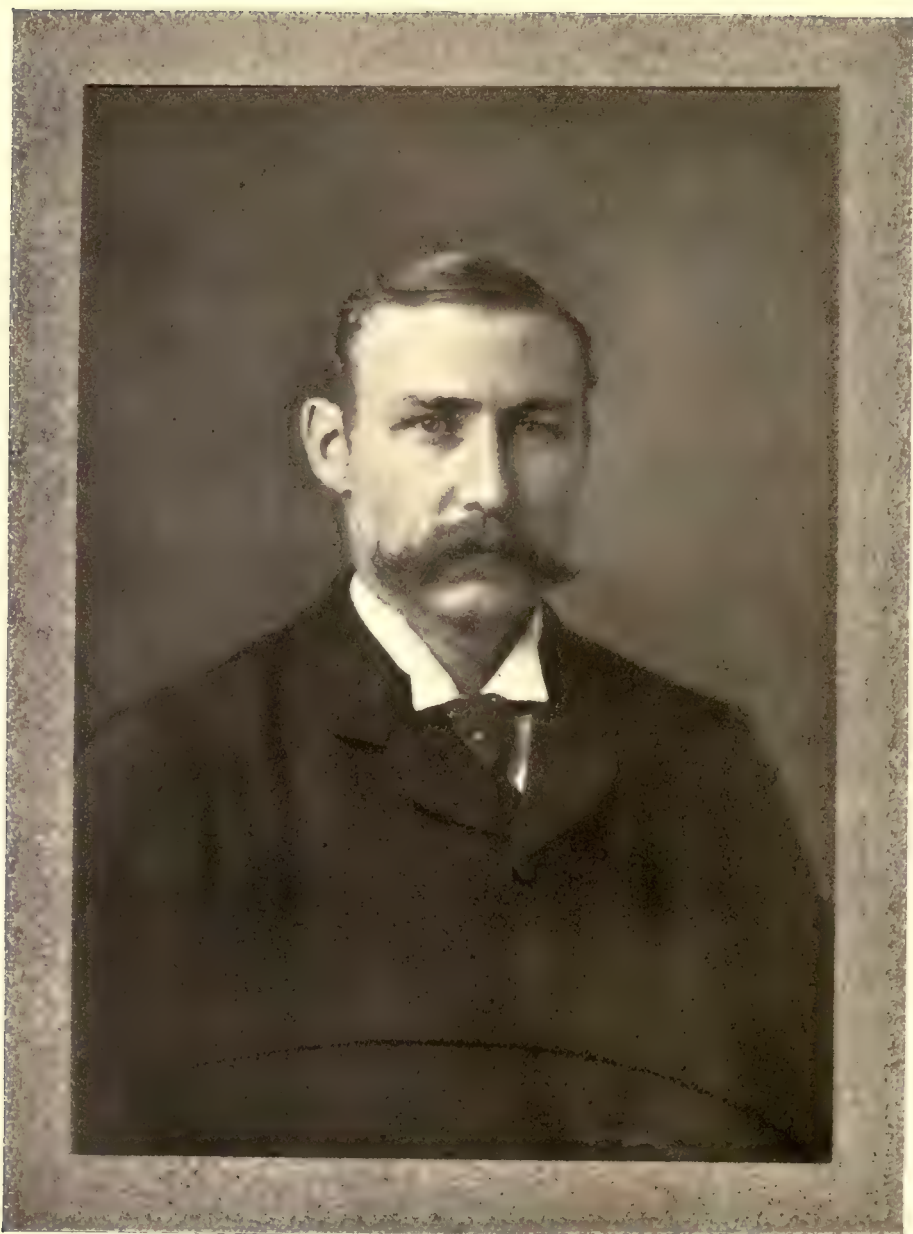
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organisation. Mr. Chamberlain, in reply, reverted to the origin of the Association, and adhered to his first belief that it was necessary to maintain, even strengthen, the Association, and that a great deal would be lost if the old flag and associations were to be dropped, and the party lost its individuality by uniting with its Conservative allies. In regard to the funds, Mr. Chamberlain reminded the Duke they for the most part were raised by him, and he hoped now to set all quibbles at rest by proposing a resolution which would deal with the subject of organisation.

The object of the new rules was to maintain the Parliamentary Union between Great Britain and Ireland; to promote throughout the United Kingdom the formation of Liberal Unionist Associations; to publish literature; to promote meetings, and provide speakers and lecturers; to help in securing Parliamentary candidates, and otherwise to assist Liberal Unionist Associations in their work; and to secure from time to time the authoritative expression of the opinions of the Liberal Unionist Party on questions of public policy and current legislation.

Mr. Chamberlain explained that he merely proposed to change the constitution of an existing continuing body. "But," said he, "even if it does involve dissolution, any dissolution or proposal for dissolution is to be followed by a proposal to reconstruct, and in place of the weak non-representative bodies which we have at present, I propose to create a great representative authority, as to whose right to express the opinion of the Liberal Unionist Party there can be no possibility of doubt. What would be the effect of the resolution which I propose? This great body will be created which will be similar in its constitution to the National Union of Conservative Associations and the National Liberal Federation. It will be constituted for the express purpose of electing the inner organisation of the party, to which all the executive and administrative work will be delegated, and for the not less important part of dealing with the programme on questions of policy and current legislation. It will be open to any of the associations connected with this body to instruct its delegates to make any motion or resolution on questions of policy and opinion, and if such motions are made, we shall have the means of ascertaining what are the views of the majority of our constituents on any of these disputed questions. It does not follow that these views will be adopted by the leaders of the party, but the object of a popular association of this kind is to inform the leaders of the party."

He expressed his opinion that the party was not equally divided on the subject of Tariff Reform, but that there was a preponderance of reformers; whereupon the Duke, before the division was taken,



THE EARL OF SELBORNE, P.C.

Photo ELLIOTT & FRY, LONDON.



CHANGE OF TASTE.

JOSEPH (*the Chef*). "Don't like the old recipe. Too rich. Far better without all that Devonshire Cream."

[Mr. CHAMBERLAIN, finding the present constitution of the Liberal Unionist Council too "aristocratic" for his taste, is bringing forward a series of resolutions with the view of reconstituting the Council on the basis of a fuller representation of the Party.]

(From *Punch*, May 18, 1904. Reproduced by permission of the Proprietors of *Punch*.)

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called the attention of members to the magnitude of the portentous change. "The two associations—the Council and the Association—have hitherto been considered to be as to their work concerned almost exclusively, if not entirely exclusively, with the maintenance of the Union," he said. "What is now proposed is to create a new political organisation, not merely to oppose Home Rule, but to take certain political lines which they may think fit on any political questions that may be raised. *There would be nothing whatever to prevent this Council from adopting in its fullest completeness the fiscal policy which has been recommended by the Tariff Reform League; and the Association might be the day after to-morrow converted into an active agency in support of the principles of the Tariff Reform League.* If, as Mr. Chamberlain believes, ninety-nine members out of a hundred are in favour of that policy, that probably will be the result. Such a result, I need scarcely point out, would not conduce to the possibility of those who are entirely of a different opinion remaining members of the Association. I must point out, before you divide, that it is a complete revolution of the constitution of the Association which is proposed, and I hope members will vote with a full sense of that fact."

Members being thus fully posted in their responsibilities, the resolution, moved by Mr. Chamberlain, "That the Liberal Unionist Council be reconstructed on the basis of a fuller popular representation of the party, and that the draft rules now submitted be adopted in place of those now governing its organisation and functions," was carried by a large majority.¹

On the same date (18th) one of the most interesting, if futile, debates of the session took place, when what has been called the "Black Motion" (welcoming the declaration of Ministers that the Government is opposed to the taxation of food) was rejected by a majority of fifty-five. (This was a revised version of the famous "Wharton Amendment," by which some weeks earlier, during Mr. Chamberlain's absence from England, the House was invited on behalf of Ministers to welcome the "Explicit" rejection by the Government of either Protection or the taxation of food—an amendment that was withdrawn before the warlike ultimatum of the 112 followers of Mr. Chamberlain, who thereupon became a distinctive section of the Unionist Party in the House of Commons.)

Lord Hugh Cecil boldly announced that the member for West Birmingham knew that this motion was directed against

¹ Later on (29th June), various members of the Liberal Union Club, deciding that the club would be utilised to promote the policy of Tariff Reform, "which has no connection with the objects for which the club was founded," decided to resign and form a new organisation, called the Unionist Free Trade Club.

The "Black Motion"

him and his policy and not against the Government, and this challenge being thrown out, Mr. Chamberlain at once rushed into the ring. Considerable ferment ensued, and finally the uproar was only quelled by the intervention of the Speaker. Then Lord Hugh delivered himself of a caustic and brilliant attack on the late Colonial Secretary, and declared that all along they (the Free Traders) had desired to have a debate which would raise explicitly and expressly his policy, though he, its originator, offered them no co-operation. To this Mr. Chamberlain cried emphatically "Hear, hear!" Lord Hugh proceeded to say that Mr. Chamberlain preferred to discuss the question on the platform, which afforded many advantages, among others facility for selecting your audience and security against reply, which to a person of his "right hon. friend's" economic opinion were dear indeed.

On this rose a hurricane of Opposition cheers, which were drowned in Ministerial cries of protest and shouts of "Oh, oh!" Lord Hugh persisted. The Free Fooders, he said, had been described as weak-kneed.

(The Ministerialists cheered the description.) He himself had been called a politician of the Cromwell school. Well, he would compare Mr. Chamberlain to Bob Acres, who exhibited courage elsewhere than on the field of combat, where his courage ran out at the tips of his fingers.

On this the storm increased—the voice of the noble lord was rendered inaudible by angry roars and remonstrances from the side of the Ministerialists, shrill shouts of order from Mr. Winston Churchill, expostulations from Mr. Jesse Collings, and further passages at arms between that gentleman and Mr. Gibson Bowles. Finally, when the turmoil had ceased and Lord Hugh had announced his intention of voting in favour of Mr. Black's motion, Mr. Chamberlain's turn came. He then scornfully refuted the charge of moral cowardice that had been flung at him.

"I came into public life at about the time that my noble friend was born," he said. "I do not suppose that he has had time to take any account of my work, but if he has done so I think that the last thing that he would charge me with is any unwillingness or un readiness to state in the plainest terms—whether they were popular or not—the opinions which I held, and to take the consequences. If, therefore, it be a fact, as my noble friend has said, that I have shrunk from submitting my views to this House, I venture to say that I might have had other reasons than the want of moral courage." He proceeded to show how completely he realised that the present debate was no genuine desire to discuss his policy, but merely an effort to score off the Government, and declared that

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when the right time should arrive his opponents would not find him shrinking from any discussion that might ensue.

III.—JUNE TO AUGUST

The success attending the celebration of the centenary of Cobden's birth (3rd and 4th June) was due entirely to Mr. Chamberlain. To him, and to the excellent grindstone his unauthorised programme had afforded, the notable speeches that did honour to the occasion owed their point and their force, and the spirit that prompted the active honouring of the hitherto almost ignored natal day was excellently expressed by Lord Welby in terms that studiously eschewed the mention of "King Charles's head."

"The movement is a fitting answer to those who lower our reputation abroad by decrying their country, and who, for class interests, would tax the food of the people and would impede the progress of the nation by shackling and impeding its trade. The sun must go back upon 'the dial of Ahaz' before the policy of Cobden is reversed."

A few days later the Liberals were again awakened to their duties by a clarion call from Lord Rosebery, but unfortunately, at the same time, he threw a bombshell into the ranks of the rallying forces by discussing the prospect of Home Rule, and declaring that he was perfectly certain there was no possibility whatever of the next Liberal Government establishing or attempting to establish a Parliament in Dublin. In the first place, he said, such a policy required an alliance with the Irish Party, and how was an alliance with the Irish Party possible when they were opposed on education, on temperance, and, so far as he knew, on the fiscal question as well? At any rate, the policy of Home Rule could not be carried out in the new Parliament, of whatever complexion it might be. The Liberal Party held all the trumps in its hands, and at this moment was engaged in a supreme contest for all that it had ever held dear. If such an issue could not stir the Liberal Party to victory the Liberal Party was destined to fade away. This avowal did stir the Liberal Party, but scarcely in the manner Lord Rosebery desired. Certain Home Rulers looked blue and began to wonder what was the good of routing one "hanky panky" Government¹ to help in another more hanky panky still.

At the banquet given by the Royal Institute of Public Health (June 30), in recognition of his services to preventive and topical medicine while filling the office of Colonial Secretary, the President,

¹ "I am almost afraid that the Government will go down to posterity as a hanky-panky Government."—Lord Rosebery at Lambton Castle, June 25.

Preventive Medicine

in proposing the health of Mr. Chamberlain, referred to him as the statesman who had done more than any other in the position of Colonial Secretary to promote the health of our countrymen beyond the seas. Mr. Chamberlain's services to medicine have been described in a previous volume, and consequently it is unnecessary to repeat the eulogies of those who took this opportunity of honouring them. In his response to the speech, the late Colonial Secretary descanted on the value of victory in war and also of victory in peace—on the valorous men who dealt with the problems of government in every part of the British world, and on the necessity to prize and protect those men, those "assets of the Empire," and retain in them all the vigour of life. And he did not forget the domestic problem so near his heart. All now recognised that without sanitary reform social reform was an empty phrase. The housing of the poor, the attempt to prevent the physical deterioration of the race, and all the other things to which they, as legislators, devoted such part of their time and attention as they could spare from party conflict—all these things were founded on sanitary reform. Preventable disease was the great agent for filling our workhouses, for raising our taxes, for weakening the fibre of the people, for preventing us from competing successfully in that eternal struggle for existence which must go on so long as the world lasts. It was to the preventive efforts of such men as Sir Patrick Manson, Major Ronald Ross, and Professor Haffkine, that his attention had been chiefly directed.

Mr. Balfour paid fitting tribute to his late colleague, and declared that he did not think that even his enemies would deny that he had been the greatest Colonial Minister the country had ever seen.

On the same day the City of London United Liberal Association was inaugurated, and the Earl of Rosebery, in opening the proceedings, took the opportunity of again attacking the "hanky panky" Government. Eloquently he endeavoured to rally the divided fragments of the Liberal Party, imploring them with all his might to clean their slate and come on—to join the new Association and combine at least for the one purpose of marching under the banner of Free Trade.

Despite all the rancorous quips of the Opposition a charming demonstration of sympathy with his ideal of Imperial consolidation was prepared by his admirers for Mr. Chamberlain's birthday (July 8). The tariff reformer was entertained at dinner at the Hotel Cecil by some 200 Unionist Members of Parliament, and in order that the occasion should be an unique expression of goodwill Mrs. Chamberlain and Miss Chamberlain were invited to share the birthday honour. The banqueting hall on every side bore testimony to the patriotic spirit that animated the assembly, and Mr.

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Chamberlain's classic motto, "Learn to think Imperially," was emblazoned across the front gallery. Sir Herbert Maxwell presided, his guests being disposed to right and to left of him, while, dotted about at a series of informal tables, sat the goodly company of 177 Unionist wellwishers. Twenty-one hosts were absent from personal causes; one had vacated his seat for the House of Lords, and one had lost his life in a recent accident. These made up the sum total of "sympathisers," while Free Fooders and "sitters on the fence" (Ministers apart) who remained without the hospitable area numbered 148.

Well knowing that so delicate a compliment as had been paid to him and his demanded recognition not only cordial but almost personal, Mr. Chamberlain began with a chapter of political autobiography, in which he traced the "history of an idea." "I am a Fiscal Reformer," declared he, "mainly because I am an Imperialist, believing that on the maintenance of the great Empire which we have inherited depends the greatness of our own country. In saying that, I do not wish to underestimate the economic side of the question. Only I say that that is secondary. It is not vital, and I cannot help thinking that there are some of the most distinguished of my opponents—men like the Duke of Devonshire, Lord Goschen, Lord Avebury, and others—who would yield much of their economic theories if they believed, as I do, that the existence of the Empire depended on our course in this matter. I would admit, on my part, that probably the best policy for this country, considered from the economic side alone, would be that universal millennium of Free Trade which we were promised by Mr. Cobden, but have never yet achieved. But I must go further. I must confess that many years passed after my entry into political life before I questioned the prevailing orthodoxy or doubted that even Free Imports meant the best policy for this country. I was brought up in the strictest sect of the Pharisees. Like other people in that condition, I was not called on to give any reason for the faith that was in me. I date my doubts in reference to this matter from the early eighties, when I was called on as President of the Board of Trade in Mr. Gladstone's Government to defend Free Imports against the assaults made by Fair Traders, among whom the most prominent was that distinguished Free Fooder, my right honourable friend the late Chancellor of the Exchequer. I suppose it was a case of mutual conversion. It is true that Sir Robert Peel was converted to Free Trade in defending Protection against Mr. Cobden, and, if I might venture on a parallel between myself and a much greater man, I would say that my orthodoxy in reference to Free Imports was shattered when I had to defend them against the assaults of opponents in the period to which

The Warnings of Our Time

I refer. I must not speak for Mr. Ritchie. I do not know how far he was impressed by the arguments I then used—how far he was led to adopt his present attitude. At that time my views were not changed, but they were shifting, and since then every succeeding year has confirmed my doubts and made it more evident to me that the system we had pursued—not the system which the country was invited to adopt in 1846, but that which was substituted—was open to grave objection and had not produced the results which we were led to expect.”

He went on to recount how the prediction of the Manchester School had failed of realisation—how by degrees our markets were threatened, and how, when he first entered the Colonial Office, the new and higher aspect of the economic question presented itself to him. Our relationship with our Colonies engrossed him, and by degrees the lesson of history, the decay or the rejuvenation of Empires, impressed itself upon his mind, and he saw that this was the day of aggregation, not of segregation, and that however difficult the task, the *statesman of the time should meet the warnings of his time.*

“The duty incumbent on every patriotic Briton is to draw the different parts of the Empire closer together while there is yet time, to avoid the disaster which is inevitable if we lose the opportunity which is offered to us. But we are told that we ought to trust to sentiment by those who can always find an excuse for doing nothing, and especially when what they are asked to do is to make this Empire great. Sentiment! It is, indeed, a great and potent factor in the history of the world, and how splendid the sentiment may be which unites men of kindred blood and kindred faith was seen in the late war, when everywhere the British flag floated we had the moral support and where it was possible the material assistance of all the British race. Without sentiment we can do nothing. Sentiment alone is not enough. *Sentiment without organisation is like courage without discipline. Let us unite, let us use this all-powerful sentiment, let us remove the difficulties in the way of the practical organisation.* That is the only way in which, following the example of the United States of America, we can make a united Empire of what are now far distant and somewhat scattered States. Let us not deceive ourselves,” he went on; “there is no British statesman who has considered this subject, whether he be a colonial statesman or a statesman here at home, who has not recognised the truth of what I am saying. This is not a new idea. *I say we must come closer together, or we shall inevitably drift apart.* What I desire to urge with what remains to me of strength and vigour, on our Colonies equally as on my own countrymen, is *the absolute necessity of taking the present creative time to lay the foundations of the Empire of the future.* I

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want to impress on them that that future depends on the relations which we now establish. *If we remain separate, who is there who believes that we shall hold our own in the company of the great Empires which are being created round us?* If, on the contrary, we stand together, if as one nation we exert our influence and power, then I believe we may hold our own with all nations and no one shall make us afraid."

This was no mere economic question ; it was one which involved the sinking of the Empire to a lower place among the nations ; and if this calamity was to be averted we must go step by step forwards towards the work of consolidation.

"I think I am not vain when I say that I know what I am speaking of. I know that you have an opportunity of which you may now avail yourselves which may never recur. I think the Colonies will never want for suitors, and if you do not pay your court to them while they are willing to receive your addresses, you will find in the time to come that they will have made other arrangements, and that you will no longer be welcome in the house of those who now are your greatest friends. I believe that they are prepared to meet you in no grudging or halting spirit. I believe that they will make concessions at least equal to any that you will be called on to make. I believe that they recognise that no agreement can be permanent or satisfactory that is not beneficial to us as well as to them. They are not suppliants for your grace. They are your kinsmen, inviting your friendship, but they are prepared to give every bit as much as they are ready to receive. . . . But to those who—in spite of all the evidence which has been brought before them, in spite of all the declarations of Ministers, statesmen, Legislatures, and public bodies of every kind—profess this disbelief in the willingness and readiness of the Colonies to make an arrangement which will be distinctly beneficial to all the parties concerned, the test is easy. There will be no difficulty for them, or for any one, to secure a result which cannot be contested. Call the Colonies to your counsel, bring their representatives into communication with yours, and then see if we cannot together make some arrangements, mutually beneficial, which will indeed develop our trade with our best customers, which will, at the same time, develop and make prosperous the whole Empire, and which will divert into British channels that great stream of emigration and of trade which has done so much for the prosperity of other countries, which, at any rate, have not been equally friendly. That is the test which I will invite our opponents to apply. But they have difficulties. They have conscientious scruples. The Leader of the Opposition—that master of unhappy phrases—told us the other day that to secure commercial union with our Colonies—a union such as has been established in Germany with the best results, and in the United States and in Italy—such a union between ourselves and our children would be a 'sordid bond.' Sordid bond!—to quicken the growth of our own people, to find work for the unemployed at home! It seems to me that that would be less sordid, more patriotic, than the undisguised selfishness which calls on every man to look out for his own interests alone, which promotes foreign trade while it drives our own people into the workhouse."

A week later the first meeting of the newly-constructed Liberal

The "Democratised Council"

Unionist Council—"democratised" Council, as it was called by the Opposition—was held (14th of July) at the Imperial Theatre, when Mr. Chamberlain was elected President. The Vice-Presidents were Lord Lansdowne and Lord Selborne; the Chairman of Committee, Sir Savile Crossley, M.P.; the Hon. Treasurer, Lord Fitzwilliam; the Hon. Secretary, Mr. Victor Cavendish, M.P.; and the Executive Committee, Mr. Lockett Agnew, Sir M. Arthur, Mr. H. Pike Pease, M.P., and Mr. J. C. Williams.

The newly-constituted Liberal Unionist Council consists of four different classes: (1) Peers who expressed a desire to be connected with the Association; (2) members of the House of Commons who made known their wish to join; (3) accepted Liberal Unionist candidates; (4) delegates appointed by the Liberal Unionist Associations.

Some seven Liberal Unionists refused to join the Council, stating as their reason that they preferred as Free Traders to follow the Duke of Devonshire rather than assist Mr. Chamberlain in a policy which a few years ago would have been repudiated by all Liberal Unionists. "They never will be missed," quoted some one when the letter was made public; nor were they, as the events of the day proved.

The meeting, which was a brilliant success, was notable for the tone of confidence in Mr. Chamberlain which pervaded the proceedings. The reconstruction scheme was welcomed as the turning-point of a new era wherein reform in the direction of tariffs might be expected. For some time a certain sense of stagnation had become apparent, for the old council had scarcely kept in touch with local associations and their members, and it had been evident that some more active force must be employed to keep the machinery buzzing. That active force was now personified in Mr. Chamberlain, whose ruling idea had ever been to keep himself in touch with the views of the people and those of his own party. Though the negation of Home Rule retained its old place in the forefront of his policy, the education and formation of public opinion on matters of the day was now to form a secondary purpose, a purpose whose greatness was duly recognised by all save those who persisted in viewing the reconstructed Association solely as a machine for promoting the new Birmingham doctrines of Preference and Protection. At the end of the day a resolution was proposed and carried with practical unanimity, to the effect "That this Council, believing that the time has come for a complete reform of our fiscal system, approves of the demand made by the Prime Minister for increased powers to deal with hostile tariffs and the practice of dumping, and further expresses its earnest hope that the ties of sympathy which

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already unite the British Empire may be strengthened by a commercial union with the Colonies, based on preferential arrangements between them and the Mother Country."

In the evening Mr. Chamberlain returned to his great subject at a "mammoth meeting" which was held under the auspices of the reconstructed Council of the Liberal Unionist Party, in the Albert Hall. He recounted the tale of the Unionist combination, gave his reasons for intervening to save that organisation, and showed that the hour had again come for more than negative action—that a progressive move was imperative. "Progress is the law of being," he declared; "finality in politics is as impossible as finality in science." Then he discoursed on the two tremendous issues that were as bivalves of the great controversy: the first was whether we were to rest content with being shut out by hostile tariffs from foreign markets, while welcoming foreign competitors with open arms, and whether we should continue to ignore the lessons taught us abroad and not demand from these foreign competitors reciprocal terms. In raising that question fiscal reformers had the full support of the Government, but in the second, and to him more important one, of closer union with our Colonies, the one issue of the time, but a more personal issue, the Liberal Unionists could but appeal to the Government, and promise them support if they would march ahead of them to victory. This was the mainspring and centre round which his arguments revolved. "We do not ask them for a hurried decision, for premature action. We desire in this great matter that we shall carry with us not merely a party majority but the goodwill of all that is best in the nation. But we have confidence in the nation, and we believe that when the country has had time to appreciate the magnitude of the issue, the importance of the object that we have in view, that they will not fail us, that *they will rise to that higher patriotism which in all times of our history has been the most potent instrument in the elevation of national character.*" From this he passed on to the subject of Ireland's over-representation, which had been discussed at the meeting of the Council—the inequalities that, for example, give to the electors of Newry, two thousand in number, a power in the State equivalent to that which is enjoyed by the electors of Romford, who count up to forty thousand, and which gives to one portion of the United Kingdom, "not the most educated, not the most loyal," a weight and authority out of all proportion either to its wealth or its population.

"What is one of the incidents of this grotesque anomaly? We see the leader of the Nationalist Party in the House of Commons controlling absolutely eighty votes, more or less, and swinging them

Liberal Rule

from side to side without any regard to the merits of the case under discussion, without reference to the personal convictions of his party, but with the sole or avowed object of making British Government impossible and of coercing the British Parliament to give him what he wants. He will fail, as a greater than he has failed before him. The resources of civilisation are not exhausted, but in the meantime why should we play into his hands by giving to him a power to which he is not justly entitled, either by the number of his adherents or by the use that he makes of it?" The conduct of the Opposition in obstructing the Aliens Bill came in for a slash of sarcasm, and also their attitude of "agonised expectation." After having so long been excluded from office, the animals in the Liberal ark were a happy family; they had apparently "ceased to claw one another," and were "waiting patiently for feeding time," he cheerfully observed. "Is it not amusing to see Lord Rosebery effusively embracing Sir Henry Campbell-Bannerman, and Sir Henry Campbell-Bannerman coyly repelling anything in the nature of a too exuberant emotion? But there is a point of interest to us. Which is the predominant partner in this union of hearts? Will the Irish Nationalists be entirely satisfied by the protestations of devotion to their cause which have recently been given by Sir Henry Campbell-Bannerman and Lord Spencer? And do *the Liberal Imperialists imagine that they will be strong enough to take care that these protestations are not followed by any active or practical measures?* I should be sorry myself to leave the fate of the union to those stalwart defenders the Liberal Imperialists." Prognostications as to the nature of Liberal rule followed. The Army and Navy would have to submit to drastic reduction; again we must accustom ourselves to dearth of ships, of men, of guns, and—probably—of cordite! "Chinese and other aliens may be shot here" would be the motto of those who clamoured against the introduction of alien labour into the Colonies, where it was urgently needed, while here they welcomed everything and everybody that came into competition with British labour. He drew further pictures of the Radical millennium: of the policy that united the party—a policy of shreds and patches—of provincialism in the Empire, and of selfishness in the individual. "It is a sordid bond that holds them together, and sooner or later this nation, which responds so readily to what appeals to the instincts of an Imperial race, which rises nobly to the conception of an Imperial mission and all the duties involved in Imperial privileges—sooner or later this nation will judge as it deserves this factious and fortuitous combination."

This great meeting and its undoubted success served to goad and irritate the Free Traders, who declared that the Liberal Unionist

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Council had now become a branch of the Tariff Reform League, and that the Ministers who were connected with it had by their action pledged themselves to a policy to which the Government declared itself to be opposed. The Duke of Devonshire, at the "full dress" debate in the Lords on fiscal policy (22nd), again traversed the old ground, and ingenuously begged for information as to the present attitude of the Government on the question of preferential tariffs. He dwelt freely on the significant fact that Lord Lansdowne, on his own behalf and on that of the Prime Minister, had shown sympathy at the Albert Hall meeting with Mr. Chamberlain's projects, and expressed a fear that even more than sympathy was being given—that in secret indirect aid was being rendered. The constituencies of Unionist Free Trade members were being openly attacked or covertly undermined by the Tariff Reform League, and these machinations were not discountenanced by the leaders of the party. Quibbling over what the Government thought or did not think on the subject of Preference, together with criticisms of the conduct of the Marquis of Lansdowne and the Earl of Selborne in their relationship to the Liberal Unionist Association and the Government, occupied nearly three hours, though every one present was intimately acquainted with Mr. Balfour's attitude in the matter. He had announced repeatedly that he was at heart a Free Trader desirous of working on the lines of Free Trade, though he did not carry his benevolent policy so far as to insist on sitting with his hands tied while the whole of Europe and the rest of the world machinated to undersell our manufacturers and drive our manufactures from the country. They well knew that all he asked for was freedom to negotiate. All we required was that the give-and-take policy of Free Trade should not be confounded with the all-give-and-no-take principle which had gradually cropped up in its place. Here was his Sheffield programme in a nutshell, and when he avowed his sympathy with Mr. Chamberlain's advanced ideal nothing could be more plain than the bystander's position he took up for himself. He did not go in for racing—he was not in racing form—but he was ready to look on and applaud the favourite, and to resent the "Derby dog" tricks of the Opposition, whose motive was merely to obstruct the course.

But explanations and elucidations were far from what was wanted by the grumbling Peers, and the thing that rankled—the real, the prime cause of the ferment—was let out like a cat from a bag by Lord Goschen when he argued that the Albert Hall gathering was really nothing more nor less than the triumph of Mr. Chamberlain over the Free Traders. So far the expectations of the Opposition,

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who had started the session in the firm belief that the Government should not survive it, were disappointed. But they nevertheless continued to plume themselves on stray successes at bye-elections, arguing that every straw helped to show how the wind blew. It has been said that gratitude is a "sense of favours to come," and they forgot that the public in electoral moments is apt to ignore services received in their glamorous appreciation of promises promulgated with no regard to performance.

Not that the Liberals knowingly misled their supporters. Whatever the squalid motive of the rank and file, the Tapers and Tadpoles of politics, honesty of purpose was writ large in the programme of the leaders. But the problem of how these leaders, with their "pull devil, pull baker" convictions, would contrive to shamble along with the Government coach cast terror into the hearts even of their wellwishers. Several members had crossed the floor of the House—Mr. Churchill, Major Seely, and others—but apart from their hostility to Mr. Chamberlain, they were not in accord with any of the practices of the Liberal army, nor was it congenial or possible for them to handle their weapons. How was it possible, for instance, for the Imperially-minded Unionists to follow in the wake of Sir Henry Campbell-Bannerman, who, on the eve of conflict with South Africa, had declared that preparations for war were not required, and who, to Mr. Chamberlain's appeal to put the matter outside party politics, had responded in the manner that has been described? How, again, were they as "men with a future" to suit themselves to the pace of the "dormouse" Duke, who was one of the sleeping partners in the criminal Government, whose blunders and lack of preparedness in respect to the war made them so excellent an "Aunt Sally" for the sticks and stones of the Opposition—the Government who must be trailed through the mire of contumely and execration before the wary voter could be persuaded to yearn for a change of administration. These enigmas and many, many more intricate ones defied and continue to defy the cunning of every political *Œdipus* who has taken them in hand!

Meanwhile Mr. Chamberlain's busy brains were not negligent of the call of his "own people" and the interests of the University, which is the pride of the city; and a piquant situation was created when, on the 15th of July, Mr. Balfour, accompanied by the Chancellor of the Exchequer (Mr. Austin Chamberlain), received at Westminster Hall a deputation (under the auspices of the British Association) to discuss the subject of State Aid for Universities. Mr. Joseph Chamberlain, as Chancellor of the University of Birmingham, set forth with considerable eloquence the claims of the institution with which he was so intimately associated, described the costly work

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they were engaged in, the amount of money that had been spent by the city of Birmingham in furthering education, and pointed out that in the competition which we now had to endure with the most civilised and best educated nations in the world, it was a matter of the very first importance to those who were to be the leaders of industry, the managers of our works, the foremen in our shops, to have a much higher education than the mere rule-of-thumb knowledge which they had possessed up to the present time. It was to provide those men, who by their work hereafter would, he believed, return a splendid dividend on the money we spent, that they had promoted these local universities, and they now came to the State and asked it to take their needs into consideration. Finally, after many notable men of science had expressed their views, Mr. A. Chamberlain responded at the call of Mr. Balfour, and explained that though he was deeply interested in the work and recognised its claims, he feared they must wait for their fulfilment until the Government's finances were in an easier condition, and until either the revenue had recovered its elasticity, or other urgent and unavoidable demands had ceased to press on the Government with such extreme necessity.

During the summer much of Mr. Chamberlain's time was engrossed with the work of the Imperial Tariff Committee, and therefore he decided that until the tariff investigation had progressed more fully he would address only a few meetings. So far there was little more to be said than had already been expressed by Mr. Chamberlain and his opponents, and the time had come for the public to make itself acquainted with the solid facts regarding British trade and their relativity to Mr. Chamberlain's policy, of which the true meaning was gradually becoming apparent.

Meetings in favour of fiscal reform were held in the towns and villages of the Midlands, and competent lecturers enlightened the electors on the knotty points of the conflicting arguments. There, and in North Wales, and in such parts of the country as demanded information, leaflets were prodigally showered to the extent of over 18,000,000, and in addition to these, further tracts in the Welsh language, and also pamphlets, appealing especially to the farmers' side of the question, were freely circulated. Mr. Chamberlain spoke, however, on the 26th of July at Rochester, and showed that he was rather proud than otherwise of having earned the title of "commercial traveller." In course of his visit to Messrs. Martin, Earle, and Co.'s Cement Works, he referred to himself as such, and said: "Wherever I go I try to dispose of my wares, and my wares are Imperial sentiments." He then proceeded to impress on his audience the need for solidarity in commercial and sentimental relation-

An Imperial Bagman

ship between ourselves and our Colonies. Though he believed most sincerely in the love and affection of the children of the Mother Country, he said he also believed that the sentiment would not bear too great a strain, and that, when a country like Canada was continuously tempted by offers of commercial union from the United States, or a country like Australia was open to like overtures from other great Powers, they could not remain indifferent to those offers if we made arrangements that were apathetic, or even hostile. We had now to open our eyes to a system of foreign competition, one that was not merely competition of superior methods, materials, or better workmen, to which we might reasonably surrender. Systems with which it was impossible to compete under existing conditions had grown up on the Continent and in America, which were undreamed of by our ancestors, and to fight these new weapons of commercial competition was as impossible as though we should attempt to fight with the old Brown Bess against a foe armed with modern weapons. We also must modernise our weapons, or we should in the end suffer defeat all along the line.

Further Radical fumings took place on the 1st of August, when Sir Henry Campbell-Bannerman moved: "That this House regrets that certain of his Majesty's Ministers have accepted official positions in a political organisation which has formally declared its adhesion to a policy of preferential duties involving the taxation of food." In the course of his charges against the members of the Government who had identified themselves with the Unionist Council and Mr. Chamberlain's plans, Sir Henry asserted that the country was perplexed and disquieted by the enigmas of the Prime Minister's statesmanship. "While politicians scheme and dialecticians define, trade suffers," he declared amid Opposition cheers, thus describing the sufferings of trade as the result and not the cause of agitation—a cart before the horse arrangement, made necessary by previous assertions that trade did not suffer at all. Mr. Lyttelton defended the action of Lord Lansdowne and Lord Selborne, and declared it was consistent with the action of the late Lord Salisbury, who had addressed meetings of the National Union after that body had passed resolutions favouring Protection. Lord Hugh Cecil discussed what he deemed the questionable taste of the Ministers who attended at the reorganisation of the Liberal Unionist Association, and who as friends and supporters of the Duke of Devonshire should have abstained from assisting at what was "in some aspects a festival at his deposition." Mr. Chamberlain's response was energetic and frank. He showed how the efforts of the Opposition had been entirely directed to prove how far the Government was in agreement with him, a fact that it was not to his interest to contest.

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Still, if there had been no difference of opinion between himself and the Prime Minister, why, he asked, did he leave the Government? He left for reasons that all knew, because Mr. Balfour, though sympathising with his ideals, did not think the policy at the present time a practical one and one likely to be accepted by the people of the country. Then came an announcement that made the Radicals open their eyes and prepare to sharpen teeth and claws for an autumn campaign. "So far as I am concerned, the sooner the election comes, and the sooner the issue is raised, the better I shall be pleased."

Mr. Chamberlain then combated the reiterated assertion that Preference would produce discord rather than concord within the Empire, and repeated to ears that were conveniently deaf all the signs of encouraging acceptance of his proposals received from the Colonies. He called attention to the declaration of the Prime Minister of Canada, and again quoted the Budget speeches of Mr. Fielding, the Minister of Finance, to prove how all parties in Canada were in favour of preferential arrangements, and reverted to the declarations of three successive members of the Commonwealth of Australia—Sir E. Barton, Mr. Deakin, and Mr. Watson—to prove how favourably some such unifying scheme as his own was viewed, and how its realisation would be welcomed. Mr. Chamberlain closed his speech by calling on the Prime Minister to take steps to ascertain what the Colonies really did wish—by summoning from them a conference of representative men to meet and to consider the subject, in order that the House might be enabled to decide whether he had based his arguments on real knowledge and experience, or whether the wisdom lay with those who from the first—before they even knew what his policy was—determined to oppose it on party grounds. The rest of the debate, which was merely a series of squibs and catherine wheels of oratory fired off from the old set pieces, ended in the rejection of the motion by a majority of seventy-eight.

Mr. Chamberlain's proposal was welcomed by Lord Rosebery in a letter to *The Times* (3rd August)—welcomed under certain limitations. His conditions were these: "(1) That the Colonies 'should themselves signify an anxiety for such a conference before it be summoned'; (2) that they should not enter into it 'in the expectation that Great Britain is prepared to tax or narrow its supplies of food'; (3) that 'there should be a clear basis for the conference, drawn up in conjunction with the Colonies and agreed to by both parties'; and (4) that 'the British representatives should be not merely partisan or official, but men of national weight.'" Mr. Chamberlain in reply disapproved of the barring out of considera-



LORD HUGH CECIL

Photo BERESFORD.

At Welbeck

tion what would be the main object of the colonists in accepting the proposal, viz., to see whether or not, in return for what they have already given or are prepared to give to us, we on our part are ready to make the sacrifice of our economic orthodoxy (contemplated by Lord Rosebery in 1888), and to reciprocate with a preference on those products of the Colonies, including corn and meat, the sale of which they desire to extend in this country. To invite conference on preference while rigidly excluding reference to taxes on food, Mr. Chamberlain deemed a ridiculous, almost insulting, suggestion.

Meanwhile the great fiscal proposals were submitted to an agricultural audience; and at Welbeck (August 4th) a crowd from all parts of the surrounding country, largely composed of farmers and agricultural labourers, mustered in force. Some eleven thousand persons of all classes and grades of society were packed together in the Riding School, which the Duke of Portland had sympathetically placed at the disposal of what the Liberals called the Fiscal Bagman.

On this occasion his text for the agricultural districts was: "More profit for the farmer, more employment for the labourer, cheaper food for his family."

First he described the system by which foreigners are enabled to send us everything they make or grow, without contributing in any way to the expenses of the country; and he then proceeded to explain the reason why the system in its earlier days did us no substantial harm. Foreign nations then had neither the skilled labour, the capital, nor the machinery that would permit them to compete with us—the development of agricultural industry abroad had not begun; the West of America had not been cultivated, and there was no very large importation of foreign products into this country. But a change had now come to pass. Within the past thirty years foreigners had managed to make for themselves all they wanted; they could therefore shut us out from their markets and, moreover, "dump" on this country their surplus to the injury of our manufacturers and of our workpeople. What was the result? Foreign progress on the one side, British partial stagnation on the other.

We had lost our first-rate position; we were taking a second, even a third place, and if things should continue on the same lines, might expect to sink some day to the grade of a fifth-rate Power. Of this the Government had taken note; they went so far as to propose *Retaliation*. They were ready to say to the foreigner: "If you will not allow us to send our goods free into your country, if you will not reduce or remove the taxation which you put on them, we will impose taxation on the goods that you make. We are tired of keep-

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ing always the open door for you while you slam your door in our faces. What is sauce for the goose is sauce for the gander. We will mete out to you the measure which you have meted out to us, and if we have to fight with you—to compete with you—we will compete with your weapons.”

So far so good.

But where, he asked, in the Government scheme did agriculture come in? The manufacturer might recover and maintain his position; but the farmer, the labourer—what of them? Mr. Morley had said that owing to Free Trade the farmer was able to hold up his head, and that the labourer found himself in a superior position. Were these the facts?

In the last thirty years the acreage in corn had lessened by 3,000,000 of acres; green crops by three-quarters of a million. Much land had gone out of cultivation, from arable to pasture—a circumstance which might not matter much to the farmer but one which deeply concerned the labourer, for less labour was required on the land. Stock had diminished by something like 2,000,000 head; and according to Sir Robert Giffen, farmers' capital had diminished by something like two hundred million sterling.

What was the consequence of all this?

Less labour for the working man. Within the last thirty years workers on the soil had decreased by six hundred thousand; within the half century by nearly a million.

“Never was prophet more unfortunate in his predictions than Mr. Cobden,” said Mr. Chamberlain. “He promised that the repeal of the Corn Laws would stimulate the demand for agricultural labour. Has it done so? It has thrown one half of the agricultural labour of the country out of employment. He told you it would not throw a single acre out of cultivation nor lessen production by a single bushel, while the producing of corn in this country at the present time is less by sixty millions of bushels. He said that the farmers' profits would not be affected, that they would always get a fair price for their wheat—he did not anticipate that it would fall below 45s. a quarter—and that you would have a ‘natural protection’ of something like 10s. 6d. a quarter due to the cost of freight and transport from foreign countries. What are the facts? The ‘natural protection’ which was to take the place of legislative protection has disappeared. It does not amount now to more pence than Mr. Cobden thought it would shillings. The price of corn has gone down till it is 26s. a quarter, at which price it cannot be produced at a profit. Mark this, at the same time the price of bread has not fallen in anything like the same proportion—and now, in the face of facts which are as different from those which were anticipated, is it



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.]

(From *Punch*, Aug. 3, 1904. Reproduced by permission of the Proprietors of *Punch*.)

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not time to ask for a reconsideration of the scheme? Are you not justified in claiming the same justice for your industry which the Government has promised for manufacturers? Is it possible that either the farmer or the labourer can be satisfied with the existing state of things? As to the farmer, I am pretty well aware of what answer he will make. The other day a duty, a moderate duty, of 1s. was placed on the corn. It was a very small duty. It had no effect on the price of bread. It could not be said to have given any substantial advantage to the farmer, but he welcomed it, and if he welcomed that, still more is he likely to welcome the much greater advantages that I promise to him."

But it was to the agricultural labourer in whose condition he had interested himself for thirty years that Mr. Chamberlain had most to say. He reminded him of the franchise, in securing which he had taken an active part; of free education—the great boon that enabled the child of every labourer to acquire "the three R's" without a farthing of cost to himself, for which he had been happy enough to obtain the help of Lord Salisbury; of the legislation, accomplished in conjunction with his friends Mr. Chaplin and Mr. Jesse Collings, by which, with all its defects, at least one hundred thousand labourers had good allotments who never had allotments before, and by which holders of allotments secured protection for their improvements and labourers compensation for accidents incurred in course of employment. "Why do I remind you of all this?" asked Mr. Chamberlain. Not to boast, he explained, but to recall the consistent and persistent efforts that had been made on behalf of the agricultural labourer.

"I ask you to believe me when I say that if I thought these proposals I make to you would injure you in the slightest degree—if I did not believe, as I do believe, that of all classes in the community you are the people who have most to gain, I would never have proposed them. I am not content to stop with the legislation of the past. I do not ask for gratitude for what we have done, but I ask you, looking at the past, to believe me when I say that we have it in our power to do more for you in the future. That is not, I submit, the position of our opponents. They seem to think that you are now in a position that is so satisfactory, so enviable, that any change would be for the worse; and they accuse me—of all men they accuse me—of an infamous desire to deprive you of this splendid condition, and to throw you back on the times of famine and of misery in which your ancestors were some sixty years ago. . . . It is quite true that the condition of the labourer, and not only of the labourer, but of the artisan in the towns, was one of infinite distress in the times of which we have been speaking. But why was it one of distress? That is the point to which I am coming to call your attention. My opponents say I am going to reduce you to famine and starvation because I propose to put a tax of two shillings a quarter on corn. I do propose to put on that tax, but if you will listen to me I think I can show you that it will not injure you in

The Price of Food

the slightest degree, and certainly it will not bring you back to the times when the duty on corn was not two shillings a quarter, but twenty shillings and even more."

He showed his audience that it was the lack of employment and lowness of wages that caused the misery of their grandfathers, and that the price of bread for well-nigh thirty years after the Corn Laws were abolished was nearly the same as it was before. The reason for the improvement in the condition of the agricultural labourer and the workman was not the reduction in the cost of his food, but it was the development of trade which was brought about by the progress of invention and by the discovery of gold in Australia and America which raised his wages and increased his employment. If the Radicals were right in believing a small increase in the price of food would be ruinous, they must assume that the happiest countries were those where food was cheap. How about China and India, whose inhabitants got cheap food and wages of so many pence a day?

On the other side of the scale was America. The cost of living was dearer, but the wage of the agricultural labourer was 4s. to 5s. a day, and allowed him a more comfortable margin. Mr. Chamberlain proved that the effect of free trade in the end would become disastrous. The labourers were being driven to foreign countries, to the towns, where they were huddled together in insanitary conditions, or drifted to the workhouse. Wages certainly had been raised, but the agricultural labourer of all classes had profited least. "I see," said Mr. Chamberlain, "from the great Blue-book which was published the other day that while the average wages for the five years ending 1902, which in the case of all other industries was 17 per cent. above the wages twenty years ago, in the case of the agricultural labourer it was only 6 per cent. above them." Were they content to see their rate of progress only one-third of that of other classes? And what of the future? Had they reason to look forward to better things? "You cannot expect that your food will be cheaper. I suppose we have got to about the bedrock level in regard to the price of food. On the other hand, it may be much dearer. If you depend on a single source of supply for all that you cannot produce yourselves you will create a monopoly, and a monopoly will probably end in a rise in price. And if there should be any drought in America, or any such speculation as that which took place a year or two ago, and which raised the price of corn temporarily by 10s. a quarter—if that be the case the labourer will be the first to suffer, and to him it may mean great misery and great distress. But if your food is not likely to be lowered can you expect more employment? No; every day sees more land turned

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from arable to pasture, and for every acre that is transferred so many more labourers are thrown out of employment. Can you expect more wages? No; as long as the farmer can make no profit he cannot afford to pay you more wages, and, therefore, let me say that the interest of the labourer in this question is the interest of the farmer. If the farmer and the labourer would work together, as they very seldom do, they would have more influence than they have now; they would not be forgotten by the Government. If the position of the labourer is to be improved the position of the farmer must be improved with it, and the real point, therefore, is, will the proposals that I make improve the condition of the farmer, and under those circumstances will the farmer be able to improve the condition of the labourer?"

His proposals, as yet but a sketch plan (undergoing consideration of the Agricultural Committee of the Tariff Commission under the chairmanship of Mr. Chaplin) were these:—"I want, in order to equalise the competition, or at all events to make it more nearly equal, to equalise the competition between the foreigner and ourselves. I want to put a moderate duty on the chief products of agriculture as well as on the chief products of manufacture. And I want to arrange this moderate taxation so that without pressing on any class in the community it may give the greatest advantage to the farmer in regard to those branches of his industry which are at the present time most profitable and most capable of development. I propose to put a two shilling duty on corn. I do not believe—I speak to you frankly—I do not believe that that will raise by a single farthing the price of bread. I do not think that it will raise to any substantial degree the price of corn, and I do not think, therefore, that the farmer is going to get a great deal out of that. But I attach more importance to a duty on flour. I propose to put such a duty on flour as will result in the whole of the milling of wheat being done in this country. From that I expect two advantages. In the first place I expect more employment. This trade, which to a certain extent we have lost, will be revived. There will not only be the milling of wheat in the great ports, but we may expect to see mills started again in the country towns, giving employment to a large number of labourers in the district, and to that extent benefiting the whole of the labourers. The second advantage is that we shall keep in this country all the bran and all the offal, and, as you know better than I do, that will have the effect of cheapening feeding-stuffs. It must have that effect not merely on feeding-stuffs produced in this country, but on feeding-stuffs imported from abroad, and in these circumstances the farmer, the small owner and the allotment-holder would be able to keep more

Proposed Duties

stock and rear and breed more stock to increase his dairying operations and to keep more pigs. All those branches of farming are at the present time the branches from which I think he derives the larger part of his profit.

“Then I propose to put a similar duty of two shillings a quarter on every other kind of corn with one exception—barley, oats, rye, and so on. The exception is maize. Whether I am right or not, it is for those who are more learned in agriculture than I to say, but my proposal is based on this. In any scientific tariff we must try to keep raw materials as cheap as possible, and, therefore, I myself should not propose to put any duty on maize, which is an important feeding-stuff. Neither should I put any duty at all on manure, whether it be natural manure or artificial manure. At the same time I propose a duty of 5 per cent. on meat, on dairy produce, butter, cheese, and so on, and on preserved milk. I propose a similar duty on poultry, eggs, and on vegetables and fruit. I believe that these duties will help especially the small farmer—the holder of small quantities of land—to make his cultivation more profitable. When I consider that, excluding meat altogether, we are actually importing at the present time something like forty millions sterling of dairy, vegetable, and other by-products of agriculture, I cannot help believing that if we are to keep even a proportion of that trade for our own people, our own growers, and labourers, we should do a great deal to make farming more profitable and to benefit the condition of the working men.”

In discussing the result of the proposals Mr. Chamberlain asserted that it did not follow that because they might raise the cost of raw produce, of wheat, that they would necessarily raise the price of bread. They might raise it to some small extent, besides giving the farmer a slightly better price for his produce that would help him to increase his production and so cheapen the cost thereof. He was willing to take a lesson from the foreigner—from France for instance, where they had five million people on the land the majority of whom were small holders who own their land. He had always aimed at increasing the number of small holders of land here, and he believed that his proposals would effect this desideratum and be of advantage to the farmers also, and the consolidation of the interests of the labourer and farmer would render them a power in the land. “Wherever small holders exist in any number there you will find that they, at any rate, are not afraid. They do not believe that to give a certain advantage to the home production is going to be an injury to the home commerce,” argued Mr. Chamberlain. He then went further into the case of France:—

“They have eighteen millions of acres of land under wheat cultivation,

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and we have only one and a half million, and those eighteen millions of corn land have produced eighteen million acres of straw, and having the straw, and having the offals, the farmer is able to rear a very much larger number of oxen and of dairy cows. The oxen and the cows turn the straw into manure, and the manure is used to fertilise the poor soils, and the poor soils produce under this system an enormous amount of vegetables and fruit and all the by-products that there are sent into this country to compete with the production of the farmers and the labourers of the United Kingdom, very much to their disadvantage. That is one side of the question—one side of the comparison with France—but let us look at the other. Does this system in France raise the cost of living? Remember, the duties in France are much greater than anything I propose. The duty on corn in France to-day is 12s. 2½d. a quarter—more than six times as much as anything that I propose. The duty on meat is one penny a pound, which is more than double what I propose. Now, if the Radicals were telling the truth, if what they say were correct, the cost of living in France ought to be enormous, and yet it is much lower than it is here. It is probably true that the French peasant pays a little more for his bread, but he gains so much on his meat, on his vegetables, on his poultry, on his eggs, on all these other things, that on the whole his cost of living is much cheaper, and his margin at the end of the week is much greater than that of the labourer here. Now these duties I speak of were imposed in France in the year 1892, and the latest figures only come down to 1900, but in those eight years the price of wheat fell in France 20 per cent., while at the same time it only fell 11 per cent. in this country; the price of beef fell 10 per cent. in France; and it rose 2 per cent. in this country; and the price of beef in 1900 in France was 6½d. a pound, while the price of the same beef in England averaged 9d. a pound. Now what is the result of these figures? The result is this, that the duty—any duty—placed on the products of agriculture does not necessarily increase the price of food; and I will say more than that—I will say that it never has in our experience, or in the experience of any foreign country, increased the price of food to a proportionate or equivalent amount. But if it does not increase the price of food it does in all cases extend the production of food, increase the employment of labour, and cheapen the ultimate cost to the customer."

His proposal would result in bringing to the labourer more employment, while the extra taxation paid mainly by the foreigner would bring in some extra millions a year which would be devoted to the deduction of the cost of living of the people and the bettering of their condition. He proceeded to expose the poverty of the arguments of the Free Fooders who began with a false name, for there was no such thing as *free food*. He quoted the taxes on tea, sugar, coffee, cocoa, and tobacco, and expressed a belief that the millions extracted from the foreign pocket would relieve the pressure on tea and sugar and possibly tobacco. In these matters wives might be consulted—asked what they spent a week on tea and sugar—and the worth of his arguments proved. According to the Board of Trade every agricultural labourer's family used on an average two-thirds of a pound of tea and 6 lb. of sugar in the week. If that were

Co-operative Farming

true, the saving on the reduction on tea and sugar alone would be 4½d. a week to every labourer's family.

Passing to the questions of local taxation and railway rates which place the farmer in an inferior position to the foreign competitor, he suggested a remedy for the last on a system of co-operation. "If the farmers of this country in each district would trust one another, would combine, would co-operate in the sale of their products—if they would bring them to the railway companies, not in small parcels but in great masses, they would find the railway companies could afford to carry them much cheaper to their destination, for it is much easier and much less costly to carry a truckload than it is to carry a small parcel. But as regards local taxation, I do not think co-operation will do much for you there. If it be true, as I believe it is, that in competition with the foreigner you pay more than he does, then he has what I call an unfair advantage over you, and in that case it is part of the general principle that I have laid down of fair play all round that in any rearrangement of taxation full consideration should be given to this case, and the farmer should no longer be handicapped, as I think he is at present." Having demonstrated how his policy would benefit the rural pocket he turned from the tangible economic advantages to the intangible yet glorious ideal of Imperial Consolidation, appealed to the traditions and ties that bind us to our kinsmen over the seas, and argued the necessity to substitute for the present disintegrating régime a sound and sane Imperial policy which should enable the British race throughout the world to hold their own, and continue to hold it throughout the generations and the ages yet to come. Criticisms more or less heated followed this pronouncement, *The Times* being flooded for some days with comment and contention.

Lord Heneage complained that Mr. Chamberlain had not attempted to deal with the agricultural problem of the great farming interest, or to show how the producers of corn, beef, and mutton would be affected by the scientific tariff to be framed by a commission of trade experts in their own interests, and on which every trade was represented save the farming industry. Others contradicted Mr. Chamberlain's statement that labourers were driven from the land through the fall of prices and want of employment consequent on Free Trade. This class left the land of their own choice to seek better wages elsewhere, while those that remained profited by higher farm wages resulting from the exodus. Between 1861 and 1881 labourers left the rural districts in large numbers, and since then in spite of higher wages offered they have continued to fly to or remain in the towns, thus forcing farmers to economise labour by the use of machinery and in other ways.

CHAPTER VII

COLONIAL OPINION

"If Colonial opinion were indeed hostile, or even apathetic, there would not be the slightest possibility of carrying through so great a reform, and I should feel justified in abandoning the struggle if I were not warmly supported by the Colonies."¹

THE correspondence in *The Times* between Mr. Chamberlain and Lord Rosebery regarding the offer made by the Colonies caused considerable discussion in the political world, and opinions soon became divided as to how far Mr. Chamberlain's proposals had met with the approval of over-sea statesmen.

Lord Rosebery decided that the so-called offer of the Colonies was no offer at all, and that Mr. Chamberlain's friends based their premises solely on the conclusions arrived at in the Colonial Conference of 1902. These conclusions, he argued, were a recommendation but not an offer, for "the essence of an offer is that the offerer is going to do something."² The Colonial representatives, he pointed out, had recommended us to do something. And he quoted the new Prime Minister of Australia who, in stating his programme, said in regard to the preferential system: "The Government proposes to follow the attitude of the Deakin and Watson Ministries, which has been approved by the electors—viz., wait till some definite proposals are submitted by the Imperial Government and receive them in a fair and honest spirit."

Lord Rosebery had possibly omitted to read the Budget Speech of the Hon. W. S. Fielding, Canadian Minister of Finance (7th June), which plainly showed that hitherto Canadian offers had fallen to the ground owing to the attitude of Great Britain. His words were these: "On both sides of politics it was considered a desirable thing that there should be a preference as between the Mother Country and the Colonies as far as possible. Colonial conferences met from time to time and passed resolutions in favour of such a system, but somehow or other no progress seemed to be made? Why? *Because the proposal which was then made was one that Great Britain, at that time at all events, was not prepared to agree to.*"

¹ Letter to Editor of *The British Australasian*, May 29, 1903.

² September 20, 1904.

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In view of all these arguments it is interesting to examine without party feeling the opinions that eminent statesmen and politicians have freely given from time to time, and to deduce from them how far Colonial feeling favours or rejects Mr. Chamberlain's scheme.

The Right Hon. George Reid, Prime Minister of Australia, in response to a request from the author, has been good enough to express his views in the form of an article which, dealing as it does with Preference, Reciprocity, and Retaliation, is of national interest not only at the present moment, but to all students of the future history of the great movement of this century. The statesman writes thus :—

A BRIEF GLANCE BACKWARDS.

In the old protectionist days of Great Britain, her fiscal policy secured to her supremacy on all the trade routes of the Empire by force of law. Her scattered dependencies could not trade with foreign countries at all except by way of British ports ; and all Colonial cargoes, in or out, were carried, by compulsion, in British ships. That was the state of things within the Empire. That was absolute "preference" without any "reciprocity." As to the rest of the world, all British ports, home or colonial, were closed, or nearly closed, against foreign competition. That was more than "retaliation." Within living memory the trade and shipping of the Empire depended, most statesmen thought, upon the continuance of that policy. To relax the policy of high duties on foreign goods would enable foreign manufacturers to "dump down" cheap articles to the ruin of British industries ; to tamper with the protective shipping laws would enable the foreigner to destroy the "wooden walls" of England. Everything that restrictive legislation and paternal government could do to consolidate and extend the industrial power and promote the prosperity of the British people was done. Yet, at the close of the protective period fifty or sixty years ago, bitter distress prevailed amongst the British people ; until famine tore down the barriers between British needs and the abundance of the world. The Mr. Chamberlain I admire most has confirmed in the most emphatic way that view of British history.

THINGS AS THEY ARE.

The basis of Mr. Chamberlain's appeal for a new departure, which is really a bugle call ordering retreat to the dismal conditions of the past, is to be found in one or two great facts—first, the independence

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granted to the self-governing parts of the Empire ; secondly, the use they have made of it ; and in the third place, the zealous imitation by foreign nations of the policy which England herself enforced in the dark days to which I have alluded. The new policy of free trade, and the new policy of granting to the Colonies the power of managing their own affairs, developed at the same time. Great Britain might have guarded her concession of Colonial independence, at least to the extent of claiming a veto over every part of a tariff hostile to British trade, but she did not, and now she cannot. Imperial control of Imperial trade, and Imperial control over Colonial trade, have gone and gone for ever. The smallest dependency, with a Constitution of the British pattern, must be approached as if it were a great Power. Hence the offer of preference, hence the appeal for reciprocity. As to foreign nations, they are so intent upon developing their own manufactures by the old English method, and so afraid of the tremendous vitality of British enterprise under the new English method, that there is no talk of voluntary agreement. "Reciprocity" and "preference" are for the Empire—"retaliation" is for the rest of the world.

I suppose there is no page of the world's history which reveals a position so sublimely foolish, or so sublimely grand, as that occupied by Great Britain to-day. For many years other nations have been piling up barricades against the export trade of Great Britain. Even the dependent offspring of the Mother Country have repaid her magnificent gift of freedom by erecting similar barricades. The United Kingdom offers to the exports of the rest of the world open ports, open markets, and equal treatment ; the rest of the world, with few exceptions, replies with a general blockade. England is to-day a target for the fiscal bullets of all nations, and the fiscal bullets of her own children. She does not fire a shot or lift a finger in self-defence. Is this cowardice, Christianity, or sagacity? Do her "open doors" point the road to ruin, or give her a unique commercial advantage, besides making possible the possession by the inhabitants of two little islands of an empire "on which the sun never sets"?

If the fiscal policy of the United States, of Germany and France, of Canada and Australia is sound, and the policy of England a mistake, what a melancholy position Great Britain should now occupy. She should resemble one of her own battleships of the olden time, emerging from a contest against overwhelming odds, with all her bulwarks gone, and all her sails shot away. Yet, in spite of this policy of hers, which so many think a mad one, she confronts the world to-day a greater Power than ever before. She sells more, soul for soul, than any of her rivals, and of all the ocean

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commerce of all the nations, at least one-half is stowed away beneath the British flag. Could there be a more crushing satire upon the new policy of Mr. Chamberlain than his own Commission? That solemn inquest to discover whether the universal fusillade has injured that majestic hull which has run the gauntlet of a world in arms, and is still floating on the waters in safety and triumph, like that other ark which once sheltered the fortunes of the human race.

PREFERENCE AND RECIPROCITY.

In other words, a modification of the Free Trade policy, either by means of duties giving British dependencies a preference in the home ports over foreign countries in the shape of lower duties, or by free admission as against duties levied on foreign products. This to secure reciprocity in a similar form from those dependencies. Further definition is necessary. To be of any real service in either case the British "preference" must be given on food imports and raw products, one or both; obviously, I think, both; and the Colonial "reciprocity" must include British manufactures, and reduce protective duties to a level enabling the British manufacturer to compete in the Colonial markets with the local manufacturers. If this policy will not increase prices, the British people will be spared one great anxiety. But can any sort of duty on wheat fail to increase at least the price of British wheat? Is any sort of duty on food possible in England that will not increase cost and imperil the cheapness of the staff of life? The same sort of reasoning applies to raw materials of many kinds. Is not everything in the shape of food itself a raw material of British industry? Can increase in the cost of raw materials, or of living, enable England to manufacture more cheaply than now? And if not, in what way is the alleged crisis caused by foreign competition to be reduced except at the expense of the British people? Mr. Chamberlain says, by preference in Colonial markets. But that preference will be useless unless it be substantial. To be of any real service it must displace or arrest Colonial manufactures to a serious extent. Will the Colonial Protectionists consent to open the doors widely enough? I do not think they will. They are eager for preference, but they will not equally understand reciprocity. Would it not be a terrible mistake to give up the substance of British freedom for a shadow of Colonial preference? I suppose in the unlikely event of Mr. Chamberlain's triumph at home he would, in common loyalty to the British people, demand substance for substance. If so, success at the polls of Great Britain would merely give him leave to grapple with

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the immense difficulties left in the way of a practical solution. Then any scheme of preference which does not cover all the dependencies and the whole field of inter-Imperial trade, might replace existing inequalities by more dangerous differences. Unless the chain is complete the whole project falls short of its greatest object, Imperial unity. My view is that even if adopted all round, Imperial unity would be placed on a precarious basis. Family bargains lead to family jealousies and disagreements, and family quarrels are the bitterest, and last the longest. The present phenomena of Imperial gravitation are so truly wonderful and gratifying that any readjustment of the orbits of our Imperial sun and its many brilliant constellations requires strong authority and a daring spirit.

THE FREE TRADE AND PROTECTIVE AREAS OF THE EMPIRE.

There are nearly 400 millions of the human race under British authority, and of that number 380 millions are free from protective legislation. Of the sixty countries and territories under the British flag, fifty at least are under the Free Trade policy.

INDIA.

This wonderful Eastern empire, with its 300,000 millions of British subjects, is a striking illustration of the difficulties of the proposed reversion to a discredited policy. Foreign countries can "dump" upon the shores of India as freely as on the shores of England. Yet, of a total annual Indian import of about 74 millions sterling a year, Great Britain sends 47½ millions, or 64 per cent. Other countries only "dump" 26½ millions a year, but then they patronise Indian exports to the tune of 68 millions a year, buying nearly three times more than they sell. The Indian Government, with its splendid export trade to foreign countries, must dread the outbreak of tariff hostilities. Even under this head of the controversy, both the Mother Country and the Colonies must weigh well the importance of their foreign trade. As far as Australia is concerned, three European countries take more of the Australian staple—wool—than Great Britain herself, and the volume of other Australian exports to foreign countries is large, and rapidly increasing.

RETALIATION.

This is the method proposed for the correction of foreign countries. If Britain is to retaliate upon France and Germany, she must also declare a tariff war against the United States, the

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worst offender of all. The difference between French and German imports from, and exports to, the Mother Country, taken together, is about 45 millions a year. In the case of the United States the difference between what Great Britain buys from them and sells to them is more than 100 millions sterling a year. The sentimental tie is growing in strength, but is not its real strength to be found in this "gigantic deal"—this tremendous interlacing of commercial ties between Great Britain and the United States, greatly to the advantage of our American cousins. A tariff war, or even the threat of strong measures, with those three great nations would not lighten the burden of Empire. I would not care so much if the fiscal conversion of the United States and Germany would in the end really improve the position of England in the ocean race of world-wide competition. So long as they hug their commercial fetters Great Britain suffers some loss, but does not the free play of England's energies give her many advantages in her struggle with competitors who fetter themselves? When America and Germany are converted to Free Trade and their merchants and shipbuilders can scour the world for raw material, and bring it home to free ports, the troubles of England will, I fear, not be removed but increased.

CONCLUSION.

I fully perceive the fact that the policy to which Mr. Chamberlain has converted himself has grand objects in view. That it inspires many patriotic minds with the purest motives, and that it is able to blend in formidable combination disinterested earnestness with the most powerful hopes of self interest—better prices for British farmers—better rents for British landlords—and easier times for British manufacturers. If those classes comprise the main objects of national solicitude and of British strength, if their needs and their distress are the most urgent, then, let Mr. Chamberlain win? But, if the crowded millions of the great body of the British people are the strongest pillars of our great Empire, if their needs are the greatest of all, let the abundance of the world still pour, unchecked and untaxed, into the homes of the poor. The British people thrive best and fight best when freest. This latest fight for privilege and restriction has not even the merit of novelty. It really means a fresh application of unwholesome nostrums which, within the memory of living man, "made the rich richer and the poor poorer." I cannot believe that Britain will falter in her forward, fearless, generous policy, which has conferred upon her people so many blessings, and lies so near the heart of her Imperial strength.

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This brilliant exposition of the difficulties of the Imperial problem is of intense value to students of Mr. Chamberlain's policy, for it is fair and "square," and while admitting "the grand objects in view" and "the purest motives" that may underlie the scheme, it instructs us in all the most powerful obstacles that may be raised against the achievement of the ideal. The views of the Prime Minister who preceded Mr. Reid have not been so explicitly stated, but the Hon. Alfred Deakin has declared himself an enthusiastic admirer of the principle of Mr. Chamberlain's policy, and believes that the realisation of the patriotic ideal would be of great importance to the Empire. Sir George Turner (Treasurer of the Commonwealth) from the first eulogised Mr. Chamberlain and his statesmanship, and emphatically declared his belief that he was expressing the sentiments of the people of Australia in saying, "God bless him in his work, God speed him in carrying it to a successful conclusion," while Sir Edmund Barton also adopted a sympathetic attitude. The Hon. W. H. James (Western Australia) made the most patriotic pronouncement, though the Hon. J. G. Jenkins (South Australia) was cautious, and feared that it might be possible for Australia—should she follow the example of Canada and make reciprocal treaties with Great Britain—to lose more than she would gain if Germany or other Powers should enforce against her the policy Germany had adopted in regard to Canada. The Hon. R. Philp and Mr. Rutledge (Queensland) visioned difficulties innumerable.

Sir William M'Millan, as a member of the Free Traders party, agreed with Mr. Reid on many points. He was opposed to a preferential tariff, since he believed it would hamper the trading relations of Australia with foreign countries. The trade of Australia with countries other than Great Britain was increasing vastly, and hereafter there would be an immense trade between Australia and the western coast of America, Japan, China, and India. Any embargo on foreign goods, he thought, would inevitably provoke retaliation.

Mr. Kingston and Sir George Forrest, from opposite poles of the political sphere, met together on this great Imperial, and it might be supposed, undebatable ground. They proclaimed themselves absolutely at one in the fervour of their declarations in favour of Mr. Chamberlain's proposal for preferential tariffs throughout the Empire. In New South Wales opinion was pretty evenly divided, but Sir John See (New South Wales) expressed admiration for the statesmanly proposition, and affirmed his conviction that the more consolidated and self-sustained the Empire was in time of difficulty the better it would be for all concerned.

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In New Zealand the principle of Mr. Chamberlain's scheme was generally applauded as embodying great possibilities, though many politicians expressed doubts as to its practicability. The Right Hon. R. J. Seddon went vigorously into the matter after his true heart-of-oak fashion. He telegraphed to *The British Australasian* that the people of New Zealand were unable to understand the overture for a preferential tariff being made into a party question in England or reason for the bitter hostility evinced by certain statesmen. "They feel satisfied the existing conditions would not injure British trade with foreign nations, whilst it would at the same time increase and stimulate British trade with the over-sea dominions of the Crown. The rebuff and cold shoulder given to Mr. Chamberlain's proposals in certain quarters, lead to the inference that an uncertain trade, done with small profits with alien nations, is preferred to a continued commercial connection between the Home Country and the Colonies. Dismemberment of the Empire seems to be regarded with satisfaction by those from whom better things and greater consideration might have been expected. The attitude assumed by a number of English statesmen will hamper the New Zealand Government in carrying their preferential trade proposals through the local Parliament." He plainly announced that he viewed a preferential tariff as the sole means by which Great Britain could break down the fiscal barriers against her, and further prophesied that if the proposals were scouted by the Mother Country reciprocity between the Colonies and foreign countries and consequent dismemberment of the Empire would be bound to follow.

Trinidad Chamber of Commerce directed the delegates to support Mr. Chamberlain's proposals at the Montreal Congress, and prominent commercial men in Jamaica forwarded to Mr. Chamberlain their cordial approval of his scheme, and thanked him for the position he had taken up. The Agricultural Society of Barbados passed an approving resolution which they forwarded to Mr. Chamberlain, and resolutions more or less eulogistic, of which space does not admit the repetition in detail, were sent from British Guiana, the Legislative Council of Dominica and Antiguan agricultural and commercial bodies, from the Protectionist organs of Australia, from the Australian Chambers of Manufactures, the New Brunswick Board of Trade, from the Protectionist Association of Victoria, and from the Board of Trade of Cape Breton (Nova Scotia).

Coming to South Africa, it may be noted that both the present Prime Minister, Dr. Jameson, and the past one, Sir J. Gordon Sprigg, were in accord in looking on Mr. Chamberlain's scheme as

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the main step towards the federation of the Empire. Sir Gordon, when Prime Minister, told his constituents he favoured Mr. Chamberlain's proposals as unifying the Empire. The Customs Convention was the first step towards the federation of South Africa, and he hoped to live to see its full accomplishment. Dr. Jameson at Grahams-town (September 15) predicted, amid cheers, that they would work towards the great ideal Empire that Mr. Chamberlain had outlined, the main difficulty in connection with which was to *convince the people of England on the subject of foodstuffs!* The Durban Chamber of Commerce unanimously decided to support Mr. Chamberlain, and the largest farmers' association in the Orange River Colony followed suit. Dr. Smartt viewed Mr. Chamberlain's policy as the sole one by which the Empire could be federated. It was, he thought, a duty to recognise the obligations as well as the privileges of British citizenship, and to relieve the burden of the British taxpayer.

From the Cape we pass to Canada. At the Montreal Congress of Imperial Chambers of Commerce, Mr. Chamberlain's proposals were enthusiastically welcomed by Sir Wilfrid Laurier, who after discussing the impracticability of Free Trade throughout the Colonies, and the system of raising revenue by means of a common Customs Tariff, said:—"So far as Canada is concerned, I may say to our friends from the Motherland, that we are intensely desirous of having a preferential market for our food products in Great Britain, but we think the first step would come better from Britain than from ourselves, and we do not want to force our views on our brethren."

Though all were keenly interested in the utterances of Mr. Chamberlain, statesmen in Canada were remarkably cautious of expressing a definite opinion on the new prospect. The President and ex-President of the Board of Trade thought highly of Mr. Chamberlain's plan, Mr. Crathern declaring his belief that it would bring England and the Colonies together commercially on much the same lines as the States in the American Union under a uniform tariff. But he admitted that Canada was not in a position to enter into a Free Trade agreement with England, as "the millions of capital invested must have a certain amount of protection even in connection with Canadian trade with England." The Hon. W. S. Fielding, Minister of Finance, in his Budget speech declared that "Canada is practically a unit in support of the principle of preferential trade."

Mr. Ross, Premier of Ontario, declared that our present policy was irrational and anomalous. "Great Britain should reciprocate Canadian preference. It is a matter of bargain and sale. Until

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Great Britain has adopted a trade policy for her own people distinct from her policy with the rest of the world, Imperial unity will be a dream and a fantasy of the imagination."

Mr. Robert Borden, the Leader of the Opposition, thought that Mr. Chamberlain's utterance, although important and significant, was not unexpected. "We have long believed that there is in Great Britain a strong force of public opinion favouring preferential trade within the Empire, and a modification to that extent of the fiscal policy of the Mother Country. We have believed, rightly or wrongly, that the force of public opinion needed only to bring it into activity, the sanction of a strong leader in the political world. At this distance it is difficult thoroughly to appreciate currents of public opinion in Great Britain, but it seems to us that the hour has come, and with it the man."

Since this statement was reported in *The Times* of the 18th of May 1903, we may observe that the Leader of the Opposition, as Lord Rosebery averred on the 20th of September 1904, has not suddenly announced, "in view of the General Election in Canada," that he means to support the policy of Mr. Chamberlain.

Mr. Borden was good enough to respond to the request of the author and formulate his opinions (they are dated 8th July 1904) for the benefit of the readers of this volume, as follows:—"I have watched with intense interest the movement which Mr. Chamberlain has inaugurated in favour of mutual preferential trade. Whether or not the policy thus presented is for the benefit of the people of the British Islands the electorate of the United Kingdom must, of course, decide. I believe in the development of legitimate Canadian industries, and I consider that an industry in Canada is worth as much to the Empire as one in Great Britain; but while advocating the protection of every such Canadian industry I believe also in a substantial preference to British manufacturers as against their foreign competitors. It is my firm opinion that mutual preferential trade will strengthen each part of the Empire, will bind all parts more firmly together, and will greatly stimulate inter-imperial trade. Canada alone can within a few years produce a food supply sufficient for the needs of the United Kingdom. A preference in British markets would greatly advance the settlement of our western country, and would hasten the advent of an increased population that could not fail to be of advantage to the manufacturers of the Mother Country. For these reasons, very briefly stated, I am in entire sympathy with the movement inaugurated by Mr. Chamberlain."

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DESPITE the violent assaults made upon it throughout the Session, the Government entered on the Recess on the 15th of August. A somewhat meagre record of its legislative achievements was found in the King's Speech, and this, when compared with the promises contained in his Majesty's Speech of the 2nd of February, excited the derision of the Opposition and gave birth to some caustic remarks from even ardent Conservatives. The sole measure of any magnitude passed during the Session was the New Licensing Act—though the Public Health Bill and Shop Hours Bill exist as worthy domestic additions to the Statute-Book. The Workmen's Compensation Bill and Re-election of Ministers Bill were not introduced, and among those dropped were the Valuation, Scotch Education, Irish Labourers, Naval Prize, Scotch Congested Districts and Sea Fisheries Bills. On the other hand, three measures that were not promised—the Anglo-French Convention, the Bishoprics of Southwark and Birmingham Act, and the Education (Local Authority) Act—helped to swell the meagre harvest of legislative results; and some few gleanings—disappointingly few—were further secured through Mr. Arnold-Forster's new scheme of military reorganisation, which, as *The Times* put it, "met with a somewhat doubtful reception in the form in which the Cabinet compelled the author to present it." The net result of the proposals of the Secretary of State for War was, *The Morning Post* feared, "to raise grave doubts in the public mind as to the efficiency of our defensive arrangements without creating any sanguine belief that the measures tentatively indicated by Mr. Arnold-Forster will affect any material improvements." A certain amount of approval was expressed for the agreement concluded with the Government of the French Republic "for the settlement of a series of questions involving the interests of both countries in different parts of the world," though that approval was conspicuously tempered by doubts of the finality of the arrangement. Of the military operations of Somaliland the less said the better—they were officially "ended," though the Mullah was reported, in the language of the flippant, to be yet "alive and kicking." The Opposition took occasion to mourn that Mr. Chamberlain's Social Programme after nine years of Unionist Rule had hobbled

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along so slowly, and made tender inquiries after the Aliens Bill, and the Workmen's Compensation Bill, while a dead-set was made at the Prime Minister all along the line. Some attributed the legislative barrenness of the Session to the lack of strong leadership; others complained of the way in which important business had been hustled along—of the curtailment of debate and "gagging" of the House—while others declared that the sole business done by the Government was a despairing effort to keep the party together—viz., to stick to their own places. Mr. Churchill, on the 2nd of August, jeeringly referred to the close of the Session. After all, said he, the right hon. gentleman was still on the Treasury bench. Procedure might be mutilated—never mind! A great quantity of money had been expended—never mind! No legislation of any value had been passed—never mind! There, at the end of the Session, was the Prime Minister, a thing that more than a good many people could have expected or hoped!

Unintentionally, this tribute to Mr. Balfour's tenacity had the effect of opening some people's eyes to the real position, and they declared that in studying the campaign of organised obstruction which had been pursued by Mr. Chamberlain's antagonists throughout the Session, they were inclined not to wonder that so little had been achieved, but that anything had been achieved at all. The business of the Opposition, they said, from the beginning of the year had been to combine solely to unseat Mr. Balfour, and it needed no little dexterity and pluck on his part to "sit tight," and thus defeat the only aim that his opponents in adopting their exceptional and unbecoming tactics had kept in view. The game may not have been on the highest level, but since the Opposition elected to introduce it the Prime Minister had no resource but show them that "two could play at it."

Meanwhile the Government majority had fallen from 134 (in 1900) to nominally 92, but really 88 if the Russellites are excluded, and the verdict of recent bye-elections seemed to point to unrest and dissatisfaction in the temper of the public. On the 3rd of October Mr. Balfour, at a dinner in Edinburgh, informally rung up the curtain on the Autumn Campaign and reaffirmed his adherence to the Sheffield Programme. The most important feature of the pronouncement was his declaration that the policy of Protection was not expedient in existing circumstances, and that should the Unionist Party adopt such policy he did not think that he could with advantage be its leader. He also advocated the holding of an Imperial Conference to discuss tariff possibilities of the future. This speech was subjected to many interpretations—some holding that the Prime Minister had shown that his fiscal policy was in-

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compatible with that of Mr. Chamberlain, while others declared that Mr. Balfour entered heart and soul into the great scheme, though he unequivocally announced that it was not his policy nor one that could be considered settled till after two elections in this country and similar appeals in the Colonies had ratified such proposals as had resulted from conference with the Colonial authorities.

Mr. Chamberlain at Luton, two days later, heartily welcomed the Conference scheme as "the greatest practical step yet proposed towards Imperial Union," and hailed it as "the certain precursor of the victory which will give us the closer union essential to our future greatness as an Empire." On one practical point alone he differed from the Prime Minister, for he saw objections to the holding of two General Elections and the obtaining of two mandates for an identical purpose. This blemish he discussed at the conclusion of his speech, which was arranged to educate and to interest the rural voter in the present state of commercial affairs and their future outlook. He dwelt on the decline of agriculture, the lack of employment, the objections of his opponents, and the necessity for an alteration in our Free Trade System. He gave homely illustrations of the ruin of the Luton straw hat and bonnet manufacturers through foreign competition, described the "greatest social problem of our time," the plight of the agricultural labourer, and propounded his remedy—the reform of the tariffs. Finally he discussed his own and Mr. Balfour's interpretation of Protection and the great panorama that lay beyond extended trade relations with our Colonies.

Thus he concluded: "We may increase that trade and increase the bonds which it involves, or we may lose that trade and lose with it the friendship and affection of our Colonies, and we may lose and have to mourn the loss of an occasion which can never be repeated. But there is something more than that, or something which more greatly appeals to the better spirit of a patriotic Englishman. There are in distant lands, in one part or another of the King's dominions, some eleven millions of men of our own blood, of men who sympathise with our aspirations and speak our language and glory in our traditions. There are eleven millions to-day. In the life of some of those who hear me it is not impossible that they may have risen to a population of forty millions. We also, if things go well with us, shall have increased in number, and then you may see a great united nation, a puissant State, of a hundred millions of people, claiming the same civilisation and carrying it to all the corners of the globe. You may live to see this sight, and the prospect of such a combination is surely better worthy to desire than a group of petty States, separating with different interests day by day till at last they hardly recognise their common origin, all confronted by

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great Empires, firmly organised certainly, and competitors possibly, and enemies. I appeal to you, and I appeal to all *who care for the future of our race*. Our children are calling to us. With them rests, as with us, the maintenance of the traditions of which we are proud, the continuance of the glorious history of our past. They invite you to co-operate with them. They stretch their hands to you across the seas. Will you not grasp them? Will you not do all in your power to make this vision real, and hand down undiminished and untarnished the sceptre of that great dominion, the recollection of that glorious past which we have received as an inheritance due to the courage, the tenacity, and the self-sacrifice of our ancestors through many generations."

With this noble utterance the record of Mr. Chamberlain's activities must cease. What the future may bring forth none can venture to predict, but one thing is certain—there is, at the present time, no impartial Briton who does not await with anxious, thrilling heart the upshot of his lofty endeavour; who does not pray with profoundest sincerity that he may long be spared to advance, to develop, and to achieve, an ambition that is as heroic and disinterested as it is statesmanly and splendid!

APPENDIX

THE TARIFF REFORM MOVEMENT—WORK OF THE LEAGUE AND COMMISSION, 1903-4

At the end of July 1903 the inaugural meeting of the Tariff Reform League took place at Westminster Palace Hotel, the object of the League being to defend and develop the industrial interests of the Empire, to examine the tariff with the view to its employment in defence of the industries of the United Kingdom, and to consolidate and develop the resources of the Empire.

The Duke of Sutherland became president and the Duke of Westminster chairman of the General Council of the League, and among those who joined the body were the Duke of Rutland, the Duke of Argyll, the Marquis of Zetland, the Marquis of Granby, the Marquis of Camden, the Earl of Radnor, the Earl of Yarmouth, Lord Hardinge, Lord Aldenham, Lord Congleton, Lord Willoughby de Eresby, Lord Ludlow, Lord Amherst, Sir A. Henderson, Sir J. B. Maple, M.P., Sir Thomas Wrightson, M.P., Sir Guilford Molesworth, Sir G. Mackenzie, Sir Vincent Caillard, Sir Alfred Jones, Mr. T. A. Brassey, Mr. F. H. Medhurst, Mr. H. G. Stobart, Mr. F. C. Fairholme (C. Cammell & Co.), and nearly all the members of Parliament who had announced their intention of supporting Mr. Chamberlain's policy.

The administrative work of the League commenced on the 19th of August 1903, at 7 Victoria Street, Westminster. At first most of the time was devoted to the preparation of leaflets and pictures designed to instruct at a glance all those who were confounded by the flux and reflux of public argument for or against Mr. Chamberlain's proposals, and to convince the working man that this was no movement to enrich the manufacturers, but one calculated to assist in improving the condition of every one of themselves. Soon the organisation expanded into innumerable branches, most of which were self-supporting, and during the year nearly a thousand meetings were held in various parts of the country, more particularly in constituencies inimical to the movement where work of conversion was mostly required.

A very successful tour was also organised for the Hon. G. E. Foster, *ex-Finance Minister of Canada*, who visited Newport, Cardiff, Loughborough, Fleetwood, Sunderland, Edinburgh, Darlington, Oldham, Peterborough, Nottingham, Marylebone, and Liverpool, and bore eloquent testimony to the feelings of the Canadian people on the question of preferential trading between the colonies and this country.

It is impossible to recount the multifarious activities of the secretary, Mr. Cousins, the literary secretary, Mr. Harold Tremayne, and the consulting secretary, Sir William Bell, or of Mr. C. Arthur Pearson, chairman of the executive committee, and Mr. Griffith-Boscawen, M.P., chairman of the literature committee. From dawn to dusk they laboured, imitating the industry and unflagging devotion of their great leader, and determining so far as in them lay to secure for him a triumph over the inert and paralysing policy of the Free-Fooders. Abundant indications of the popularity of the movement soon served to stimulate them to face the flow of the seductive propaganda of the apostles of cheapness that met them at every turn, and presently they were supported in their repetitions of Mr. Chamberlain's Imperial arguments by the hard, uncontestable facts elicited by the Tariff Commission.

This Commission, which may be called the progeny of the Tariff Reform League, was formally opened by Mr. Chamberlain on the 15th of January 1904, when he

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expressed his belief that it would mark an important stage in our commercial history. Its object, he explained, was to inquire into the antiquated system which had hitherto prevailed, and had remained practically unchallenged until the present day. Now, since it was necessary to move with the times, a conclave of business men were setting to work to investigate the conditions of our industry and that of other countries with which it comes into competition with the object, first, of stimulating and securing our own industries; second, of impressing on the Government the duty to defend our commerce against unfair competition, and securing the power to negotiate; and, third, to encourage and develop trade within the Empire, and strengthen the ties of sentiment by those of material interest. He described the rise of the younger nations and how foreigners use tariffs scientifically constructed in order to increase and develop their trade, and advocated imitation of their entirely successful systems, and showed that the work of the Commission was not arranged for the purpose of discussing academic theories, nor were theorists or politicians required to assist at its inquiries. Business men solely were invited to join, many of whom were personally unknown to Mr. Chamberlain, and in the selection of their number all idea of party politics was carefully eliminated. All trades were not represented, as preliminary inquiries proved that there were some eight hundred separate industries in the country, but an effort was made to get representative reports regarding all these trades by means of witnesses selected by the trade in order to bring before the notice of the Commission the condition and requirements of their separate industry. Their views on the desirability of fiscal reform, or the reverse, did not affect the nature of the investigations, though their reasons for holding those views (whichever way they should tend) might be invited.

The important branch of agriculture, which differed in all the countries of the United Kingdom and again in the districts composing those countries, was specially provided for, and a most comprehensive system of inquiry was organised. "We have," said Mr. Chamberlain, "secured the services of three or four gentlemen who have at least great experience in the subject, either as farmers occupying themselves in agricultural pursuits or as having relations with agriculture generally, and are in a position to judge fairly of any evidence that may be presented. But we propose, in view of the exceeding importance of this branch of our inquiry, exceptionally to create for the representation of agriculture a sub-committee in connection with the main commission, on which we may hope to place tenant farmers from all parts of the United Kingdom, which will aid us in our investigation."

Among the members of the Commission were to be found the names of various practical men representing the principal trade interests of the Empire:—Colonel Charles Allen, Mr. Frederick Baynes, Mr. J. Henry Birchenough, Mr. Charles Booth, Mr. Henry Bostock, Mr. S. B. Bouston, Mr. Richard Burbidge, Sir Vincent Caillard, Mr. J. J. Candlish, Mr. Henry Chaplin, M.P., Sir John Cockburn, Mr. J. Howard Colls, Mr. J. G. Colmer, Mr. William Cooper, Mr. J. A. Corah, Mr. J. W. Dennis, Mr. Charles Eckersley, Mr. Francis Elgar, Sir Charles A. Elliott, Mr. Lewis Evans, Mr. George Flett, Mr. Thomas Gallaher, The Hon. Vicary Gibbs, M.P., Mr. Alfred Gilbey, Mr. William Goulding, Mr. W. H. Grenfell, M.P., Mr. John M. Harris, Mr. F. Leverton Harris, M.P., Mr. W. Harrison, Sir Alexander Henderson, M.P., Sir Robert Herbert (Chairman), Sir Alfred Hickman, M.P., Sir Alfred L. Jones, Mr. Arthur Keen, Mr. J. J. Keswick, Sir W. T. Lewis, Mr. I. Levenstein, Mr. Robert Littlejohn, Mr. Charles Lyle, Mr. A. W. Maconochie, M.P., Mr. Henry D. Marshall, Mr. W. H. Mitchell, Mr. Alfred Mosely, Sir Andrew Noble, The Hon. Charles Parsons, Sir Walter Peace, Mr. C. Arthur Pearson, Sir Westby Perceval, Mr. C. J. Phillips, Mr. Joseph Rank, Mr. R. H. Reade, Sir George Ryder, Sir S. Clementi Smith, Sir Charles Tennant, Mr. Francis Tonsley, Sir John Turney, Mr. S. J. Waring, jun., Mr. W. Bridges Webb.

The duties of Secretary of the Commission were undertaken by Professor W. A. S. Hewins (Director of the London School of Economics and Professor of Economic

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Science and Statistics at King's College), who resigned his posts for the purpose of assisting in an Imperial movement which he had been advocating for some years. This notable economist had long recognised that financial necessity must sooner or later bring forth some sort of invention calculated to revivify our commercial state, and at once welcomed Mr. Chamberlain's proposals as the beginning of the new era. He entered heart and soul into the work, and taking as a basis the sketch plan that Mr. Chamberlain had submitted to the country, made a gigantic effort to secure a systematic, typical, and representative return of facts compiled by practical experts relative—first, to the general character of all trades; second, to the particular points of particular trades; and third, to the independent evidence of witnesses, with a view to shaping out a commercial policy that should maintain the supremacy of the Empire.

Preliminary forms of inquiry were scattered broadcast to all manufacturers in order that the information thus obtained should assist in procuring entirely impartial evidence as to the decline or progress of any given industry, the causes for such change as was noted, the extent that fiscal policy of this and other countries was responsible for the state of affairs, and how far any change of policy would affect these conditions. Its object was not only to systematise all the mass of available British and foreign evidence dealing with questions of trade and show its bearing on the organisation of an Imperial tariff, but to unfold a complete, independent, and detailed panorama of the economic activities of the Empire in order that flaws, possibilities or perfections might be gauged and measures adopted which would so remedy, develop, or enhance existing conditions as to create a great and practical whole worthy of our progressive race.

Separate reports were collected regarding engineering, shipbuilding, hardware, hollow-ware, and cutlery trades. The replies received represented 458 returns from firms which covered a total of some 23,986 employees, which returns expressed the opinions of high authorities connected with the trade in question independently of their political views regarding fiscal reform. As a result of these questions and the examinations of specially qualified witnesses, the Commissioners were able to give a practical illustration of the relative decline of the British iron and steel industries and the causes of that decline. A complete set of tables served to show the result of foreign competition and rival methods, and how foreign manufacturers having obtained large and developing home markets shut out British products by means of practically prohibitive import duties. The Commissioners reported that these countries have adopted every means in their power to exclude foreign competition, to improve their methods of production, and to secure absolute control of their home market. "Having achieved these objects, in recent years their policy has been directed to the capture of the home, foreign, and colonial trade of the United Kingdom. In the British home market their competition, commencing at the lower stages of production, has rapidly advanced until it is now practically co-extensive with the iron and steel industry. By thus attacking our home market, which is open to them without let or hindrance, they have diminished the competitive power of British manufacturers to push their trade in neutral markets, and they are now threatening our position in British colonies. The evidence shows that we are only at the beginning of the era of foreign competition, that that competition is certain to become more and more severe, and that to maintain the British iron and steel industry in a state of efficiency strenuous efforts are absolutely necessary."

Various witnesses testified that given the great lead which the iron and steel industry had over other countries, there was no reason in natural conditions why such lead should not have been maintained. Also that scientific training being of high importance the institutions for providing technical and higher education should be improved, extended, and supplemented with new agencies. Such training, if divorced from the larger question of policy, however, could not suffice to maintain the lead of Great Britain. Further interesting facts were brought to light by means of the inquiry. Not only are the hours of labour shorter in the United Kingdom than with our competitors, and wages higher (save in the case of the United States), but the cost

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of labour per ton in existing conditions is on the whole greater. But the difference of labour cost is not a new factor in the situation, nor does it account for the demoralisation of the market which has marked recent years. Freight charges both by land and water are more burdensome in the United Kingdom than in foreign countries, and the trade of this country is injured by the preferential rates of our competitors. It is not transport charges alone which constitute the new element of danger, but the combination of the transport policy of foreign countries with their tariffs and export organisation. It is in the organisation and policy of foreign countries, combined with the British policy of free imports, that the explanation of the difficulties from which British trade is suffering at the present time is to be found.

It was established that foreign tariffs were deliberately adopted to fence out British competitors, a policy which has resulted (i.) in the extinction or diminution of British competition in the foreign protected markets; (ii.) the closing of British works or of departments of British works which depended on these markets; (iii.) the rapid growth of the foreign competing industry; (iv.) the appearance on the British market of the products of that industry at prices which the British manufacturer cannot touch. Thus the positions of the United Kingdom and its most powerful competitors have been reversed. The "dumping" discussion elicited facts that must have been disconcerting to Free Traders—who declare the nuisance is unimportant—for it was decided that most branches of the trade were more or less affected by it, and that far from being merely a temporary expedient, it was part of an organised policy which would develop into a chronic evil.

The Commissioners after diagnosing in detail the ailments from which the trades suffer, suggested a remedy. "In order," they said, "to deal effectively with the conditions we have described, it is necessary to curtail by the adoption of a tariff the advantage which our foreign rivals now obtain in the British market." Various suggestions pointed to the fact that a moderate scale of duties would be found adequate; for, having secured the home market from dumping, greater continuity of working, and therefore reduced costs would result. On these points the opinion of the majority of those consulted was unanimous. Less than five per cent. of the firms consulted by the Commission argued that no remedy was needed to the existing state of affairs.

The conclusions arrived at, which were signed by members of the Commission, were as follows: ¹—

1. That the iron and steel industry of this country has declined relatively to that of other countries.

2. That our export trade to foreign countries has diminished, while that to the Colonies has increased.

3. That although our trade with the Colonies has increased, the colonial market is increasing much more rapidly, and that foreign countries are securing a growing proportion of this colonial trade.

4. That the relative decline of the British iron and steel industry is not due to any natural British disadvantages, or want of skill and enterprise on the part either of British manufacturers or of British workmen.

5. That it is due to the fact that the manufacturers of the United States and Germany, having secured control of their home markets by means of high tariffs and an organised system of their export trade, are in a position to dump their surplus products upon British and other markets, irrespective of cost.

6. That the practice of dumping could not be carried on by foreign countries but for the British system of free imports.

7. That the British fiscal system should be revised in such a manner as to check this practice, to maintain, so far as possible, our export trade to foreign countries,

¹ For details see Report of the Tariff Commission (Messrs. P. S. King & Son, Great Smith Street, Westminster).

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and develop our colonial market, and increase the employment of the working classes.

8. That these objects can be obtained by means of a system of tariffs arranged as follows:—

- (a) A general tariff, consisting of a low scale of duties for foreign countries which admit British wares on fair terms;
- (b) A preferential tariff, lower than the general tariff, for those of our Colonies which give adequate preference to British manufactures, and framed with a view to securing freer trade within the British Empire;
- (c) A maximum tariff, consisting of comparatively higher duties, but subject to reduction by negotiation to the level of the general tariff.

A provisional scale of duties for the general tariff has been drawn up by the Commissioners. They range up to 10 per cent., iron ores being free. The duties suggested include 5 per cent. on pig iron; $6\frac{1}{2}$ per cent. on partly-manufactured iron and steel materials, also on rails, sleepers, girders, &c.; $7\frac{1}{2}$ per cent. on wire rods and plates; and 10 per cent. on sheets.

On the same day as the report dealing with the condition of the iron and steel trades was published (July 21), the Tariff Reform League held at Stafford House its annual meeting, and its first annual report was presented. Mr. Chamberlain eulogised the efforts of all who had contributed time and energy in the great cause, congratulated them on the progress they had made—a progress “unequalled in my great experience, by any other association, political or social,” and expressed his belief that the country was coming to understand that there must be either a United Empire or disaster. He described how Prince Bismarck had not hesitated to make great sacrifices on the part of Prussia in order to effect a commercial union and secure the creation of a great Empire—sacrifices which had been repaid a hundred-fold. In our own case not a single man among us was asked to make any personal or pecuniary sacrifice. “All that is necessary is some slight rearrangement of taxation without increasing taxation in the case of any man, without increasing the cost of living to the poor. By some readjustment of taxation we should place it in the power of this Government to make an offer to Canada, to Australia, to South Africa, and indeed to every part of the Empire—an offer which they will appreciate, which they will reciprocate, and which will repay a hundred-fold to us any labour we have taken in securing it.”

Passing on to the state of our home trade Mr. Chamberlain referred to the work of the Tariff Commission, and said he believed it would receive in the country the attention it deserved, and a legitimate trade would be saved from unfair competition. We should be in a position to negotiate with the foreigner, and if we found him responsive would be able to meet him half-way. He further contrasted his own aims with those of the Opposition, and argued the necessity to choose between a positive and constructive policy and a negative and obstructive one. In his opinion a fighting policy was the better, and he announced that though he might be what they called a “whole hogger” he certainly was not a “half hearer,” and was confident that if they worked on, holding their banner high as at present, their labours would eventually be crowned with success.

Up to August the Commission had held forty-seven meetings and, in addition to the ordinary work of tabulating and arranging the replies of the firms consulted, and the duties of publishing the first report, they had examined eighty-four witnesses, representing various branches of the iron and steel, engineering and machinery, textile, watch, and other trades.

A Committee on Foreign Tariffs was also constituted. Its work was—(1) To appoint expert representatives or correspondents for the various trades, who would advise the committee on technical points relating to their specific lines of goods; (2) To circularise all commissioners asking for suggestions on the work of the committee; (3) To prepare in English an index of tariffs of all countries (including prohibited and

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free goods) alphabetically by articles ; (4) To incorporate in this index, so far as known or accessible, tariff decisions and revisions and proposed new tariffs ; (5) To incorporate in this index extracts from commercial treaties (and special treaties) so far as they have any bearing on tariff questions ; (6) To explain, so far as may be practicable, the working of Customs regulations, &c. ; (7) To publish a comparative statement of the tariffs of all countries, with statements as to the objects of each tariff, and particulars of each Government's procedure in determining tariff rates, &c.

After the Recess the Commissioners resumed, in September, their voluntary task, proceeding with the work mapped out by the Agricultural Committee, under the chairmanship of Mr. Henry Chaplin, M.P., and it is believed that that report, which will be published with as little delay as possible, will cause a ferment in free food circles.



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