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IMPERIAL UNION AND TARIFF REFORM

Speeches Delivered from May 15 to Nov. 4, 1903

By

The Right Hon.

Joseph Chamberlain, M.P.

With an Introduction

London

Grant Richards

IMPERIAL UNION AND TARIFF REFORM

Publisher's Announcement

MR. CHAMBERLAIN'S PROPOSALS

What they Mean and What We Shall Gain by Them

By

C. A. VINCE, M.A.

General Secretary of the Imperial Tariff Committee

With a Preface by

THE RT. HON.

JOSEPH CHAMBERLAIN, M.P.

SIXTIETH THOUSAND

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INTRODUCTION

I HAVE assented to the republication of the following speeches the more readily because, notwithstanding the perfection of modern stenography, I find that, owing partly to the difficulties connected with telegraphic transmission and partly, no doubt, to the fault of the speaker, many errors, and some of them of serious importance, have crept into the original newspaper reports.

But besides what I may call mechanical errors, there are also cases in which the argument was presented in a form which, although it might have been sufficiently appreciated by the audience at the time, would not be easily intelligible to a reader afterwards; and there are, on the other hand, many instances of repetition, not unusual in oral discussion but indefensible in the written word.

I have endeavoured, as far as the time at my disposal has permitted, to correct these faults and, while preserving the popular character of the addresses in which they occur, I have been glad at the same time to modify a few expressions, introduced on the spur of the moment, to which exception has been taken as suggesting a personal or party bias which it has been my earnest desire to avoid in what is essentially a National, and not a purely party, discussion.

As they are now presented to the public they describe fairly, and with sufficient fulness, the objects which Tariff

Reformers have in view, and the means by which they believe that these objects can be attained. They have already been, and will in the future be further, supplemented by statistics and details which would have been unsuitable for great popular audiences, but which it is the function of the Tariff Reform League and the Imperial Tariff Committee to supply in their publications.

The issues raised are few and easy to understand. The changes that have taken place, since the adoption of Free Trade nearly sixty years ago, in the conditions of international exchange, in the comparative position of foreign nations, and, above all, in our relations with our own Colonies, seem to point conclusively to the necessity of a reconsideration of our fiscal system. It is not desirable to postpone this review to a time of depression, which many close observers think to be imminent, when the pressure of exceptional distress may compel us to hasty and ill-considered reforms.

The original object of Mr. Cobden and his colleagues was to secure a free exchange of products between the nations of the world at their natural price, but for many years the example of the open door set by the United Kingdom has not been followed by other countries, and hostile tariffs have everywhere interfered with the natural course of trade.

These tariffs, avowedly designed to exclude British manufactures, have been supported by the operation of bounties, subsidies, and trusts; while foreign producers have been enabled, partly by the same means, and partly by the lower standard of living, to which their working classes are accustomed, to undersell the British manufacturer in neutral markets and even seriously to attack his home trade.

The doctrinaire Free Traders have no remedy to propose

for this state of things, which, indeed, they either deny, or else ascribe to the want of enterprise and intelligence on the part of our manufacturers, to the ignorance and incapacity of our people, or to the tyrannical action of the Trade Unions.

The Tariff Reformers, on the other hand, believe that by recovering our freedom of action, and by re-arming ourselves with the weapon of a moderate tariff, we may still defend our home market against unfair competition, and may, at the same time, secure a modification of foreign tariffs which would open the way to a fairer exchange of our respective products than we have hitherto been able to obtain.

But they attach even greater importance to the possibility of securing by preferential and reciprocal arrangements with our Colonies a great development of trade within the Empire and a nearer approach to a commercial union which, in some shape or another, must precede or accompany closer political relations, and without which, as all history shows, no permanent co-operation is possible.

They believe that these objects can be promoted, without loss to any class or any individual, by a slight transfer of existing taxes which will not increase national burdens, but will raise the revenue required for defence and administration in such a way as to develop our inter-Imperial trade to the mutual benefit both of the Colonies and the Mother Country, while adding greatly to the amount of employment for our ever-growing population.

The questions thus raised, although they interest every class, are more vitally important to working men than to any other, since they alone depend upon their daily employment for their daily subsistence.

To the manufacturer and the capitalist the essential consideration is security for his investments which, under present conditions, are always liable to a kind of interference against which it is impossible for him to provide. His foreign competitor, unassailable in his home market, can safely issue forth to attack him, while he is incapable of retaliation, and powerless to defend himself against the new methods of foreign competition.

Both manufacturers and workmen are restive under these conditions, and if, with a long experience of popular discussion, I am entitled to express an opinion, I should say that never before in my recollection have they taken so keen and intelligent an interest in any economic and social question. They have refused to consider it from a party point of view, they have refused to be led by any party or partisan organisations. They are thinking for themselves, and, unless I am greatly mistaken, the majority have already decided in favour of the principles of our proposals. When they will be able to give effect to their decision is more open to speculation.

I have often wondered that we have never adopted the principle of the Referendum as practised in Switzerland, and also in many parts of the United States of America. It is the only way in which the decision of great national questions can be separated from all the complicated issues of party Government. At a general election the voter is influenced partly by his desire to see his own party in office and partly by his views on a number of special questions, many of them purely local or even personal.

If, in the case of a new policy, not necessarily political, it were possible to eliminate all side issues, we might have a national verdict which all sections would accept, and which

would be given without reference to the perennial struggle between the "Outs" and the "Ins" which is at present the chief occupation of political life.

In the absence of such a machinery for testing public opinion, I will not venture on any prediction as to the exact time at which a conservative nation such as ours will decide on the adoption of new methods to meet new conditions, but I have no doubt whatever that the policy of free imports is already doomed, and I earnestly hope that the policy of mutual preference between the different parts of the British Empire may be accepted before it is too late for us to avail ourselves of the opportunity now within our grasp.

J. CHAMBERLAIN.

November 9, 1903.

A DEMAND FOR INQUIRY *

MR. CHAIRMAN, LADIES, and GENTLEMEN,

I thank you from the bottom of my heart for the warmth of your welcome, and for the assurance, which is always delightful to me, of your continued confidence and support. Mr. Jephcott is quite right when he says that I am proud of being the representative of West Birmingham, an essentially working class constituency. I have ventured before now, in the House of Commons, to claim that I represented more labour than any other Labour Representative (cheers). And I do not think the less of that position, because I believe that I represent Labour in no narrow and selfish sense. I represent Labour as it constitutes the majority of the people of this country, and as it is characterised by the virtues and the qualities that have made this country what it is—by Labour, that is, which thinks not of itself as a class, opposed to any other class in the community, but as responsible for the obligations of the country and the Empire to which it belongs, and as participating in all that concerns the prosperity and the welfare of the whole.

It is two months now since I returned from a voyage which will always be one of the most memorable incidents of my life; but I have not forgotten—I shall never forget—that my constituents and fellow citizens sent me forth to make that great experiment encouraged by their good wishes and by the most splendid and inspiriting demonstration that was ever accorded to any public man (cheers). It was to me also a matter of the greatest gratification that, when I returned, the first to greet me on these shores was a Depu-

* Delivered at a Meeting of the Unionists of West Birmingham, held on May 15, 1903.

tation from you, my friends and constituents, assuring me of your welcome home and of your congratulations. And, during the interval between those two events, I was constantly reminded of you. I could come to no great city in South Africa, hardly to any village or wayside station, in any of the Colonies, but always, it seemed to me, I was cheered by the presence and the enthusiasm of Birmingham men (cheers), proud to recall their connection with our city, and anxious to prove that neither time nor distance had lessened their affection for their old home (cheers). I go back often to my old associations. I think of the time when I entered upon public life, thanks to the support of those who, in St. Paul's Ward, sent me to the Town Council of Birmingham. And, amongst all my recollections, of none am I prouder than of the fact that I was permitted at that time to co-operate with men, our then leaders, most of whom have passed away, but who have left behind them an imperishable legacy, who have impressed upon us, and instilled into our lives, that intense feeling of local patriotism which makes it the duty of every Birmingham man, at home and abroad, to maintain and to raise the reputation of the city from which he came.

The South African Problem

On my return, as is right and proper, I am called upon to make my first political speech to my constituents (cheers). You will excuse me if I am a little out of practice (laughter). It is true that, in South Africa I did a great deal of talking; but I am bound to say that my party weapons are a little rusty. When I was in South Africa, it was not of our controversial politics that I was thinking; and for a considerable period my whole mind was turned to the problems connected with the birth of a new nation in South Africa, and, above all, to the question of how it was possible to reconcile the two strong races who were bound to live together there as neighbours, and who, I hope, will live together as friends (cheers). And, in connection with that, I had to think also of how this new nation would stand,

how these races would be concerned in the future of the Empire which belongs to both of them, Dutch and English —great people with many virtues in common, but still with great differences. Who would wish that the traditions of either should be forgotten or that their peculiarities should disappear? And yet we have to make of them a united nation. Here, in the United Kingdom, we have different races but one people. It would be rather difficult, I imagine, that an Englishman should feel exactly the same in regard, let us say, to Bannockburn, as a Scotsman would feel. Yet both Scotch and English may equally be proud of having had their full part in Waterloo or the Alma (applause). Why should it not be the same in South Africa? I ask of no Dutchman that he should forget any of his traditions, of which he may justly be proud, or abandon any of the peculiarities or prejudices of his race, any more than I would ask it of any Briton. But my confident hope and belief are that, in the future, both these representatives of different races will be able to co-operate, and create for themselves a common existence, in which they may have a common pride. It is, therefore, to the Empire, with all that that means, that I look to produce that union in South Africa which we all desire to achieve (applause).

Local and Imperial Politics

But you will understand that in the absorbing preoccupation of these thoughts, in a work which strained every nerve, and which filled every waking moment, I had no time to keep myself abreast of purely party politics in this country. I am still under the glamour of this new experience (laughter). My ideas even now run more on those questions which are connected with the future of the Empire than upon the smaller controversies upon which depend the fate of by-elections, and sometimes even the fate of Governments. Ladies and Gentlemen, when you are 6000 miles away from the House of Commons, it is perfectly extraordinary how events and discussions and conflicts of opinion present themselves in different—I think I may even say in truer—

proportion. You are excited at home about an Education Bill—about Temperance Reform—about local finance. But these things matter no more to South Africa, to Canada, to Australia, than their local affairs matter to you. On the other hand, everything that touches Imperial policy, everything which affects their interests as well as yours, has for them, as it ought to have for us, a supreme importance. And our Imperial policy is vital to them and vital to us. Upon that Imperial policy, and upon what you do in the next few years, depends the tremendous issue whether this great Empire of ours is to stand together, one free nation, if necessary, against all the world, or whether it is to fall apart into separate States, each selfishly seeking its own interest alone—losing sight of the common weal, and losing also all the advantages which union alone can give.

After some remarks about the political situation the right honourable gentleman proceeded to say:

There must be ups and downs in politics. I have had now a long experience, and I will safely predict of any Government, that if it endeavours honestly to grapple with the great problems of its time, it will lose a certain amount of support. You cannot deal with any domestic question, and find an absolutely united Party to support you; and the more bold your policy, the more drastic the changes which you propose to bring about, the more certain it is that you will pay the price, for the time at any rate, in the votes of a certain number of those whose support you greatly value. Well, but what is the business of a Government? Under ordinary circumstances, the business of a Government is to spend itself in doing what it thinks to be right. There comes a time when it has spent all that it has; and then it makes room for its successor. And let me say in all seriousness that, if I were assured that the main lines of our Imperial and National policy, those things which touch our existence, were secured; if I could feel that there was that continuity in foreign and colonial policy which I have known to exist in past times, I for one should be very willing indeed to allow to my political opponents

their chance in their turn to try their hands at the difficult domestic problems with which we have had to deal. After eight years of such strenuous work as seldom falls to the lot of politicians, I can say for myself—and I believe I can say for all my colleagues—that I would rejoice if I could be relieved, at all events for a time, and if I could occupy, instead of the post of a prominent actor, the much more easy and less responsible post of universal critic.

The Empire: Principles of Imperial Policy Moulding the Young Life of the Empire

I did not require to go to South Africa in order to be convinced that the pervading sentiment of Imperialism has obtained 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 was checked for a generation by the apathy and the indifference which were the characteristics of our former relations with our Colonies. It was discouraged by our apparent acceptance of the doctrines of the Little Englanders, of the provincial spirit which taught us to consider ourselves alone, and to regard with indifference all that concerned those, however loyal they might be, who left these shores in order to go to our Colonies abroad. 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, that it was still prepared to count no sacrifice that was necessary in order to maintain the honour and the interests of the Empire that was committed to its charge, then you found such a response from your brethren, your children, across the seas, as had never been known before, astonishing the world by an undeniable proof of affection and regard (cheers). I have said that that was a new chapter, the beginning of a new era. Is it to end there? (No.) Is it to end with the end of the war, with the termination of the crisis that brought it forth? Are we to sink back to the old policy of selfish isolation which went very far to try, 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 will take advantage of the opportunity that is offered to make permanent that which has begun so well. Remember we are an old country. We proceed here upon settled lines. We have our quarrels and our disputes, and we pass legislation which may be good or bad, but which, at any rate, can be altered. But we go towards an object which is sufficiently defined. We know that, whatever changes there may be—whatever meandering of the current—at all events the main stream will ultimately reach its appointed destination. This 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 we and those who live with us can decide its future destinies.

Future of the Empire

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. It is upon us that the obligation lies to give them good government now, and in every way to promote their future development and prosperity. And some day it might be worth my while, and it might be possible, to discuss with you all the important questions which such an enormous obligation imposes. But to-night I put that aside, and I consider only our relations to our own kinsfolk, to that white British population that constitutes the majority in the great self-governing Colonies of the Empire. What is our position in regard to them? Here, in the United Kingdom, there are some forty millions of us. Outside, there are more than ten millions either directly descended from ancestors who left this country, or persons who, themselves in their youth, left this country in order to find their fortunes in our possessions abroad.

Now how long do you suppose that this proportion of the population is going to endure? How long are we going to be four times as many as our kinsfolk abroad? The development of those Colonies has been delayed by many reasons —partly, as I think, by our inaction, partly by the provincial spirit which we have not done enough to discourage, that 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. But that is changing. The United States of America, with all their vast territory, are filling up, and even now we hear of thousands and tens of thousands of emigrants leaving the United States of America in order to take up the fresh and rich lands of our Dominion of Canada. And it seems to me to be not at all an impossible assumption that, before the end of this half century, we may find that our fellow subjects beyond the seas may be more numerous than 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? (Cheers.) 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.

Commerce and Federal Union

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 am told—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, 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 our Colonies is 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. Now, sir, that is not my conclusion (cheers). My conclusion is exactly the opposite (renewed cheers). I say it is the business of British Statesmen to do everything they can, even at some present sacrifice, to keep the trade of the Colonies with Great Britain (cheers); to increase that trade, to promote it, even if in doing so we lessen somewhat the trade with our foreign competitors (cheers). Are we doing everything at the present time to direct the patriotic movement not only here, but through all the Colonies, in the right channel? Are we, in fact, by our legislation, by our action, making for union, or are we drifting to separation? That is a critical issue. In my opinion, the germs of a Federal Union that will make the British Empire powerful and influential for good beyond the dreams of any one now living are in the soil; but it is a tender and delicate plant, and requires careful handling (applause).

I wish you would look back to our history. Consider what might have been, in order that you may be influenced now to do what is right. Suppose that when self-government was first conceded to these Colonies, the Statesmen who gave it had had any idea of the possibilities of the future—do you not see that they might have laid, broad and firm, the foundations of an Imperial edifice of which every part would have contributed something to the strength of the whole? But in those days the one idea of Statesmen was to get rid of the whole business. They believed that separation must come. What they wanted to do was to make it smooth and easy, and none of these ideas which subsequent experience has put into our minds appear ever to have been

suggested to them. By their mistakes and by their neglect our task has been made more difficult—more difficult, but not impossible (applause). There is still time to consolidate the Empire. We also have our chance, and it depends upon what we do now whether this great idea is to find fruition or whether we must for ever dismiss it from our consideration and accept our fate as one of the dying Empires of the world.

The Colonies and Imperial Defence

Now, what is the meaning of an Empire? What does it mean to us? We have had a little experience. We have had a war—a war in which the majority of our children abroad had no apparent direct interest. We had no hold over them, no agreement with them of any kind, and yet, at one time during this war, by their voluntary decision, at least 50,000 Colonial soldiers were standing shoulder to shoulder with British troops, displaying a gallantry equal to their own and the keenest intelligence (loud cheers). It is something for a beginning; and if this country were in danger—I mean if we were, as our forefathers were, face to face some day, which heaven forefend, with some great coalition of hostile nations, when we had, with our backs to the wall, to struggle for our very lives—it is my firm conviction that there is nothing within the power of these self-governing Colonies that they would not do to come to our aid. I believe their resources, in men and in money, would be at the disposal of the Mother Country in such an event. That is something which it is wonderful to have achieved, and which it is worth almost any sacrifice to maintain (applause).

So far as men are concerned, and the personal sacrifice involved in risking life and encountering hardship, the Colonies did their duty in the late war. If we turn 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 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 its obligations (applause). 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 suspicion (laughter), and even with dislike. But what happened? I spoke in Natal; and the people of Natal responded by taking upon their shoulders a burden which, for a small Colony, was considerable, and which they had thought of placing upon ourselves. I spoke in the Transvaal, and the representatives of every class in the Transvaal—and none more enthusiastically than the working people—took upon themselves a burden of £80 per head of the white population—a burden, indeed, which the riches of the country justified, but which was something altogether in excess of any similar obligation placed upon any other country in the world (applause). I spoke in Cape Colony; and although in Cape Colony, owing to the division of opinion which has prevailed there, I neither expected nor asked for a contribution toward the war, I do expect that in the time to come Dutch and English will both feel that the Empire belongs to them as well as to us, and that they are bound to contribute more liberally to the future expenditure of the Empire than they have done in the past (applause). All have done something; and to my mind, it is a great thing to get the principle accepted. I think it depends upon us whether in future this principle shall be applied with greater liberality, or whether we are all to fall back, each to care for himself and "the devil take the hindmost."

A Demand for Inquiry

A New Development of Imperial Policy

Community of Sacrifice

Sir, my idea of British policy—I mean the policy of the United Kingdom—is that here, at the beginning of things, at the beginning of this new chapter, we should show our cordial appreciation of the first step taken by our Colonies to show their solidarity with us. Every advance which they make should be reciprocated. We should ourselves set a great example by acknowledging the community of interest, and, above all, that community of sacrifice on which alone the Empire can permanently rest. I have admitted that the Colonies have hitherto been backward in their contributions towards Imperial defence. They are following their own lines. I hope they will do better in the future; but in the meantime they are doing a great deal, and they are trying to promote this union, which I regard as of so much importance, in their own way and by their own means.

Preferential Tariffs: South Africa and Australia

And first among those means is the offer of preferential tariffs (cheers). Now that is a matter which, at the present moment, is of the greatest possible importance to every one of you. It depends upon 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 upon how we treat it, whether it is developed in the future, or withdrawn as being unacceptable 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. The Boers and the Dutch were represented as well as the British; and this conference recommended the several Legislatures of the different colonies to give to us, the Mother Country, preference upon all dutiable goods of 25 per cent. (cheers). 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? In my opnion, these recommendations and these pledges will bear fruit just in proportion as you show your appreciation of them, and they will depend largely upon the experience of Canada, which has been a precursor in a similar movement.

Preferential Tariffs: Canada

Canada is the greatest, the most prosperous, of our self-governing Colonies. At the present time it is in the full swing of an extraordinary prosperity, which I hope and believe will lead to a great increase in its population, its strength, its importance in the constellation of free nations which constitutes the British Empire. Canada is, of all our Colonies, the most backward in contributing to common defence, but Canada has been the most forward in endeavouring to unite the Empire by other means—by strengthening our commercial relations, and by giving to us special favour and preference. And if we appreciate this action properly, it seems to me that not only is it certain that every other colony of the Empire will necessarily and in due time follow this example, but Canada herself and the other Colonies, as the bonds are drawn closer, and as we become more and more one people, united by interest as well as by sentiment, will be more and more ready to take their fair share in these burdens of defence to which I have referred. The policy which I wish to make clear to you is not to force our Colonies—that is hopeless, for 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, 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 33⅓ per cent. (applause).

I have had occasion to point out that the results of this great concession have been, to a certain extent, and 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 (applause). 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 1897–1898, is now carried on at a rate of £11,000,000—probably a good deal more—but I will, to be safe, say of £11,000,000 sterling in the present year (cheers); and the increase is chiefly in textile goods—cotton, woollen, and goods of that kind—and in the manufactures of hardware and iron and steel. And, 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.

Why We Cannot Reciprocate

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 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 upon corn." That was a definite offer which we have had to refuse. I need not 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, and not solely in the interests of the Colonies, I am obliged to say that it is contrary to the established fiscal policy of this country; that we hold ourselves bound to keep open market for all the world, even if they close their markets to us (laughter); 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 between those who treat us well, and those who treat us badly ("Shame"). Yes, but that is the doctrine which, I am told, is the accepted doctrine of the Free Traders, and we are all Free Traders (cries of "No, no," and laughter). Well, I am (loud laughter). I have considerable doubt whether the interpretation of Free Trade which is current amongst a certain limited section is the true interpretation (applause). I am perfectly certain that I am not a Protectionist; but I want to point out that, if the interpretation is that our only duty is to buy in the cheapest market without regard to where we can sell—if that is the theory of Free Trade that finds acceptance, then, in pursuance of that policy, you will lose the advantage of the further reduction in duty which your great Colony of Canada offers to you, the manufacturers of this country. And you may lose a great deal more; because in the speech which the Minister of Finance

made to the Canadian Parliament the other day he says that if they are told definitely that Great Britain, 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.

These are big questions, and this particular question is complicated in a rather unexpected manner. The policy which prevents us from offering an advantage to our Colonies prevents us from defending them if they are attacked. Now, I suppose, you and I are agreed that the British Empire is one and indivisible (cheers). You and I are agreed that we absolutely refuse to look upon any of the States that form the British Empire as in any way excluded from any advantage or privilege to which the British Empire is entitled. We may well, therefore, have supposed that an agreement of this kind by which Canada does a kindness to us, was a matter of family arrangement, concerning nobody else. But, unfortunately, Germany thinks otherwise. There is a German Empire. The German Empire is divided into States. Bavaria, and, let us say, Hanover, Saxony, and Wurtemburg, may deal between themselves any way they please. As a matter of fact, they have entire Free Trade among themselves. We do not consider them separate entities; we treat the German Empire as a whole, and we do not complain because one State gives an advantage to another State within that Empire, and does not give it to all the rest of the world. But in this case of Canada, Germany insists upon treating Canada as though it were a separate country. It refuses to recognise it as a part of one Empire, entitled to claim the privileges of that Empire. It regards this agreement as being something more than a domestic agreement, and it has penalised Canada by placing upon Canadian goods an additional duty.

Now the reason for this is clear. The German newspapers very frankly explain that this is a policy of reprisal, and that it is intended to deter other Colonies from giving to us the same advantage. Therefore, it is not merely punishment inflicted by Germany upon Canada, but it is a threat to South Africa, to Australia, and to New Zealand. This

policy, a policy of dictation and interference, is justified by the belief that we are so wedded to our fiscal system that we cannot interfere, and that we cannot defend our Colonies, and that, in fact, any one of them that 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. To 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, under such circumstances, we can approach our Colonies with appeals to aid us in promoting the union of the Empire, or ask them to bear a share of the common burdens? Are we to say to them, "This is your Empire, take pride in it, share its privileges?" They will say, "What are its privileges? The privileges appear to be that if we treat you as relations and friends, if we show you kindness, if we give you preference, 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? ("No.") I am not going further to night ("Go on"). My object is to put the position before you, and, above all, as I have just come home from great Colonies, I want you to see these matters as they appear to our Colonial fellow subjects. There is no doubt what they think, and there is no doubt what great issues hang upon their decision. I asked just now, "Is this Free Trade?" No; it is absolutely a new situation (applause); 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. What would Mr. Bright, what would Mr. Cobden, have said to this state of things? I do not know, and it would be presumptuous to imagine. But this I can say, that Mr. Cobden did not hesitate to make a treaty of reciprocity with France and Mr. Bright did not hesitate to approve of his action; and I cannot believe, if they had been present among us now, and had known what this new situation was, that they would have hesitated to make a Treaty of Preference and reciprocity with our own children (loud and prolonged cheers).

The Two Alternatives

Well, ladies and gentlemen, you see the point. You want an Empire. Do you think it better to cultivate the trade with your own people, or to let that go in order that you may keep the trade of those who are your competitors and rivals? I say it is a new position. I say the people of this Empire have got to consider it. I do not want to hasten their decision. 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 upon the doctrines of Free Trade by a small remnant of Little Englanders of the Manchester School, who now profess to be the sole repositories of the doctrines of Mr. Cobden and Mr. Bright. They may maintain that policy in all its severity, although 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 from 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 by any purely technical definition of Free Trade; that while we seek as our chief object, free interchange of trade and commerce between ourselves and all the nations of the world we will, nevertheless, recover our freedom, resume the power of negotiation, and, if necessary, retaliation (loud cheers) whenever our own interests or our relations between our Colonies and ourselves are threatened by other people (renewed cheers).

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, it 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 (loud applause). 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 (cheers). If we raise an issue of this kind, the answer will depend not upon petty personal considerations, not upon temporary interest, but upon 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 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, although it should be one of its first duties 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. And I do not believe in a Little England which shall be separated from all those to whom it should in the natural course look for support and affection—a Little England which shall thus be dependent absolutely on the mercy of those who envy its present prosperity; and who have shown they are ready to do all in their power to prevent the future union of the British race throughout the world (loud and continued cheers).

THE CASE FOR TARIFF REFORM AND MR. CHAMBERLAIN'S PROPOSALS*

My first duty is to thank this great and representative audience for having offered to me an opportunity of explaining for the first time in some detail the views which I hold upon the subject of our fiscal policy (cheers). I would desire no better platform than this ("Hear, hear," and cheers). I am in a great city, the second of the Empire; the city which by the enterprise and intelligence which it has always shown is entitled to claim something of a representative character in respect of British industry (cheers). I am in that city in which Free Trade took its birth ("hear, hear"), in that city in which Adam Smith taught so long, and where he was one of my most distinguished predecessors in the great office of Lord Rector of your University (cheers) which it will always be to me a great honour to have filled. Adam Smith was a great man. It was not given to him, it never has been given to mortals, to foresee all the changes that may occur in something like a century and a half, but with a broad and far-seeing intelligence which is not common among men, Adam Smith did at any rate anticipate many of our modern conditions, and when I read his books I see how even then he was aware of the importance of home markets as compared with foreign ("hear, hear"); how he advocated retaliation under certain conditions; how he supported the Navigation Laws; how he was the author of a sentence which we ought never to forget, that "Defence

* Delivered at St. Andrew's Hall, Glasgow, Tuesday, October 6, 1903.

is greater than opulence" (cheers). When I remember, also, how he, entirely before his time, pressed for reciprocal trade between our Colonies and the Mother Country, I say he had a broader mind, a more Imperial conception of the duties of the citizens of a great Empire, than some of those who have taught also as professors (laughter and cheers), and who claim to be his successors (renewed laughter and cheering). Ladies and gentlemen, I am not afraid to come here (cheers, and a voice "Bravo!") to the home of Adam Smith, and to combat free imports (cheers), and still less am I afraid to preach to you preference with our Colonies ("hear, hear" and cheers)—to you in this great city whose whole prosperity has been founded upon its colonial relations (cheers). But I must not think only of the city, I must think of the country. It is known to every man that Scotland has contributed out of all proportion to its population to build up the great Empire of which we are all so proud —an Empire which took genius and capacity and courage to create ("hear, hear")—and which requires now genius and capacity and courage to maintain (loud cheers).

I do not regard this as a party meeting. I am no longer a party leader (laughter). I am an outsider (renewed laughter), and it is not my intention—I do not think it would be right—to raise any exclusively party issues. But after what has occurred in the last few days, after the meeting at Sheffield (cheers), a word or two may be forgiven to me, who, although no longer a leader, am still a loyal servant of the party to which I belong (cheers).

I say to you, ladies and gentlemen, that that party whose continued existence, whose union, whose strength I still believe to be essential to the welfare of the country and to the welfare of the Empire (cheers), has found a leader whom every member may be proud to follow (loud cheers). Mr. Balfour (cheers), in his position has responsibilities which he cannot share with us, but no one will contest his right—a right to which his high office, his ability, and his character alike entitle him—to declare the official policy of the party which he leads ("hear, hear"), to fix its limits, to settle the time at which application shall be given to the principles

which he has put forward (loud cheers). For myself, I agree with the principles that he has stated. I approve of the policy to which he proposes to give effect, and I admire the courage and the resource with which he faces difficulties which even in our varied political history have hardly ever been surpassed ("hear, hear"). It ought not to be necessary to say any more. But it seems as though in this country there have always been men who do not know what loyalty and friendship mean ("hear, hear"), and to them I say that nothing that they can do will have the slightest influence or will affect in the slightest degree the friendship and confidence which exist and have existed for so many years between the Prime Minister and myself (loud cheers). Let them do their worst. Their insinuations pass us by like the idle wind, and I would say to my friends, to those who support me in the great struggle on which I have entered, I would say to them also, I beg of you to give no encouragement to these mean and libellous insinuations. Understand that in no conceivable circumstances will I allow myself to be put in any sort of competition, direct or indirect, with my friend and leader, whom I mean to follow (cheers). What is my position? I have invited a discussion upon a question which comes peculiarly within my province, owing to the office which I have so recently held. I have invited discussion upon it. I have not pretended that a matter of this importance is to be settled offhand. 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 (loud and prolonged cheers).

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 to come to a decision—and it is possible—I am always an optimist (laughter)—it is possible that the nation may

be prepared to go a little further than the official programme ("hear, hear," and cheers). I have known them to do it before (laughter), and no harm has come to the party; no harm that I know has come to those who as scouts, or pioneers, or investigators, or discoverers have gone a little before it. 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? (Cries of "Yes," and cheers.)

I suppose that there are differences in Scotland, differences in Glasgow, as there are certainly in the southern country, but those differences, I hope, are mainly differences as to methods ("hear, hear"). For I cannot conceive that, so far as regards the majority of the country at any rate, there can be any differences as to our objects. What are our objects? They are two. In the first place, we all desire the maintenance and increase of the national strength and the prosperity of the United Kingdom (cheers). That may be a selfish desire; but in my mind it carries with it something more than mere selfishness. You cannot expect foreigners to take the same views as we of our position and duty. To my mind Britain has played a great part in the past in the history of the world, and for that reason I wish Britain to continue (cheers). Then, in the second place, our object is, or should be, the realisation of the greatest ideal which has ever inspired statesmen in any country or in any age—the creation of an Empire such as the world has never seen (loud cheers). We have to cement the union of the States beyond the seas; we have to consolidate the British race; we have to meet the clash of competition, commercial now—sometimes in the past it has been otherwise—it may be 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 fortified and strengthened, and buttressed by all those of our kinsmen, all those powerful and continually rising States which speak our common tongue and glory in our common flag (cheers).

Those are two great objects, and, as I have said, we all should have them in view. How are we to attain them? In the first place, let me say one word as to the method in

which this discussion is to be carried on. Surely it should be treated in a manner worthy of its magnitude, worthy of the dignity of the theme ("hear, hear"). For my part I disclaim any imputation of evil motive and unworthy motive on the part of those who may happen to disagree with me; and I claim equal consideration from them ("hear, hear"). I claim that this matter should be treated on its merits—without personal feeling, personal bitterness, and, if possible, without entering upon questions of purely party controversy (cheers), and I do that for the reason I have given; but also because, if you are to make a change in a system which has existed for nearly sixty years, which affects more or less every man, woman, and child in the kingdom, you can only make that change successfully if you have behind you not merely a party support—if you do not attempt to force it by a small majority on a large and unwilling minority, but if it becomes, as I believe it will become (cheers), a national policy in consonance with the feelings, the aspirations, and the interests of the overwhelming proportion of the country (cheers).

I was speaking just now of the characteristics of Glasgow as a great city; I am not certain whether I mentioned that I believe it is one of the most prosperous of cities, that it has had a great and continuous prosperity; and if that be so, here, more than anywhere else, I have to answer the question, Why cannot you let well alone? ("Hear, hear.") Well, I have been in Venice—the beautiful city of the Adriatic—which had at one time a commercial supremacy quite as great in proportion as anything we have ever enjoyed. Its glories have departed; but what I was going to say was that when I was there last I saw the great tower of the Campanile rising above the city which it had overshadowed for centuries, and looking as though it was as permanent as the city itself. And yet the other day, in a few minutes, the whole structure fell to the ground. Nothing was left of it but a mass of ruin and rubbish. I do not say to you, gentlemen, that I anticipate any catastrophe so great or so sudden for British trade; but I do say to you that I see signs of decay; that I see cracks and crevices in the walls

of the great structure; that I know that the foundations upon which it has been raised are not broad enough or deep enough to sustain it (cheers). Now, do I do wrong, if I know this—if I even think I know it—do I do wrong to warn you? Is it not a most strange and inconsistent thing that while certain people are indicting the Government in language which, to say the least of it, is extravagant, for not having been prepared for the great war from which we have recently emerged with success (cheers)—is it not strange that these same people should be denouncing me in language equally extravagant because I want to prepare you now, while there is time, for a struggle greater in its consequences than that to which I have referred (hear, hear) —a struggle from which, if we emerge defeated, this country will lose its place, will no longer count among the great nations of the world—a struggle which we are asked to meet with antiquated weapons and with old-fashioned tactics? (Cheers.)

I tell you that it is not well to-day with British industry ("hear, hear"). We have been going through a period of great expansion. The whole world has been prosperous. I see signs of a change, but let that pass. When the change comes I think even the Free Fooders will be converted (laughter). But meanwhile, what are the 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 1902—the export trade—you will find that there has been a moderate increase of twenty-two millions.* That, I think, is something like 7½ 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 twenty-two millions under our Free Trade. In the same time the increase in the United States

* The figures given in the recent Board of Trade Blue Book are as follows:

1872. Total Exports of British Produce, 256 millions.
1902. Total Exports of British Produce, 278 millions.

of America was 110 millions, and the increase in Germany was fifty-six millions. In the United Kingdom our export trade has been practically stagnant for thirty years. It went down in the interval. It has now gone up in the most prosperous times. 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 a much greater proportion than ours. That is not all; not merely 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-stuffs and raw materials, we should remain the mart of the world, and should send them in exchange our manufactures. But 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 (cheers).

I know how difficult it is for a great meeting like this to follow figures. I shall give you as few as I can, but I must give you some to lay the basis of my argument. I have had a table constructed, and upon that table I would be willing to base the whole of my contention. I will take some figures from it. You have to analyse your trade. It is not merely a question of amount; you have to consider of what it is composed. Now what has been the case with regard to our manufactures? Our existence as a nation depends upon our manufacturing capacity and production. We are not essentially or mainly 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 of 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, although the general exports had increased, the

exports of manufactures to these countries 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 great protected countries than you did thirty years ago (cheers). Then there are the neutral countries, that is, the countries which, although 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 have not fallen in these markets to any considerable extent. They have practically remained the same, but on the whole they have fallen £3,500,000. Adding that to the loss in 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 understanded of the people. You have failed to observe that the maintenance of your trade is dependent entirely on British possessions. While to these foreign countries your export of manufactures has declined by £46,000,000, to your British possessions it has increased £40,000,000 (cheers), 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 (cheers). 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 as regards their exports of manufactures to us? They have risen from £63,000,000 in 1872 to £149,000,000 in 1902. They have increased £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 daresay we should do so if circumstances had remained the same (cheers).

But now, if I have been able to make these figures clear, there is one thing which follows—that is, that our Imperial trade is absolutely essential to our prosperity at the present time ("hear, hear"). If that trade declines, or if it does not increase in proportion to our population and to the loss of trade with foreign countries, then we sink at once into a fifth-rate nation (cheers). Our fate will be the fate of the empires and kingdoms of the past. We shall have reached our highest point, and indeed I am not certain that there are some of my opponents who do not regard that with absolute complacency (laughter). I do not (loud cheers). As I have said, I have the misfortune to be an optimist. I do not believe in the setting of the British star (cheers), but then, I do not believe in the folly of the British people (laughter). I trust them. I trust the working classes of this country (cheers), and I have confidence that they who are our masters, electorally speaking, will have the intelligence to see that they must wake up. They must modify their policy to suit new conditions. They must meet those conditions with altogether a new policy (cheers).

I have said that if our Imperial trade declines we decline. My second point is this. It will decline inevitably unless while there is still time we take the necessary steps to preserve it ("hear, hear"). 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 (laughter). Why does Australia 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. I see that the Labour leaders, or some of them, in this country are saying that the interest of the working

class is to maintain our present system of free imports. The moment those men go to the Colonies they change. I will undertake to say that no one of them has ever been there for six months without singing a different tune (laughter). 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 (laughter). I do not understand why an intelligent man—a man who is intelligent in this country—becomes an idiot when he goes to Australasia (laughter). But I will tell you what he does do. He gets rid of a good number of old-world prejudices and superstitions (laughter). 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 which it has some special advantage—mineral or other resources. Then when those are established the secondary industries spring up, first the necessaries, 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 (laughter). There is no trade to be done with her beyond a paltry 6*s.* 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 from you per head 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 ("hear, hear"). 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 that 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 they will not allow their country to be solely dependent on foreign supplies for the necessities of 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. Do not 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 injury to any important interest—because it is good for the Empire as a whole, and because we have taken the first step and have set you the example ('hear, hear'). We offer you a preference; we rely on your patriotism, your affection, that we shall not be losers thereby'" (cheers).

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? (Cheers.)

I will give you an illustration. America is the strictest of protective nations. It has a tariff which to me is 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 tin-plate trade, and the American tin-plate trade amounted to millions per annum, and gave employment to thousands of British workpeople. If we had gone to America ten or twenty years ago and had said, "If you will leave the tin-plate trade as it is, put no duty on tin-plate—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 might have kept the tin-plate trade ("hear, hear"). 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 might 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? ("No.") Are we going to lose the colonial trade? (Cries of "No.") This is the parting of the ways. You have to remember that if you do not take this opportunity it will not recur (cheers). If you do not take it I predict, and 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 (cheers). I think that I have some reason to speak with authority on this subject. The Colonies are prepared to meet us (cheers). In return for a very moderate preference they will give us a substantial advantage. They will give us in the first place, I believe they will reserve

to us, much at any rate of the trade which we already enjoy. They will not—and I would not urge them for a moment to do so—they will not injure those of their industries which have already been created. They will maintain them, they will not allow them to be destroyed or injured even by our competition, but outside that there is still a great margin, a margin which has given us this enormous increase of trade to which I have referred. That margin I believe we can permanently retain ("hear, hear")—and I ask you to think, if that is of so much importance to us now, when we have only eleven millions of white fellow-citizens in these distant Colonies, what will it be when in the course of a period which is a mere moment of time in the history of States, what will it be when that population is forty millions or more? ("Hear, hear.") Is it not worth while to consider whether the actual trade which you may retain, whether the enormous potential trade which you and your descendants may enjoy, be not worth a sacrifice, if sacrifice be required? ("Hear, hear.") But they will do a great deal more for you. This is certain. Not only will they enable you to retain the trade which you have, but they are ready to give you preference on all the trade which is now done with them by foreign competitors (cheers). I never see any appreciation by the free importers of the magnitude of this trade. It will increase. It has increased greatly 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 to £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 (cheers). 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 30*s.* a week (cheers). It means the subsistence, if you include their families, of 830,000 persons; and now, if you will only add to that our present export to the British possessions of £96,000,000, you will find that that gives, on the same calculation, £48,000,000 for wages, or employment at 30*s.* a week to 615,000 workpeople, and it finds subsistence for 3,075,000 persons ("hear, hear"). In other words, your Colonial trade as it stands at present with the prospective advantage of a preference against the foreigner means employment and fair wages for three-quarters of a million of workmen, and subsistence for nearly four millions of our population (cheers).

Ladies and gentlemen, I feel deeply sensible that the argument I have addressed to you is one of those which will be described by the Leader of the Opposition as a squalid argument (laughter). A squalid argument! I have appealed to your interests, I have come here as a man of business (loud cheers), I have appealed to the employers and the employed alike in this great city. I have endeavoured to point out to them that their trade, their wages, all depend on the maintenance of this Colonial trade, of which some of my opponents speak with such contempt, and, above all, with such egregious ignorance (loud laughter and cheers). But now I abandon that line of argument for the moment, and appeal to something higher, which I believe is in your hearts as it is in mine. I appeal to you as fellow-citizens of the greatest Empire that the world has ever known; I appeal to you to recognise that the privileges of Empire bring with them great responsibilities (cheers). I want to ask you to think what this Empire means, what it is to you and your descendants. I will not speak, or, at least, I will not dwell, on its area, greater than that which has been under one dominion in the history of the world. I will not speak of its population, of the hundreds of millions of men for whom we have made ourselves responsible. But I will speak of its variety, and of the fact

that here we have an Empire which with decent organisation and consolidation might be absolutely self-sustaining (loud cheers). Nothing of the kind has ever been known before. There is no article of your food, there is no raw material of your trade, there is no necessity of your lives, no luxury of your existence which cannot be produced somewhere or other in the British Empire, if the British Empire holds together, and if we who have inherited it are worthy of our opportunities.

There is another product of the British Empire, that is, men (cheers). You have not forgotten the advantage, the encouragement, which can be given by the existence of loyal men (cheers), inhabitants, indeed, of distant States, but still loyal to the common flag (cheers). It is not so long since these men, when the old country was in straits, rushed to her assistance (cheers). No persuasion was necessary; it was a voluntary movement. That was not a squalid assistance (loud cheers). They had no special interest. They were interested indeed, as sons of the Empire. If they had been separate States they would have had no interest at all. They came to our assistance and proved themselves indeed men of the old stock (cheers); they proved themselves worthy of the best traditions of the British army (cheers), and gave us an assistance, a material assistance, which was invaluable. They gave us moral support which was even more grateful (loud cheers). That is the result of Empire (cheers). I should be wrong if, in referring to our white fellow-subjects, I did not also say, that in addition to them, if any straits befell us, there are millions and hundreds of millions of men born in tropical climes, and of races very different from ours, who, although they were prevented by political considerations from taking part in our recent struggle, would be in any death-throe of the Empire (loud cheers) equally eager to show their loyalty and their devotion (cheers). Now, is such a dominion, are such traditions, is such a glorious inheritance, is such a splendid sentiment—are they worth preserving? (Cheers.) They have cost us much. They have cost much in blood and treasure; and in past times, as in recent, many of

our best and noblest have given their lives, or risked their lives, for this great ideal. But it has also done much for us. It has ennobled our national life, it has discouraged that petty parochialism which is the defect of all small communities. I say to you that all that is best in our present life, best in this Britain of ours, all of which we have the right to be most proud, is due to the fact that we are not only sons of Britain, but we are sons of Empire. I do not think, I am not likely to do you the injustice to believe, that you would make this sacrifice fruitless, that you would make all this endeavour vain. But if you want to complete it, remember that each generation in turn has to do its part, and you are called to take your share in this great work. Others have founded the Empire ; it is yours to build firmly and permanently the great edifice of which others have laid the foundation (cheers). And I believe we have got to change somewhat our rather insular habits. When I have been in the Colonies I have told them that they are too provincial, but I think we are too provincial also. We think too much of ourselves (" hear, hear "), and we forget—and it is necessary we should remember—that we are only part of a larger whole (" hear, hear "). And when I speak of our Colonies, it is an expression ; they are not ours—they are not ours in a possessory sense. They are sister States, able to treat with us from an equal position, able to hold to us, willing to hold to us, but also able to break with us. I have had eight years' experience (cheers). I have been in communication with many of the men, statesmen, orators, writers, distinguished in our Colonies. I have had intimate conversation with them. I have tried to understand them and I think I do understand them (cheers), and I say that none of them desire separation. There are none of them who are not loyal to this idea of Empire which they say they wish us to accept more fully in the future, but I have found none who do not believe that our present colonial relations cannot be permanent. We must either draw closer together or we shall drift apart.

When I made that statement with all responsibility some time ago there were people, political opponents, who said ;

"See, here is the result of having a Colonial Secretary. Eight years ago the Colonies were devoted to the Mother Country. Everything was for the best. Preferences were not thought of. There were no squalid bonds. The Colonies were ready to do everything for us. They were not such fools as to think we should do anything for them, but while things were in this happy state the Colonial Secretary came into office. Now it has all disappeared. We are told if we do not alter our policy we may lose our Empire." It is a fancy picture, but I will not rest my case upon my own opinion. It is not I who have said this alone; others have said it before me. We have a statesman here in Scotland whose instincts are always right, but whose actions unfortunately often lag behind his instincts (laughter). What did he say many years before I came into office, in 1888? Lord Rosebery was speaking at Leeds, and he said this: "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 as parts of the Empire. . . . I do not see 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" (cheers and laughter). Well, we have to consider, of course, what is the sacrifice we are called upon to make. I do not believe —no, let me first say if there be a sacrifice, if that can be shown, I will go confidently to my countrymen, I will tell them what it is, and I will ask them to make it (loud cheers). Nowadays a great deal too much attention is paid to what is called the sacrifice; no attention is given to what is the gain ("hear, hear"). But, although I would not hesitate to ask you for a sacrifice if a sacrifice were needed to keep together the Empire to which I attach so much importance, I do not believe that there would be any sacrifice at all (cheers). This is an arrangement between friends. This is a negotiation between kinsmen. Can you not conceive

the possibility that both sides may gain and neither lose? (Cheers.) Twelve years ago another great man—Mr. Cecil Rhodes (cheers)—with one of those flashes of insight and genius which made him greater than ordinary men, took advantage of his position as Prime Minister of the Cape Colony to write letters, which have recently been published, to the then Prime Minister of Canada and the Prime Minister of New South Wales. He said in one of these letters: "The whole thing lies in the question—Can we invent some tie with our Mother Country that will prevent separation? It must be a practical one. The curse is that English politicians cannot see the future" (laughter, "hear, hear," and cheers).

Well, I ask the same question ("hear, hear"). Can we invent a tie which must be a practical one, which will prevent separation, and I make the same answer as Mr. Rhodes, who suggested reciprocal preference, and I say that it is only by commercial union, reciprocal preference, that you can lay the foundations of the confederation of the Empire to which we all look forward as a brilliant possibility (cheers). Now I have told you what you are to gain by preference. You will gain the retention and the increase of your customers. You will gain work for the enormous number of those who are now unemployed; you will pave the way for a firmer and more enduring union of the Empire (cheers). 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 exported 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 should propose such a tax; but I repeat now, in the most explicit terms, that I do not propose a tax on raw materials (loud cheers), which are a necessity of our manufacturing trade. What remains? Food.

Therefore, if you wish to have preference, if you desire to gain this increase, if you wish to prevent separation, you must put a tax on food (cheers). The murder is out (laughter).

I said that in the House of Commons, but I said a good deal more, but that is the only thing of all that I said that my opponents have thought it particularly interesting to quote (laughter), and you see that on every wall, in the headlines of the leaflets of the Cobden Club, in the speeches of the devotees of free imports, in the arguments of those who dread the responsibilities of Empire, but do not seem to care much about the possibility of its dissolution—all these, then, put in the forefront that Mr. Chamberlain says "You must tax truth" (laughter). "You must tax food" (laughter). There is no need to tax truth (laughter), for that is scarce enough already (laughter). I was going to say that this statement which they quote is true. But it is only half the truth ("hear, hear"), and they never give you the other half (laughter). You never see attached to this statement that you must tax food the other words that I have used in reference to this subject, that nothing that I propose would add one farthing to the cost of living to the working man, or to any family in this country (loud cheers). How is that to be achieved? I have been asked for a plan. I have hesitated, because, as you will readily see, no final plan can be proposed until a Government is authorised by the people to enter into negotiations upon these principles. Until that Government has had the opportunity of negotiating with the Colonies, with foreign countries, and with the heads and experts in all our great industries, any plan must be at the present time more or less of a sketch-plan.

A Sketch-Plan

But at the same time I recognise that you have a right to call upon me for the broad outlines of my plan, and those I will give you (cheers) if you will bear with me. You have heard it said that I propose to put a duty of 5*s.* or 10*s.* a quarter on wheat. That is untrue. I propose to put a low duty on foreign corn, no duty at all on the corn coming from our British possessions (cheers). But I propose to put a low duty on foreign corn not exceeding 2*s.* a quarter (cheers). I propose to put no tax whatever on maize,

partly because maize is a food of some of the very poorest of the population, and partly also because it is a raw material for the farmers, who feed their stock with it ("hear, hear"). I propose that the corresponding tax which will have to be put on flour should give a substantial preference to the miller ("hear, hear") and I do that in order to re-establish one of our most ancient industries in this country ("hear, hear"), believing that if that is done not only will more work be found in agricultural districts, with some tendency, perhaps, operating against the constant migration from the country into the towns (cheers), and also because by 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 upon the price of the food of the animal that where an agricultural labourer keeps one pig now he might keep two in the future (laughter). I propose to put a small tax of about 5 per cent. on foreign meat and dairy produce (cheers). I propose to exclude bacon, because once more bacon is a popular food with some of the poorest of the population. And, lastly, I propose to give a substantial preference to our Colonies upon colonial wines and perhaps upon colonial fruits. Well, those are the taxes, new taxes, or alterations of taxation which I propose as additions to your present burden.

But I propose also some great remissions (cheers). 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 (cheers). Now, what will be the result of these changes, in the first place upon the cost of living; in the second place upon 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 towns, and I find that if he pays the whole of the new duties that I propose to impose it would cost an agricultural labourer 16½ farthings per week more than at present, and the artisan in the town 19½ farthings per week. In other words, it would add about 4*d*. per week to the expenditure of the agricultural labourer and 5*d*. per week on the expenditure of the artisan. But, then, the reduction which I propose, again taking the consumption as it is declared by the Board of Trade, the reduction would be, in the case of the agricultural labourer 17 farthings a week; in the case of the artisan 19½ farthings a week (laughter and cheers).

Now, gentlemen, you will see, if you have followed me, that upon 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 (laughter), and the artisan would be exactly in the same position as at present. I have made this assumption, but I do not believe in it. I do not believe that these small taxes upon 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 (cheers).

Now, that doctrine can be supported by authoritative evidence. In the first place, look at the economists—I am not speaking of the fourteen professors (laughter)—but take John Stuart Mill, take the late Professor Sidgwick, and I could quote others now living. They all agree that of any tax upon imports, especially if the tax be moderate, a portion, at any rate, is paid by the foreigner, and that is confirmed by experience. I have gone carefully during the last few weeks into the statistical tables not only of the United Kingdom, but of other countries, and I find that neither in Germany, nor in France, nor in Italy, nor in Sweden, nor in the United Kingdom, when there has been the imposition of a new duty or an increase of an old duty has the whole cost over a fair average of years ever fallen upon the consumer. It has always been partly paid by the foreigner (cheers). Well, how much is paid by the foreigner? That, of course, must be a matter of specu-

lation, and, there again, I have gone to one of the highest authorities of this country—one of the highest of the official experts whom the Government consult—and I have asked him for his opinion, and in his opinion the incidence of a tax depends upon the proportion between the free production and the taxed production. In this case the free production is the home production and the production of the British Colonies. The taxed 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 consumption, 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-fourths of the tax. If, as in dairy produce, he supplies half of the consumption, then the consumer pays half of the tax. Well, as I say, that is a theory 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 upon that assumption, and I find that, if you take that proportion, then the cost of the new duties would be 9½ farthings to the agricultural labourer and 10 farthings to the artisan, while the reduction would still be 17 farthings to the labourer and 19½ farthings to the artisan (cheers). There, gentlemen, you see my point. If I give my opponents the utmost advantage, if I say to them what I do not believe, if I grant that the whole tax is paid by the consumer, even in that case my proposal would give as large a remission of taxation on the necessary articles of his life as it imposes. As a result of the advantage upon other necessary articles the budget at the end of the week or the result at the end of the year will be practically the same even it he pays the whole duty. But if he does not pay the whole duty, then he will get all the advantages to which I have already referred. In the case of the agricultural labourer he will gain about 2*d.* a week, and in the case of the town artisan he will gain 2½*d.* a week.

I feel how difficult it is to make either interesting or intelligible to a great audience like this the complicated subject

with which I have to deal. But this is my opening declaration, and I feel that I ought to leave nothing untold; at all events, to lay the whole of the outlines of my scheme before the country.

Now, the next point, the last point I have to bring before you, is that these advantages to the consumer will involve a loss to the Exchequer. And you will see why. The Exchequer when it reduces tea or sugar loses the amount of the tax on the whole consumption, but when it imposes a tax on corn or upon meat it only gains the duty on a part of the consumption, since it does not collect it either upon the colonial or upon the home production. Well, I have had that worked out for me, also by an expert, and I find, even making allowance for growth in the colonial and home production which would be likely to be the result of the stimulus which we give to them—and after making allowances for those articles which I do not propose to tax—the loss to 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 (cheers)—in the other branch of this policy of fiscal reform, in that part of it which is sometimes called "retaliation" and sometimes "reciprocity" (cheers). Now I cannot deal fully with that subject to-night. I shall have other opportunities, but this I will point out to you, that in attempting to secure reciprocity we cannot hope to be wholly successful. Nobody, I imagine, is sanguine enough to believe that America or Germany and France and Italy and all those countries are going to drop the whole of their protective scheme because we ask them to do so, or even because we threaten. What I do hope is that they will reduce their duties so that worse things may not happen to them (laughter and loud cheers). But I think we shall also have to raise ours ("hear, hear"). Now a moderate duty on all manufactured goods (cheers), not exceeding 10 per cent. on the average, but varying according to the amount of labour in these goods ("hear, hear")—that is to say, putting the higher rate on the finished manufactures upon which most labour would be employed—a duty, I say, averaging 10 per cent. would give the Exchequer at the very least,

£9,000,000 a year (cheers), while it might be nearer £15,000,000 if we accept the Board of Trade estimates of £148,000,000 as the value of our imports of manufactured and partly manufactured goods. Nine millions a year—well, I have an idea that the present Chancellor of the Exchequer (loud and prolonged cheers) would know what to do with a full purse (laughter). For myself, if I were in that onerous position—which may Heaven forfend (laughter)—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 if 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 (cheers). Remember this, a new tax cannot be lost if it comes to the Chancellor of the Exchequer. He cannot bury it in a stocking (laughter). He must do something with it, and the best thing he can do with it is to remit other taxation. The principle of all this policy is that whereas your present 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 in trade, in employment, in all that we most want to maintain, the prosperity of our industries (cheers). The one is profitless taxation, the other scientific taxation (cheers).

I have stated, then, the broad outline of the plan which I propose. As I have said, this can only be filled up when a mandate has been given to the Government, when they have the opportunity which they desire to negotiate and discuss. It may be that when we have these taxes 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 they would bring in or what we should do, but this is clear that, whatever happened, we should get something. We should either get something in the shape of a reduction of other taxation or something in the shape of a reduction of those prohibitive tariffs which now hamper so immensely our native industries (cheers). There will be, according to this plan, as I have said, no

addition to the cost of living, but only a transfer from one item to another.

It remains to ask what will the Colonies say? I hear it said sometimes by people who I think have never visited the Colonies and do not know much about them, that they will receive this offer with contempt, that they will spurn it, or that if they accept it they will give nothing in return. Well, I differ from these critics. I do not do this injustice to the patriotism or the good sense of the Colonies. When the Prime Ministers, representing all the several States of the Empire, were here, this was the matter of most interesting discussion. Then it was that they pressed upon the Government the consideration of this question. They did not press—it is wrong, it is wicked, to say that they pressed it in any spirit of selfishness, with any idea of exclusive benefit to themselves. No; they had Mr. Rhodes's ideal in their minds. They asked for it as a tie, a practical tie, which should prevent separation, and I do not believe that they will treat ungenerously any offer that we may now be able to make them. They had not waited for an offer. Already Canada has given you a preference of $33\frac{1}{3}$ per cent., South Africa has given you 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. They have done all this in confidence, in faith which I am certain will not be disappointed—in faith that you will not be ungrateful, that you will not be unmindful of the influences which have weighed with them, that you will share their loyalty and devotion to an Empire which is theirs as well as ours, and which they also have done something to maintain (cheers).

And, ladies and gentlemen, it is because I sympathise with their object, it is because I appreciate the wisdom, ay, the generosity of their offer, it is because I see that things are moving and that an opportunity now in your hands once lost will never recur; it is because I believe that this policy will consolidate the Empire—the Empire which I believe to be the security for peace and for the maintenance of our great British traditions (cheers)—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 (cheers), and that now, when I might, I think, fairly claim a period of rest, I have taken up new burdens, and come before you as a missionary of Empire, to urge upon you again, as I did in the old times, when I protested against the disruption of the United Kingdom (loud cheers), 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. (Loud cheers, amid which Mr. Chamberlain resumed his seat, having spoken an hour and fifty minutes.)

RETALIATION*

It is a great privilege which, however, entails a great responsibility, to be permitted to address two such meetings as that of last night and that of to-night in the course of twenty-four hours. When I accepted, a short time ago, a cordial invitation to Glasgow I received very shortly afterwards another invitation, most moderate in its expectations, that I would pay a passing visit to Greenock also, where I would appear at a luncheon, and I was assured that at that luncheon nobody would expect me to say more than a few words (laughter). These things have a habit of developing into inconvenient dimensions; and so to-night I find myself addressing this magnificent meeting, perhaps with insufficient preparation, but, at all events, with a deep sense of the obligation under which you lay me by your readiness to listen to what I have to say (cheers).

I am glad to pay my first visit to Greenock. I am glad at this time especially to come amongst you and to confer with a population whose commercial history is rather different from that of many of our great cities, and has an especial bearing upon the great question that I want to discuss (cheers). Last night I said that I did not regard this question as a political question. It is an economic question. It is a business question. It is a national question. It affects every man, woman, and child in the country, but it ought not to be a party question ("hear, hear"), and for my own part I hope that there are many Liberals present here to-night, and that, however much they may differ now, and however much they may continue to differ, from me upon every purely party and political question, that will

* Delivered at the Town Hall, Greenock, October 7, 1903.

not prevent them in the least from giving a fair hearing to a matter which, as I have said, is above all party and above all persons (cheers).

I dealt last night more especially with one great branch of the question of fiscal reform—that is, the question of preference with our Colonies; and I did that because it is, of all the branches of this question, the one which most deeply moves me to exertion; and, in the second place, because it is the most urgent part of the question. We have been going on for a great number of years, much too long, with our existing policy, and, so far as foreign countries are concerned, we might go on a little longer. A great part of the mischief has been done, and I do not know that we should suffer greatly if we waited a little longer. But that is not possible with regard to the Colonies. The Colonies have given you an opportunity. You cannot play fast and loose with these kinsmen of yours. There is no doubt in what spirit they have made their offer to you. It is in a spirit of brotherhood, and in a spirit of unselfish desire to promote the interests of the Empire of which they as well as we form an integral part ("hear, hear"). But you cannot expect them to wait for ever on your leisure. If you think that your interests lie in another direction, they will tell you to follow your interests. They are not suppliants at your feet. They are not asking you to make any sacrifice for them. They think that something can be done which may involve concession on both sides, but which in the long run will be good for both. If you, in your wisdom, come to the conclusion that what is asked from you is more than what they have to give in return, they will make no complaint; they will accept your decision. But they will not repeat the offer; and then they will perhaps receive all the reciprocal advantages, which they ask from you, from other countries, which are not possessed with our prejudices and superstitions, and which will be ready at once to jump at any offer of the kind that is now made to us (cheers).

The Policy of Retaliation

I have dealt with the case of preferential arrangements with the Colonies, and I proceed to speak a little more fully of the other branch of our policy, which is sometimes called "retaliation," and which is sometimes called "reciprocity." Now, I begin with a confession of faith. 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 could 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, because to-day you and I are in favour of retaliation, or what our opponents call "protection," that that is at all inconsistent with our having been Free Traders under totally different conditions (cheers). When the temperature goes up to a hundred degrees, I put on my thinnest clothes; when it goes down below zero, there is nothing too warm for me to wear (laughter). 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 five-and-twenty or thirty years after Free Trade was preached and adopted, there was no doubt whatever in my mind that 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 five-and-twenty years. What has happened during the last thirty years? In the last thirty years the whole conditions have changed; and it seems to me to be not the policy of a Liberal or the policy

of a Radical, as I understood such a policy twenty or thirty years ago, but the policy of a rabid and a reactionary Tory to say that when all the conditions have changed you should not change your policy too (cheers).

Now, let us look at some of these changes. There was nothing upon which Mr. Cobden was more assured, more honestly convinced, than that Free Trade, as he understood it, was such a good thing that if we gave the example every other nation would follow. He said in the most positive terms that if we adopted the policy of Free Trade five years would not pass over before all the other nations adopted our views, and if they did not—he refused to conceive such a hypothesis—but his argument went to show that if they did not adopt our policy then they would be ruined, and we should gain by their distress. We are a great people, but, after all, I have never been able to believe that all the wisdom in the world was absolutely domiciled in this country (laughter and cheers). I have a great opinion of our American cousins. I have an idea that they are people with whom you ought to deal in the most friendly spirit, but you had better not shut your eyes. I have some considerable respect for the German people. I recognise that they have been and still are the most scientifically educated people on the face of the globe. I have a great regard for our neighbours the French. I think they have done immense service to knowledge and civilisation in our past history. I do not believe that all these people are fools; and when I find that they absolutely refuse to adopt the Cobdenite principle and to accept Free Trade as the model and example which it was represented to be, I say to myself "it is worth thinking over. I have perhaps been wrong to be as certain as I was of the wisdom of our policy," but that alone would not have moved me. If, in spite of any 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 being injured because they had adopted protection, and that we were progressing enormously because we had adopted Free Trade, then I should be in favour of it in spite of the majority being against me (cheers).

What is the policy of these other nations? It has been not a haphazard policy, but a policy 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—(cheers)—and not from any want of friendship to us. I do not believe they have 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; and 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.

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. There may be something wrong in my constitution—(laughter)—but I never like being hit without striking back again (cheers and laughter). But there are some people who like to be trampled upon (laughter). I admire them, but I will not follow their example (cheers). I am an advocate of peace, no man more so. I wish to live quietly, comfortably, and in harmony with all my fellow-creatures, but I am not in favour of peace at any price. I am a Free Trader. I want to have free exchange with all the nations of the world, but if they will not exchange with me, then I am not a Free Trader at any price (cheers). And again I say it may be a defect in my constitution, but 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 who 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. I do not care to what party they belong. I am not one of that party, and accordingly, when I find the effect of this policy on the part of other countries, I look about for a means of meeting it (cheers).

The Decline of Export Trade

Last night I said, quoting from figures, that the exports of British manufactures to the principal protected countries had fallen over £42,000,000 in the course of thirty years. The *Glasgow Herald* this morning says incidentally that I ought not to have chosen that particular period. I assure the *Glasgow Herald* that I did not choose it with any sinister purpose. I thought thirty years was a good long time and a fair time to go back; but I invite them to choose any other period, I do not care what period (cheers). In this controversy which I am commencing here I use figures as illustrations. I do not pretend that they are proofs. The proof will be found in the argument, and not in the figures. But I use figures as illustrations to show what the argument is (cheers). The argument which I use, and which I defy the *Glasgow Herald* to contradict—(cheers)—is that since these tariffs were raised against us our exports to the countries which raised them have been continually decreasing. Yes; but that is not all. If their prosperity had been going down in equal proportion it would be no argument at all. While our exports to them have continually been decreasing, their exports to us have continually been increasing.

How do the Free Traders explain that? Their view is that these foolish Americans, these ridiculous Germans, these antiquated Frenchmen, have been ruining themselves all this time (laughter and cheers). They may have kept their home market; but they must have lost their

foreign market. How can the good people whose cost of living has been raised—who have the little loaf and not the big loaf—(laughter)—who are hampered by tariff protection; though they may keep their own trade, how can they do a foreign trade? It may be very extraordinary, but they have done it (laughter). Their export trade has increased in very much greater proportion than our trade, the trade of the Free Trade country which has the big loaf, which has all this freedom and none of these disadvantages. I say that 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 trade. We do it for a few months or for a few years, but again a tariff is imposed, and that is shut out. One industry after another suffers similarly; and in that way we lose 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.

Now, I say that is unfair and one-sided. In my opinion, it threatens most seriously the position of every manufacturer, and, above all, of every working-man in this kingdom (cheers). It threatens the position of the manufacturer. He may lose all 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. Yes, the manufacturer may save himself. But it is not for him that I am chiefly concerned. It is for you—the workmen—(cheers). I say to you that to you the loss of employment means more than the loss of capital to any manufacturer. You cannot live upon 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 (laughter).

Now I go back for a minute to consider the importance of the question that I have asked. If there are Free

Traders—I should rather say Free Importers—for in a sense we are all Free Traders, if there are Free Importers in Greenock you may have an opportunity of discussing this matter with them afterwards in a quiet and friendly way. Ask them this question : You say protection or retaliation will be very bad for this kingdom. How do you account for the fact that all these great nations, without exception, which have adopted the system which you say is bad, have prospered more than you have done ? The Cobden Club says it is all right (laughter). But the Cobden Club has not answered that question ; and I advise them to write to their foreign members—(laughter and cheers)—and see whether they can tell them why Germany and France and the United States of America—and if you will remove all these from the calculation, then I take small countries, such a country as Sweden, for instance—why have all these countries prospered under a system which they declare would be ruinous to us ? (Cheers.) When that question is answered, I think that my occupation will be gone (laughter). I shall hide my diminished head, and make room for the foreign members (laughter). Now, I do not believe that these foreign countries are wrong. I believe they are better strategists than we have been. This policy, as announced by McKinley in America, and not by McKinley alone, but by the greatest Americans long before his time, by President Lincoln, by men like the original founders of the Constitution—this policy announced in Germany by Prince Bismarck, who was in his time a rather considerable personage —this policy, announced in France by many of their most distinguished statesmen—this policy has a great deal behind it.

Foreign Attacks on British Trade

Its main idea is to keep for a manufacturing country its home industry, to fortify the home industry, to make it impregnable ; then, having left the fort behind, so protected that no enemy could attack it with possible success, to move forward and invade other countries, and attack

especially one country, and that is our own, which we have left totally unguarded against all these assaults (cheers). We have left it unguarded because we think we are wiser than all the rest of the world; and the result has been, that although our fort has not been taken—well, it has received a very heavy battering. The time may come when 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 an economic sense—from which we suffer. We, in a spirit of humanity of which I entirely approve, have passed legislation—to which I may say without boasting I have myself contributed very largely—(loud cheers)—to raise the standard of living amongst 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 upon 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 be 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 enter our country in competition with our goods, which are hampered in the struggle? (Cheers.) I say to my fellow-countrymen, and especially to the great mass of the people who depend on their work for their wages and for the subsistence of their families—you are inconsistent, you are adopting a suicidal course. If you allow this state of things to

go on, what will follow? 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 and the Factory Acts and the Compensation to Workmen Acts, 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 wages 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 (cheers).

The Cobden Club all this time rubs its hands in the most patriotic spirit and says: "Ah, yes; but how cheaply you are buying!" Yes, but think how that affects different classes in the community. Take the capitalist—the man living upon his income. His interest is to buy in the cheapest market, because he does not produce. The cheaper he can get every article he consumes, the better for him. He need not buy a single article in this country; he need not make a single article. He can invest his money in foreign countries and live upon 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 what about the working men? What about the class that depends upon having work in order to earn wages or subsistence at all? They cannot do without work; and yet the work will go if the article is not produced in this country. This is the state of things against which I am protesting. You have suffered here in Greenock and in many other parts of the country; but your suffering has been nothing to what it is going to be. I address you in a time of prosperity; but a time of depression is at hand, and what is going to happen then?

Now I call your attention to a matter of the greatest interest and importance which has just come to my knowledge. In a letter recently published in the *Times* a correspondent calls attention to an interview which was held in Philadelphia and published in the *Philadelphia Ledger*, a great newspaper of that city, between a director of the American Steel Trust and a reporter. The American Steel

Trust is the greatest of all American Trusts. It produces at the present time about 20,000,000 tons of steel and iron 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. "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, or the French market, or the Russian 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 perhaps as much as 2,000,000 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 the American workman. I am glad that he, or any man, should be kept in employment; but, after all, I belong to this country (cheers). I admit that I am not cosmopolitan enough to wish to see the happiness, success, or prosperity

of American workmen secured by the starvation and misery and suffering of British workmen (cheers).

Tariff Reform and Workmen

I venture to say that no one has striven more continuously than I have done to advance the condition of the working people of this country; but of this I am certain—that what I and what others have done is a trifle in comparison with what may be done. It is as nothing in comparison with any policy or legislation which would ensure to every willing and industrious workman in this country continuous employment, full employment, at fair wages; and 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—(laughter)—and as cheap as dirt, but you will be in the long run the greatest sufferers (cheers).

Let us look a little farther into the matter; and, again, I will give you a figure or two as an illustration. Take other periods if you like this time, in deference to the *Glasgow Herald* (cheers). I will not go back to 1872 as a starting-point. I will take 1882—that is twenty years ago. 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. I know perfectly well that 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 means, and still more what fifty-two times ten hundred thousand pounds means. 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 of goods would cost £26,000,000 a year in wages alone, and £26,000,000 of wages would have provided constant employment at 30s.

a week for 333,000 work people, and it would have provided, of course, subsistence for their families, that is, for more than 1,500,000 altogether (cheers). I think we are all agreed that that would be worth having (cheers). If you gained this employment to-morrow, if any trade suddenly sprung up anywhere which employed 333,000 men and kept 1,500,000 people in comparative comfort, would you not say that the person who brought it to you was the greatest philanthropist you had ever known ? (Laughter.)

But what do the Free Traders say ? No, I will not call them what they are not—Free Traders. What do Free Importers say ? "Yes, it is quite true that foreigners are doing the work of 333,000 British, and that they are earning the wages that would have supported 1,500,000 British people. That is true ; but 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 their old employment, they have gone into something else, in which they are getting just as much. They are just as well off as they were before. They have not lost by the change, even if the foreigner has gained." It is a very comforting doctrine—(laughter)—for the arm-chair politician, but is it true ? (Cheers.)

I come to a subject which has a particular interest for a Greenock audience. It so happens that you have had in your midst a certain experience of a la ge trade which has been taken from you by the superior advantages of the foreigner. Has it injured you in the slightest degree or not ? Do you care whether that trade went or not, or whether it should be re-established or not ? Would you like to see your trade going, with one after another following it, always confident that your friends the Cobden Club would say, "Oh, but you will find some other occupation" ? (Laughter and cheers.) I say you are an illustration. Of course, I refer to sugar. Greenock was one of the great centres of the sugar trade. You had many refineries ; it was a profitable trade ; it not only employed a great number of work people itself, but it also gave employment in subsidiary industries to a great number of your countrymen.

Then came the foreign competition, aided by bounties, and your trade declines so seriously that only the very best, the very richest, the most enterprising, the most inventive, can possibly retain their hold upon it. If there had been no bounties and no unfair competition of this kind, what would have happened? In the last twenty or thirty years the consumption of sugar throughout the world has increased enormously. The consumption in this country has increased enormously; and you would have had your share. I do not hesitate to say that, if normal conditions and equal fairness had prevailed, at this moment in Greenock, quite independently of the other industries you may have found to occupy you, there would have been in sugar alone ten times as many men employed as there were in the most palmy days of the trade (loud cheers). But normal conditions have not obtained. You have been the sufferers; and a great number of your refineries have disappeared altogether. The capital invested in them has been lost, and the workmen who worked in them—what has become of them?

Jam and Pickles

Now, that is a question I should like to ask you. I wish I could follow the life history of every man who was employed in a sugar refinery or any industry which was depending upon a sugar refinery, and who has been thrown out of employment by the unfair foreign competition. Has he found other employment? In the House of Commons the other night, when the resolution was finally passed approving the Act which abolished these bounties—(cheers)—there were men to be found, not on one side of the House alone, who defended them, to my mind with extraordinary arguments. One speaker in particular ventured to tell the British House of Commons that, in his opinion, our primary industries were possibly doomed, but that we should find compensation in secondary and subsidiary industries. We were to depart from our high position, lose those industries for which the country has been so celebrated, 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 (great laughter and cheers). Now, of all those workmen, those independent artisans who were engaged in refining sugar and 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? (Great laughter.)

This doctrine, this favourite doctrine about the transfer of labour, is a doctrine of pedants, who know nothing of business and nothing of labour (cheers). 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 those 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" (laughter). You cannot teach men who have attained skill and efficiency in one trade, at a moment's notice, skill and efficiency in another (cheers).

Free imports have destroyed this industry, 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 (cheers). They have destroyed agriculture. Mr. Cobden—and again I am sure he spoke the truth as it appeared to him—was convinced that, if his views were carried out, not an acre of ground 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 could I show between that expectation and hope of Mr. Cobden's and the actual circumstances of the case! (Cheers.) 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 go! How long are you going to stand it? (Cheers.) At the present moment these industries, and the working men who depend upon them, are like sheep in a

field. One by one they allow themselves to be led out to slaughter, and there is no combination, no apparent prevision of what is in store for the rest of them. Do you think, if you belong at the present time to a prosperous industry, that your prosperity will be allowed to continue? Do you think that the same causes which have destroyed some of our industries, and which are in the course of destroying others, will not be equally applicable to you when your turn comes? This is a case in which selfishness will not pay. This is a case in which you should take warning by the past, in which you can show some foresight as to the future.

What is the remedy? What is it that the Prime Minister proposed at Sheffield? (Cheers.) He said (I am not quoting his exact words): Let us get rid of the chains which we ourselves have forged, and which have fettered our action. Let us claim some protection like every other civilised nation. Let us say to these foreign countries, "Gentlemen, we desire to be friends with you. We are Free Traders in the best sense of the word. We are ready to exchange freely; but, if you say that it is your settled policy that you will not buy from us, we will tax your exports to us. We will look further afield—no, not further afield, we will look nearer home (cheers). We will go to our own friends, who are perfectly ready to meet us on fair terms, who ask only for a reciprocal response" (cheers).

The War of Tariffs

Then we are told that if we do this the foreigners will be angry with us! (Laughter.) Has it come to that with Great Britain? (Shouts of "No, no," and cheers.) It is a craven argument; it is worthy of the Little Englander; it is not possible for any man who believes in his own country. The argument is absurd. Who is to suffer? Are we so poor that we are at the mercy of every foreign State (cries of "No")—that we cannot hold our own—that we are to fear their resentment if we imitate their own policy? Are we to receive their orders "with bated breath and

whispering humbleness" ? (Laughter.) No, if that were true, I should say that the star of England has already set ; it would not be worth any one's while to care to speculate on her possible future. But it is not true (cheers). There is not a word of truth in it. We have nothing to fear from the foreigners. I do not believe in a war of tariffs, but if there were to be a war of tariffs, I know we should not come out second best (cheers). Why, at the present time ours is the greatest market in the whole world ("hear, hear"). We are the best customers of all those countries ("hear, hear"). There are many suitors for our markets. We may reject the addresses of some, but there is no fear that we shall not have other offers (laughter). It is absolutely absurd to suppose that 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. After all that, do we stand to lose if there is to be a war of tariffs ?

Trade and the Empire

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 upon my countrymen, which at present they have not sufficiently appreciated. We have a great reserve in the sons of Britain across the seas (loud cheers). There is nothing we want that they cannot supply ; there is nothing we sell that they cannot buy (cheers). One great cause for the prosperity of the United States of America, admitted by every one to be a fact, is that they are a great Empire of over 70,000,000 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 50,000,000 against the 70,000,000—who are not all white, by-the-bye—(laughter)—against the 70,000,000 of America. We have, in addition, 350,000,000 or more of people under our protectorate, 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 of this country (cheers).

In times past we have in some inconceivable way ignored our Colonies. We have not appreciated their greatness. We have not had imagination enough to see that, great as they are, there is no limit to what they may become. We have gone through a time (it is a most significant fact) when the men who advocated Free Trade in this country were at the same time absolutely indifferent to all idea of Empire, and considered the Colonies encumbrances which we should be glad to get rid of. That lasted for thirty years, and in the course of that time we tried the patience of our sons across the seas. We tried hardly their love of us and their devotion to the Mother Country. They began to think that we had no sympathy with their aspirations; that we regarded them as troublesome children and wished to get them out of the house, and therefore that it would be their duty to break with the sentiment which would otherwise have held us together; that it would be their duty to fend for themselves, and to leave out of account everything which concerned the Empire of which they formed a part. That was not their fault; that was our fault, the result of our policy. Although we have done our best to correct that impression, although there is not a man living who thinks, or, if there is one who thinks, there is not one who dares to say, that he would wish to get rid of the Colonies, that he does not desire their closer union with us, yet we have a good deal to make up, for we have to show that, whereas at one time we or our ancestors advocated separation, we are now prepared to do all that in reason can be asked of us in order to promote a greater and a closer union (loud cheers).

The Colonies are no longer in their infancy. They are growing rapidly to a vigorous manhood. Now is the time —the last time—that you can bind them closer to you. If now you disregard their aspirations and wishes, if when they make you an offer not specially in their interests, but in the interests of the Empire of which we are all a portion, you reject this offer or treat it with scorn, you may do an injury which will be irreparable ; and, whatever you yourselves may feel in after life, be sure that your descendants will scorn and denounce the cowardly and selfish decision which you will have adopted (cheers). We can if we will make the Empire mutually supporting. We can make it one for defence, one for common aid and assistance. We are face to face at this time with complications in which we may find ourselves alone. We have to face the envy of other people who have noted our wonderful success, although I do not think it has ever done them any harm. We have to face their envy, their jealousy, their desire, perhaps, to share the wealth which they think us to possess. I am not afraid. We shall be isolated. Yes ; but our isolation will be a splendid one if we are fortified, if this country is buttressed by the affection and love of its kinsmen, those sons of Britain throughout the world—(cheers)—and we shall rest secure if we continue to enjoy the affection of all our children.

When I was in South Africa—(loud cheers)—nothing was more inspiring, nothing more encouraging, to a Briton than to find how the men who had either themselves come from our shores or were the descendants of those who had, still retained the old traditions, still remembered that their forefathers were buried in our churchyards, that they spoke a common language, that they were under a common flag, still in their hearts desired to be remembered above all as British subjects, equally entitled with us to a part in the great Empire which they, as well as we, have contributed to make (cheers). The sentiment is there powerful, vivifying, influential for good. I did not hesitate, however, to preach to them that it was not enough to shout for Empire, that it was not enough to bear this 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 (cheers).

To my appeal they rose (renewed cheers). And I cannot believe that here in this country, in the Mother Country, their enthusiasm will not find an echo (cheers). They felt, as I felt, and 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? Is all the glory of the past to be forgotten? Are 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 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? (Cheers.)

The Question at Issue

That is the issue that I present to you. That is the great and paramount issue. It is also a question of your employment, of your wages, of your standard of living, of the prosperity of the trades in which you are engaged.

These are questions vital to the people of Great Britain. They are not to be decided by partisan outcries or personal abuse; they are not to be decided by a ridiculous appeal to the big loaf and the little loaf, to bogeys which do not frighten sensible people, to bogeys which are only addressed to the timid man, or to the man who is so prejudiced that he cannot open his mind.

Those are the issues that I present to you; and, gentlemen, the decision rests with you. Thank goodness, we enjoy a Democratic Constitution. Rightly or wrongly, and, as I think, rightly, the power lies with the people. No dictatorship is possible; no policy can be forced upon you to give a preference to the Colonies, or to put a duty upon foreign manufactures, or 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 as part of the Empire ; for you cannot shift the responsibility upon 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 (cheers). 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 that 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, do not mistake your physician (cheers). The other day, in the speech of a Scottish member, he referred to this subject. He said it was a matter for congratulation that in putting these views before my countrymen I was committing political suicide ; my career would certainly be terminated. It was a kindly thought —(laughter)—graciously expressed—(renewed laughter)—worthy of the man who uttered it—(laughter)—but it does not alarm me (laughter). I have in times past more than once taken my political life in my hand in order to teach that which I believe to be true ("hear, hear"). No man as a statesman is worth his salt who is not prepared to do likewise. I care nothing about the personal result. I beg you not to consider it for a moment ; but I appeal to you to consider that in this matter the interests of your country, the interests of your children, the interests of the Empire are all at stake, and I ask you to consider impartially the arguments that I have put before you. I pray you may give a right decision. (The right hon. gentleman sat down amid loud cheers, having spoken an hour and a quarter.)

Previous to the delivery of his Town Hall speech Mr. Chamberlain was entertained at dinner in the Town Hall saloon, on the invitation of the Greenock Chamber of Commerce.

His health having been drunk, Mr. Chamberlain said: I am greatly indebted to you for your cordial welcome. I am sure that my visit to Scotland encourages me to believe that, however much opinions may possibly differ, at all events I shall have a fair hearing throughout the country—("hear, hear") —and it is only such impartial consideration which I ask at your hands (cheers). Gentlemen, I feel it to be a great honour that some time ago I was elected an honorary member of this Chamber, and I thank you, Mr. Chairman, for the very graceful way in which you have made the presentation of its certificate. I have in a long political life often had recourse to Chambers of Commerce throughout the kingdom to assist me in my various labours, and especially so since I have been Secretary of State for the Colonies, and I may here say how much I have benefited from the advice which they have given me. I look forward to still more advantage from their assistance, and I hope from their support in the coming campaign (cheers). What has happened abroad—what will happen here if we are sensible people, if the country decides that some change in our fiscal arrangements is necessary, is that the Government of the day, whatever it is, will go to the experts in trade and commerce and will seek their assistance? I have already invited those who claim to represent commerce in the different districts to give to the proposals I have made full consideration, and to inquire specially how far they are likely to affect the trades for which they are specially responsible. It is only by such expert advice as I solicit that any scientific tariff—that is to say, a tariff constructed not merely for revenue purposes, but in order to directly benefit as large a proportion of the population as possible—can be constructed.

Mr. Chairman, you have been good enough to say that, as the youngest member of the Chamber of Commerce of Greenock, I am permitted to propose success to its trade and industry ("hear, hear"). That I do most heartily, I should do it with pleasure under any circumstances, because I thoroughly believe that upon our trade and industry, upon its maintenance—above all, upon its increase in proportion to the increase of our population—depends the existence of

Great Britain as an important element among the great nations of the world ("hear, hear"). It is no use people saying that this is a sordid view of the subject. No; it is at the root of everything else. We can do no good in the world unless we are strong. We cannot be strong unless we hold our own—and we hold our own in these small islands—for remember what a speck we are on the face of the globe—we hold our own with a population altogether out of proportion to the area of our territory, only by our supremacy in trade and in industry, and our trade and industry is, as I have pointed out elsewhere, largely dependent on the continuance of our present relations with British possessions abroad. To my mind I confess it does not seem to be a disadvantage that such proposals as I have made for the security of our own trade may incidentally have the effect of considerably stimulating, encouraging, and benefiting the trade and industry of our kinsmen in distant possessions (cheers). Mr. Chairman, you have said that the special industries in which this city is chiefly concerned are sugar, shipbuilding, and shipowning. Well, as to sugar, I have a great deal of information (laughter). I ought to be thoroughly acquainted with all your peculiarities, interests, and capabilities, because I have learned of them from my own inquiries. But these, of course, I will modestly put aside as of no value. I have learned of them also from my friend on the right—(cheers)—your honoured representative—(cheers)—but his views on the subject I put aside also, with even less reluctance than my own—(laughter)—because he is an interested party who thinks so highly of Greenock that he cannot consent, under any circumstances, to allow anything in your disfavour. Therefore, I put him aside as one of those interested persons whom our opponents tell us ought not to be listened to for a moment (laughter and cheers). But I know you from the true source of authority. I know you from your opponents. I know you from the gentlemen who resisted me in my attempt to deal with the sugar bounties. They tell me you are an unintelligent class (laughter). They tell me that, if your trade has in any way been injured, it is entirely owing to your own want of capacity, energy, enterprise, everything that

you ought to have. I am told that your manufactories are fire-traps—(laughter)—and altogether behind the times, and I have been led to believe, therefore, that the sooner you are swept from the face of the earth the better it would be for the industry of the country. Now you see the advantage of seeking information where information is alone to be found. That is in the ranks of those who are opposed to your policy. Well, in spite of that, whether it is to my credit or not I do not say, I have persevered for a considerable series of years in endeavouring to remove the disabilities upon your trade without ceasing to consider myself a Free Trader—at all events in the sense in which Adam Smith understood the word—("hear, hear")—to relieve you of a disability which was so unfair, so unjust, so indefensible, that if it were to be considered a part of Free Trade, then I would rather prefer to be called a Protectionist (laughter and cheers). And after lengthy discussion and considerable opposition—curiously enough from precisely the same people who are opposing me now on both sides of politics—it was not entirely a political question—in spite of their opposition the trade has been relieved from this bounty system, and now has some chance of showing what it can do on equal conditions.

I will speak very briefly of the other two industries in which you are interested. Believe me, I am not so ignorant as some of my critics suppose, as I do know a little of the importance of British shipping, the extraordinary enterprise that has been shown in its development, and the magnificent position which it holds among the great industries both of the country and of the world (cheers). I do understand all that, and I do not think you will believe that I would lift a little finger to do anything which could possibly injure that great industry. There are some people who suppose they can separate one industry from another, that they can say, in regard to any change of our fiscal relations: "Oh yes, that is going to benefit you, but it is going to injure us." Nothing is more dangerous than to attempt to separate the interest of different classes, whether in trade or in industry. The interest of one is the interest

of all. All must gain, or none will gain in the long run. No policy is worth consideration for a moment which has for its professed object to benefit one class at the expense of any of the others. I think that that is absolutely true in regard to the considerations I have desired to put before you in reference to our fiscal policy. There is no advantage which I claim that policy will give to our manufacturing industries which it will not equally give to shipping and shipbuilding. I know it is to the interest of shipowners to carry goods, and that it does not matter to them whether they are of foreign, or home, or Colonial production, and I understand that, when they have a large foreign trade, they might hesitate to accept any change that might tend to put it at risk. I quite agree that the prosperity of shipping depends upon having a large transport trade; that is the A B C. But do not you all know that our foreign competitors are increasing their shipping, increasing it actually in amount by a greater amount of tonnage than we are ourselves increasing our fleet, and that, therefore, in no long time they will do their own transport? Then, do you know that during all this time the Colonial trade is increasing, and that your interest lies in developing the Colonial trade rather than in developing the foreign trade? (Cheers.) The object of my policy—I believe the result of the policy will be to increase the trade between this country and foreign countries by introducing a more reasonable and more equitable arrangement; but if it has a contrary effect, still I would say to you, you shipbuilders and shipowners will have full compensation in the impetus that it certainly will give to our Colonial relations (cheers). I do not blame—on the contrary, I applaud—every shipowner who brings to this country the profit of a new transport of goods, whether they be of foreign or whether they be of home production. I think it is perfectly right, and even patriotic, to induce the carriage of foreign goods in British "bottoms." So, again, with shipbuilding, one of the greatest and most important of our industries. I do not blame the shipbuilders for building ships for foreign countries; but how

long do you think, under the present circumstances, that trade will continue? Do you think the energetic American, the scientific German, who for the moment finds it convenient to buy his ships here, will allow that to continue? (Cheers.) Is not his policy to shut us out in one industry after another? Because your industry happens not to have suffered up to the present time, is there any reason why it will not suffer in the future? And if you encourage the Germans to dump their surplus goods in this country, to maintain a large output by that means, and so to cheapen the cost of their production, on the ground that temporarily you will benefit when you get rather cheaper iron—2*s.* or 3*s.*, or it may be 5*s.* or 10*s.* a ton cheaper than you could otherwise get it—if you act upon that short-sighted policy you will find that the Germans who can make iron cheaper than you, are precisely the people who can bu ld ships cheaper than you. You stand aside and allow the iron industry to be ruined, and there will not be any iron industry to support you when in turn you are the object of attack (cheers). That, therefore, is my point. Stand together and no class will suffer. Separate and allow different classes of industry to be destroyed in detail, then, indeed, I think you will meet with a deserved fate, and the trade and industry of Greenock which I propose to-n ght will not be among the last to suffer. I propose this toast with great heartiness, and I thank you for your hospitality (loud cheers).

AN ANSWER TO SOME OBJECTIONS*

It is little more than a fortnight since I was permitted in Glasgow to open a discussion upon this vital and important question of tariff reform. I say this vital and most important question, because it appears to me to be both, although I humbly admit that some of my opponents consider that it would be as foolish to discuss it as to discuss the roundness of the globe (laughter). But on the occasion to which I referred I had, at all events, the opportunity that I desired of placing before the people of this country, in language as plain as I can make it, the plan that I propose and support, and the arguments by which I support it. And now that it has been for some time in the hands of the critics, I am inclined to say with Lord Rosebery the other day at Sheffield, "What do you think of it all?" (Laughter and cheers.) I know that I myself am amazed at the interest which has been taken in the subject, at the progress which it has made, at the uproar which it has aroused (laughter). Why, gentlemen, I was told not so very long ago that I was—I forget the exact words—but an electioneering quack—(laughter)—who was trying to draw a red herring across the path of progress and reform—that everybody could see through me (laughter), that I should not be allowed to divert public attention from the much greater subjects which interest my political opponents.

The Public Interest in the Question

But what do I find? That every day the newspapers are filled with bursts of eloquence from every leader of

* Delivered at Newcastle, October 20, 1903.

every political section, from the top to the bottom; and they are devoting themselves, not to these other subjects, but to this ridiculous, preposterous, unthought-out plan of the electioneering politician (laughter). I may be all that my opponents take me to be, but I always wonder why, in this case, they take so much trouble about me. Why should they crush me and crush me again? (Laughter.) All the big leaders of the Opposition shower their arguments and denunciations on my devoted head. I stand alone, and without even an umbrella—(laughter)—to receive them (laughter). The other day Lord Rosebery said I was absolutely crushed by the cogent and convincing arguments of Sir Henry Fowler and Mr. Asquith. One would have thought in the circumstances that he would either have played the part of the Good Samaritan—(laughter)—and bound up my wounds—(laughter)—or that, at least, he would have been content to pass by on the other side (laughter). He cannot let me alone. Then I see that Mr. Herbert Gladstone says that Lord Rosebery in dealing with me actually smashed and pulverised me (laughter). Again I point out to my friends that after a man has been crushed and then has been smashed and pulverised by all the heavy artillery, by all the big guns, surely it is not worth while for Mr. Gladstone and others like him—(laughter)—to bring out their puny pop-guns and spatter him with their abuse. There must be a little more in this matter than these gentlemen thought at first. The execution they have done has not been so terrible after all; and here I am—(cheers)—prepared to repeat what I have said, and answer, as far as I can, all serious arguments against what I have said.

A National, Colonial, and Business Question

I have not raised this question as a party question. I have raised it as a national question, upon which every man, woman, and child in the kingdom has a right to speak. I have raised it as a Colonial question, on which, I think, I have some authority to speak (loud cheers); and I have raised it as a business question, on which those in great

industrial communities, such as Glasgow and Newcastle, are entitled to express a serious opinion. And having raised it in that spirit, I shall continue it in that spirit to the end. I am not going to be led into merely personal abuse or party bitterness, and when I say I will answer my opponents I shall choose whom I will answer. I will answer those who treat this subject seriously, and without party or personal abuse, and I will leave to their own reflections those others who deal with the matter in the lowest spirit of party controversy (cheers). Therefore, ladies and gentlemen, when Lord Spencer descends from his high position in order to speak of me as the most unscrupulous of men, when Sir Henry Campbell-Banne man—(laughter)—tells meetings of his countrymen that I have descended to the lowest depths of political profligacy, I leave those gentlemen and all their followers to wrap themselves in their own virtue and wisdom —(laughter)—and may they keep them warm (laughter). I leave them to the happy conviction that every one who differs from them is either a knave or a fool.

I turn to others.

The Objections of Serious Critics

I turn to Lord Goschen, to Mr. Asquith, to Lord Rosebery, who have been dealing with this matter, and who, at least, respect the courtesies of debate, and who attempt to deal with the question in a serious way ("hear, hear"). But, before I come to their criticisms, I must remind you in a few words, of what is the course of the argument that has been put before the people of this country. It is not, as a rule, the argument which these gentlemen answer ("hear, hear"). It is something quite different. It is that, while there has been a great increase of prosperity in this country, it has not, in the main, been due, and it can be shown not to be due, to Free Trade, but that it has been mainly due to other things. I have pointed out that especially during the last thirty years, there has been a great change in regard to our trade and industry, and that this change may, if it be not stopped, lead to great disaster.

I have stated that during this period our general export trade has remained practically stagnant. There has been a great increase in the population, but the amount of our exports has, with certain fluctuations, remained about the same as what it was thirty years ago. That in itself would give rise to serious thought. But there is much more. Not only have we to consider the amount of our trade, but we have also to consider the character of our trade. Whereas in the five-and-twenty years after Mr. Cobden's great reform was carried this country was an industrial centre, exchanging its manufactures with other countries for their food and raw materials, now we have ceased to hold any such position of industrial supremacy, and every day we are sending out more and more of raw materials, and of coal, and we are importing more and more of foreign manufactures ; that is to say, we are importing in place of raw materials and food, or, perhaps, in addition to them—we are importing more and more of those finished goods which give the greatest employment to the working classes, and, therefore, are of the greatest importance in the trade of a manufacturing country such as ours. Now these are facts. Nobody has denied these facts. They have quibbled—I will not say that, I will say they have quarrelled with my figures. They have said that I have taken the wrong time, or the wrong trade, or the wrong something else ; and with some of these objections I will deal—("hear, hear")—but they do not deny the fact that my figures were intended to illustrate. The fact remains that, putting aside our colonial trade, our trade with foreign protected countries, countries which have not Free Trade, has decreased in amount and deteriorated in character ; and they do not deny, although they seem to forget, that meanwhile, our trade with the Colonies has increased—increased very largely, and is now the most important of all the categories of the trade of this country ; so that now our whole prosperity is dependent upon our maintaining, and increasing our Colonial trade. As to our foreign trade, much of it has gone, and it cannot be recovered. But our Colonial trade remains with us. It is going ; and I ask you—that is my offence—

I ask you to consider, while you may still stop the change, while you may retard it and probably prevent it, I ask you to consider whether you are not bound to regard the whole question from a different point of view from that which was prevalent, in Cobden's time when practically our Colonies were doing very little with us and when foreign countries were not in any true sense our competitors (cheers).

The Offer of the Colonies

Now, I say we can only keep this colonial trade and increase it by the method that I ask you to adopt, which is not my method in the sense that I was the first proposer of it, but which is the offer made to you by your own Colonies ("hear, hear"). They propose to you a system of preferential tariffs, they to give a preference on the one side, you to give a preference on the other. I venture to think that that proposal is better worth considering than whether the earth is round (laughter). I suggest to you that these people who make this proposal to us are a little more worthy of attention than a good many of our own politicians (cheers). Who are they? They are eleven millions of white people —your own kinsmen—who have done much to make your Empire for you, and without whose continued assistance without whose strong right hands and loyal hearts you cannot keep your empire (cheers): and it is not in the best taste and it is not the highest wisdom of statemanship, to refuse to consider any proposal, whatever may be your first impressions of it, which is made to you by those who have established so great a claim on your favourable attention. If you do not agree with them, at least they have the right to a fair consideration and a fair discussion (cheers). We owe much to our Colonies, and I have never denied that they owe much to us—only when I am in the old country I prefer to talk to my own countrymen of their duties, and when I am in the Colonies I speak to the colonists of theirs ("hear, hear"). But I may say this for them. When they make these proposals to you, whatever their effect may be, they are not thinking of themselves alone or principally.

I believe that when a vast number of the white colonists of the self-governing Colonies say, "We are prepared to give you as much as we ever hope to receive" it is not a selfish proposal on their side. It is a patriotic proposal. It is made because they feel that here we are forty-two millions of the British race in the United Kingdom, and eleven millions scattered throughout the world who may if we please, together make an Empire such as the world has never seen before, but whose union is absolutely necessary in order that the strength of that Empire may be preserved; and because they are willing on their part, if you will meet them, to make some sacrifice in order to secure it (cheers).

The Transfer of Taxation

But in the plan which I have laid before you I see no sacrifice. I am not afraid—I think I may appeal to my past to show that I never have been afraid—to put forward even an unpopular doctrine if I thought it to be right (cheers); and I have never been afraid to ask my countrymen to make sacrifices which are necessary in order that their country may be worthy of them, and that they may be worthy of their country; and, therefore, if I really believed in my heart that the result of what I am proposing would cost any one of you anything I would tell him. It is because I do not believe that it can be shown that it will cost anything—not because I think so badly of you that I believe that you would not make a sacrifice if it were necessary—but it is because I believe it to be true that I say that my plan will cost you nothing. Why should it? I am not asking to impose further burdens upon the people of this country. I am not asking you to raise the amount of taxation in this country. I am asking you to transfer taxation from one article to another—("hear, hear")—from one pocket to another. So far as you are concerned, I maintain that it does not matter a brass farthing to any one of you whether, let us say, the sixpence a week that we take from you in the way of taxation, comes out of your waist-

coat pocket or comes out of your tail pocket (laughter). It comes from your resources. If it comes from taxation upon one article it is not to be considered as affecting that article alone. If it is higher than you can bear, you have to consider which of the articles of your consumption you can most easily spare, and it does not follow that that is the article upon which the taxation is placed. But I deal with articles every one of which is practically on the same footing, they are all necessaries of your life. With perfectly astonishing regularity the working man's family in the country or in the town 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 facts are included in the Board of Trade returns and although there may be exceptional instances here and there of persons who do not drink tea, just as there may be persons who would not eat bread, the average is the same. What does it matter, if I want a halfpenny from you, whether I charge it on bread or on some other article of universal consumption? You will not eat any less bread for that, but as you have to pay a halfpenny more for bread you will perhaps take a halfpenny off your expenditure on tea; and then, when you come to buy your tea, you will find that under my plan it is so much cheaper that you can buy all you have been accustomed to purchase for a halfpenny less than before. What you lose on the bread you save on the tea; and when you come to the end of the year you have eaten exactly the same amount of bread and drunk exactly as many cups of tea while your expenditure on both taken together has been exactly the same (cheers). 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 by a single farthing (cheers). But you may ask why do I want to make this transfer? I get no more revenue. I am not earning a penny more for the Exchequer, but I make this transfer in order that the taxation which

at present benefits nobody but the Exchequer, may benefit your kinsmen across the sea, and stimulate their prosperity and at the same time may enable them to be better customers to the Mother Country, and more determined than ever as brothers and fellow citizens to join you in strengthening the great Empire to which they and you equally belong (cheers).

Mutual Sacrifice and Imperial Benefit

What is their position? Their position is also one in which they are not called upon for a 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. It means that the trend of emigration will be directed towards the Colonies, and not as now to a foreign country, and 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 in making 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—by means which all the best thinkers and wisest statesmen who have dealt with this subject declare to be only effective ones—by bonds of interest as well as by bonds of affection. That is my point. I can perhaps put it in different words, but I do not think that I can put it more clearly. That is the plan. What is the answer? The statesmen to whom I have already referred, and the other statesman who spoke last night in the Free Trade Hall in Manchester—What are their answers? They are beside the question, a great part of them. They attempt to bear us down with what I may venture to call Cobden Club figures to show that we are

the finest people on the face of the earth to-day, although not always the wisest, that we are progressing in a wonderful way, that we are enjoying enormous prosperity, that we are better off than our grandfathers were ; and all this is given as though it were an answer to the statement I have laid before them. It is not an answer at all. It is not really relevant to my proposals.

The Condition of the Country

I am not certain that our friends are not a little hasty. I observe that their present attitude is rather different from what their attitude was a few years ago. They were telling us then that this country was somehow or another badly off, that it could not bear the expenses of the war, and that we ought to surrender to the Boers because we could not afford to bear the cost. But that does not seem to coincide with all this splendid prosperity to which we are now referred. Then we are told that there are thirteen millions of people who are underfed and on the verge of hunger —one-third of the population. I think that statement is one of those statements that is absolutely impossible to prove by figures, though there is a great deal in it, and it is not a statement to be dismissed without consideration. Nobody who knows anything about the people of our great towns ; nobody who knows about the condition of the poor in the country can doubt that whether there be thirteen or fourteen millions or whether there be a smaller number, that there are in any case a vast number of the people of this country at the present time who are underfed. And why are they underfed ? Not because corn is not cheap, not because of a corn tax—because there is no tax at all upon corn or flour—but because they have not got enough employment (cheers). Then, again, in connection with another question, to which I have devoted a good deal of time. It is true now, as it has been for some years, that three out of every seven workmen—or every man below the wealthy class—who is twenty-five to-day, three out of seven of those who survive will be in receipt of pauper

relief when they come to the age of sixty-five. These figures are correct, and although I think Sir Henry Campbell-Bannerman's figures are exaggerated, I quote both because they bear in an important sense upon this problem. We have no right to say that the country is doing so well, whether it is in consequence of Free Trade or anything else, as long as there are so large a proportion of the country unemployed, and so long as there are so large a proportion of the working classes who have nothing to look to in their old age but the workhouse (cheers). I say then that it is not quite so certain that our prosperity is as great as we are told now it is; but for the sake of my argument, I am going to grant it. I am going to grant everything that they tell us on this point. And then I complain of them that they only look to what I may call positive statistics and never look to comparative statistics, which are a very important portion of this argument.

Free Imports and Prosperity

We are arguing about free imports not about the prosperity of the country, and the question is—Does this system of free imports conduce to the prosperity of the country? And their answer is, "Yes, because the country has prospered." Yes, the country has prospered. I grant it; I do not deny it, but other countries which are not Free Traders, or Free Importers, which are protective, which have been protective for thirty years, are increasing according to every test you can apply to the prosperity of a nation, more quickly than we are ("hear, hear"). I think I heard a voice to the right say that our prosperity was due to Free Trade. Well, then, to what is the prosperity of Germany due? ("Hear, hear.") If I were to say, "To what is the prosperity of the United States due?" I should be told "Oh, the conditions of the United States are so exceptional that you can make no comparison." But what about Germany? Is the condition so exceptional there? If it is, what about France, where the returns are not so good, but where still there has been a great increase of prosperity?

If all these countries will not do for you, I will find you one better than all put together. It is only a little country and a poor country, a country of people who have very much in common with ourselves, Norsemen, as most of us are by descent. I will refer you to Sweden ; and I will show you from the returns of Sweden that from the moment that they adopted the policy of defence by retaliation, from that moment they increased in every sign which is a standard of the prosperity of a nation ; and meanwhile their working classes were not starved, their big loaf did not, somehow or another, under some kind of peculiar magic, dwindle down till it was so small that you could scarcely see it (a laugh). Now, do please bear that in mind. When you hear that we have done well remember that others have done better, and that, therefore, if we have done well, it is not because of Free Trade ("hear, hear," and a laugh). If you want to know why we are prosperous, is there not cause enough in the fact that, after the corn laws were repealed and Free Trade began to be adopted in this country the greatest of all commercial and industrial changes took place throughout the world—that railways began to be established, that communications were made everywhere, that gold was discovered and the circulating medium was suddenly poured into the world in quantities never heard of before ? Could we fail to be prosperous bearing in mind that we adopted Free Trade after a period of Protection which had left us the greatest industrial country in the world with an immense advantage, a large start ahead. Could it have been possible that under these circumstances we should not have profited by all these changes ? And the reason why other countries which have also profited did not at first profit so fast as we did was because, owing to other circumstances which would take me too long to discuss, these other countries were subject to various drawbacks. They were not so forward as we were, they had not the same start, and it took them thirty years to come up to us ("hear, hear"). But now they have come up to us. Really, if a man cannot see the difference between the state of things to-day and the state of things thirty years ago, or sixty years ago—well, it seems

to me he ought not to call himself a Liberal or a Radical. He ought to call himself a Troglodyte and live in a cave (loud laughter). I say then, that the criticism which these gentlemen bring to bear is largely irrelevant. Their figures, at least, are largely irrelevant. I might grant them all, and not alter one word of my programme or argument. But, of course, they go further than that, and they attack my argument and my figures.

The Relative Proportions of Imports and Exports

Now, let me tell you what are my figures. What are the facts and figures on which I rely? I rely on the fact that countries which have protection have taken from us very much less during the last thirty years than they took before, that their exports to us, on the contrary, have increased in still larger proportions. Now, is not that a curious thing? Being as we are told foolish Protectionists who have not accepted our Gospel but have chosen to defend their trade by methods which we in our wisdom condemn, they ought to have met with well-merited misfortune. But how comes it that those people who ought to be in the depths of despair and misery, who ought to be poor and wretched, are nevertheless rich enough not only to keep for themselves the whole of their trade which formerly they left to us, but to send us out of their surplus a very largely increased export of their goods? I think that is rather a serious point, but Mr. Asquith says that I have committed an unpardonable error, because I took 1872 as the year of comparison. Permit me to say that if this was an error I should hope it would not be unpardonable, because if every mistake made by the various disputants in this controversy is to be treated as unpardonable, the number of unforgivable offences will grow to extraordinary magnitude (laughter). 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 upon 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 1902 and I went back by ten year periods to 1892, 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 and an increase in our imports from them (cheers). I leave him to make his choice between these figures. I think that 1872 is a very good year. It is true that it happened to be what is called a boom year. It was a magnificent year for our trade owing to the Franco-German War. But as a matter of comparison judging only by the total amount of our exports, the year 1902 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 1902 in order to compare it with another prosperous year.

A Comparison of Quinquennial Periods

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 a good year with a good year, a bad year with a bad year, one year with one year ; and now I will compare five years with five years. If, instead of taking single years, you take a quinquennial period, then it appears rather better for me than my argument at Glasgow shows. According to a statement prepared by Mr. Benjamin Kidd, one of the greatest authorities on this and similar subjects, the total average exports for the five years ending 1900 was seven millions less than the five years ending 1875 ; and if, instead of taking the total exports you confine yourself to what was the point of my argument—namely, the manufactured goods that we sent to the protected countries alone—then you will find the difference even larger than I had supposed. And, therefore, to sum up upon this point, you may take it for granted that, in any way in which you look at this matter, there has been this distinct and marked change in our trade during the last thirty years, that so far as the protected

countries are concerned they have sent us more, and taken from us a great deal less, and that that change in our trade has only been concealed by the fact that our Colonies have come to our assistance and have taken from us much more (cheers). Now, one word more about figures. Just take the imports of manufactures into this country. Remember that we were a great manufacturing country, the most powerful industrial community in the world. In 1872 we imported 63 millions of manufactures; 1872 was a big year, therefore you would suppose that the imports would fall off. On the contrary, there were 63 millions in 1872, 84 millions in 1882, 99 millions in 1892, 149 millions in 1902. In thirty years the total imports of manufactures, which could just as well be made in this country, have increased 86 millions, and the total exports have decreased six millions. We have lost 92 millions, the balance that is to say, of 92 millions of trade that we might have done here has gone to the foreigner, and what has been the result for our own people? The Board of Trade tells you you may take one-half of the exports as representing wages. We therefore have lost £46,000,000 a year in wages during the thirty years. That would give employment to nearly 600,000 men at 30s. per week of continuous employment. That would give a fair subsistence for these men and their families amounting to 3,000,000 persons. Now if you could employ 600,000 more working men and if you could find subsistence for 3,000,000 more of the population, I venture to say that whatever number may to-day be underfed and on the verge of hunger, that number would be seriously decreased (cheers). I have been quoting and answering Mr. Asquith. Let me take one of his statements, not to crush it (laughter), not to smash it (laughter), not even to pulverise it (laughter), but to cause him to reflect (laughter). If he could make a gigantic mistake of this kind, at all events this question is not quite so simple as he seems to think. He tells me that I dealt only with exports, and that that is quite wrong. I ought, he said, to take the exports and imports, and that is the true test of a nation's prosperity.

The Test of Exports and Imports

Well, let us take it and see. Last year's exports were £278,000,000 and our imports were £528,000,000. I must admit that it seems to me in my innocence, that there is no more reason for putting these two things together than for putting together two sides of a ledger, debtor and creditor, and adding them up and saying, "This is the splendid result of our business during the year" (laughter). But I am going to carry the thing further. Under these circumstances the total of the two would be £806,000,000. That is the result of the prosperous year 1902, as represented by exports and imports together. Now let me make a suggestion. Let me suppose that by a great and terrible catastrophe every mill in this country was stopped, every furnace was blown out, even the blacksmith's shop was silenced; that no atom of manufacture was any longer made in Great Britain, that we depended for everything upon the foreigner, what would be the result of this calculation? We should have an import, as now, of £528,000,000, and we should export nothing. Therefore the £278,000,000 goes out of the account. We should import £528,000,000, but we should also import for our own home use that which is supplied at present by our home production. Mr. Asquith tells us that that is five times as great as our export. I will make the calculation and tell you the result. Five times £278,000 is £1,390,000. Adding this to £528,000 gives £1,918,000, which would be our total imports. There would be no export trade, and under the circumstances I have described to you this calculation would show that we were two and a half times better than we were before (laughter). That comes of taking your brief from the Cobden Club, and it shows the danger of these figures. It is to our exports. I will not say entirely, but it is mainly to our exports—that we must look for the test of the progress of our trade.

Lord Goschen's Speech

I turn to Lord Goschen. Lord Goschen in his speech declares that he is going to deal with economic facts. How I envy him! (Laughter.) How I wish that I could deal with economic facts. I wish I could deal with any facts that everybody would accept. In this matter economists themselves differ, and what one man thinks to be a fact another will tell him at once is entirely erroneous. The great fact to which Lord Goschen devoted his attention was this. He said that a tax is always paid by the consumer, and that therefore the small taxes which I propose to impose upon bread and meat would be paid by the consumer, and 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 was levied the whole of it would be paid by the consumer, and the amount I have taken from tea and sugar is equivalent to the whole amount of the tax and not to any calculation I have made as to the proportion the consumer would actually 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, because in order to be safe, I give back to the consumer everything in order that I may not impose upon him more than I am taking off him.

Does the Consumer Pay?

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. I will give you two proofs of it. The first is the personal proof. I think I am justified

in saying that all the economists of greatest reputation, whether they are in this country or whether they are in Germany, or whether in the United States of America, are agreed that the amount of a tax that is paid by the consumer varies according to a number of circumstances, but that hardly ever is the whole of it paid by the consumer. I may quote names of men known to all who have studied the subject. I am not speaking now of the German or foreign economists, but of others—("hear, hear")—Professor Ashley, Professor Hewins, the late Professor Sidgwick, John Stuart Mill—I may quote all these men to show that they no longer believe or assert that the whole of the tax is paid by the consumer, except under very exceptional circumstances. Well, then, I go further—putting aside all this authority, supposing it is paid, what happens then? Well, we really come to a *reductio ad absurdum*. When the McKinley tariff was put on, the woollen manufacturers of Bradford and Leeds, and many manufacturers in other parts of the country who are connected with the trades which were so heavily taxed by the tariff, declared that the tariff had injured their trade, in some cases almost destroyed it. Well, if Lord Goschen is correct, if the consumer in America pays the whole tax, it would not injure these people at all. What does it matter? Here is an article which sells for 7*s*. You put upon it a tax of 7*s*. Therefore, according to Lord Goschen, it is sold for 14*s*. Yes, but the British manufacturer who sold before for 7*s*. can still sell at 7*s*. and the duty upon it will only bring it up to the price at which the consumer now buys it, and that is the 14*s*. Therefore you come to this absurd doctrine, that no matter what taxes you put on foreign goods you do not injure the foreigner in the slightest degree, and he can do his trade just the same whatever your duty is. I ask Newcastle I ask Glasgow, I ask Leeds, I ask Spitalfields, I ask every manufacturing place throughout the country whether they have found this to be true in their experience; whether when they have had a trade with the foreigner and he has put on a duty he has only hurt himself; and I ask whether they have been able to sell as much after the duty as before.

In some cases the trade has been injured and in some cases the trade has been absolutely destroyed; and that can only be because after they have given up everything in the way of profit, in the way of reduction of wages, that they can afford, still they have been beaten by the higher duty charged upon them by these foreign countries ("hear, hear").

Effect on the Price of Wheat

Lord Goschen proceeds by a number of statements to show that wheat has risen in France and Germany in consequence of the tax and to the amount of the tax. If that were true it would be a very exceptional occurrence. But it is not true—that is to say, it is not generally true. But I want for one moment to ask you this question. Suppose it had been true, suppose Germany and France had paid more for their wheat in proportion to the tax which they levied, what has happened in consequence? Lord Goschen tells you that France only takes 2 per cent. of its corn from abroad, that it is self-sufficient, and that Germany only takes 30 per cent., whereas, he says, we take 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, a 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 upon foreign countries, any one of which, by shutting their doors upon us, might reduce us to a state of almost absolute starvation. But 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 any Government in this country would ever think of putting upon 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, 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 some day, 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. And there is only one remedy for it. There is only one remedy for a short supply. It is to increase your sources of supply (cheers). 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 and encouragement. They will give you a supply which will be never-failing and all-sufficient (cheers).

The Advantages of the Proposed Taxes

I will not deal with other figures of Lord Goschen's to-night, although I may return to them. I will only say, having carefully examined this subject myself, I do not agree with him that the price of corn or food or meat varied in foreign countries, in Germany, Italy, France, and the United States, according to the tax. On the contrary, they have varied, but they have varied according to many different circumstances, and sometimes, not infrequently, when the tax has gone up, the price has gone down. Now I maintain that in the new taxes which I propose there is every advantage, firstly, because they are small—and the economists say that the smaller the tax is the less likely it is to be paid by the consumer—in the first place, they are small; and, in the second place, colonial trade and home trade will be free. In these circumstances I am convinced that of the new taxes not more than half will be borne by the consumer; and, if that be true, not only will he not be called upon for any sacrifice at all, but he will make a profit out of this arrangement, a profit which I have calculated as varying from 2*d.* to 3*d.* per week. That is what I ask you working men to do. I ask you to make a transfer of taxes which under no circumstances can cost you anything, but which may benefit you to this small extent of 2*d.* or 3*d.* a week, and which in addition will give

to you and your children and your comrades more work of a kind which is most profitable for you to do, and that will help you to take your part in welding together our Empire throughout the world (cheers).

An Imperial Council

But now I come to the most important of all questions to my mind raised by preferential tariffs. I advocate them because, in the first place, they will stimulate colonial trade. We shall do more trade with our friends, and I do not think we shall do much less with our rivals. But the main thing is that we shall do more with our friends, and we shall do it under more favourable circumstances. I have told you that the increase of this trade is essential to your prosperity. But there is something else. This is the only way. I defy you to find any other. I take all my opponents—those who differ from me, those with whom I am dealing, and those with whom I am not dealing—and I say that there is not a man of them who can give you any alternative to what I am proposing, any alternative for attaining the object which I have in view. You cannot weld your Empire together, you cannot draw closer the bonds that now unite us except by some form of commercial union. I say that none of our opponents have put forward any alternative. It is true that a statesman for whom I have the greatest respect, and who lives in the neighbourhood—I mean Sir Edward Grey—has told us that, in his opinion, it would be a very good thing to have an Imperial Council. Well, who first proposed an Imperial Council? It was not Sir Edward Grey. It was I (laughter and cheers). I mean of late years. It was proposed before me. There is nothing new under the sun. But I have pressed it more than any of my predecessors. I have done everything in my power to bring it about on several occasions—at former conferences, in public speeches, and in private speeches. I have ventured to speak on behalf of my countrymen here and to say to our kinsmen beyond the seas—"We want your aid. We call you to our councils; come and take a part in them,"

and they have decided they will not advance along that line and federate in that way. I do not mean to say they will always refuse it; on the contrary, I believe that if my proposal were carried a Federal Council would be a necessity; but you cannot have 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—but meanwhile this alternative so lightly thrown down by Sir Edward Grey is no alternative at all. You cannot approach closer union by that means. 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 (cheers).

The Supposed Bribe to the Colonies

Well, I say that that is the only way in which you can approach this question. You will have to move gradually, but this is the first step, and I ask you to take it. Why should we not take it? ("Hear, hear.") The answer made to that is, in my opinion, antiquated, inconsistent, and, above all, it is mischievous. It is not an answer which ought to be made by men who have the Imperial cause at heart ("hear, hear"). What is said to me? It is said: "Mr. Chamberlain, of course has got Colonies on the brain (laughter). He thinks he discovered them" (laughter). I know a good number of people who apparently have forgotten them (laughter and cheers). "But he is so anxious," they continue, "to secure their good will that he is prepared to wrong his own country in order to do it. He offers them a bribe. We are already doing more for them than they do for us, yet now we are called upon to make further sacrifices, to bind ourselves hand and foot without the slightest

advantage in return." In my opinion it is not wise or patriotic to say that kind of thing to your Colonies, and it is not true (cheers); and the very people who say this, in the same speeches—and you can see them for yourselves if you will read all the oratory of the last week—(laughter)—the same people say that it is no sacrifice at all, that it is no boon to the Colonies, that the Colonies would not accept it, that the benefit is so small that it is not worth their acceptance. Now, how can a benefit, which is so great to them that the giving of it will ruin the United Kingdom, which they tell us is the most prosperous of countries in the world, yet be so small that the Colonies would not think it worth picking up from the floor? Then, again, they say in the same breath the Colonies are selfish, that they will pursue their own interests, that they will do nothing for us; and, on the other hand, they tell us that the Colonies are so unselfish that they will do anything for us and ask nothing in return. But these are not serious answers to a serious question.

Lord Rosebery and the Empire's Future

I ask for preferential tariffs in order to keep the Empire together (cheers). I have not said, as I am told I have, at least I have not intended to say, that if I do not get them the Empire will immediately break into fragments. I do not think that. I am not prophesying an immediate catastrophe. But I say that those only are entitled to the name of statesman who can foresee what is to happen—(cheers)—at all events in their own world—(cheers)—and can provide for it (loud cheers). Now, I think that without these preferential tariffs you will not keep the Empire together (cheers). Lord Rosebery at Sheffield says: "I do not find one jot or tittle of proof for this amazing assertion." It is not my assertion; it is Lord Rosebery's (laughter). I want to have this out with Lord Rosebery, not in any controversial spirit. I quoted, what I am going to quote to you again, at Glasgow some time before the Sheffield meeting, hoping that he would notice it. He did not notice it, and says, in fact, that this idea that a tariff is necessary to the Empire is

an amazing idea and there is no jot or tittle of proof for it. Yet in 1888, at Leeds, Lord Rosebery said: "The people of this country will in a not too distant time have to make up their minds what position they want their Colonies to occupy with respect to them, or whether they desire their Colonies to leave them altogether. . . . It is, I believe, absolutely impossible for you to maintain, in the long run, your present loose and indefinable relation and preserve those Colonies as part of the Empire" (cheers). That was what Lord Rosebery said in 1888, and what was his remedy then? His remedy was this. He said: "I do not see that you can obtain the great boon of an Empire encircling the globe with a bond of commercial unity, without some self-sacrifice on your part" (cheers). In other words, the disease was the same, the prescription was the same. Lord Rosebery then thought that a commercial bond of unity was the way to bind the Empire together, and without it it would be absolutely impossible to preserve our existing relations. I really do not know that he has changed, because in the Sheffield speech he told his audience that this view of mine which I am anxious to impress upon you was not new. It is not new. I am not professing that it is a novelty. I am as conservative as the wildest Radical (loud laughter). He says these were his own suggestions when he was president of the Imperial Federation League. He went on to make the most marvellous statement I have ever heard an English statesman of his capacity make. He said that he did not believe that any minister could be found bold enough to carry it out (laughter). But I should have thought from that that, if any Minister or Ministry were found bold enough to press such a policy and to attempt to carry it, the most ardent of his colleagues the most valiant of his comrades, would be Lord Rosebery himself (cheers). And yet, when the time comes Lord Rosebery, who is always making the most admirable suggestions, does as he has done before, runs away even from his own suggestion, because he finds it will involve him in some difficulty and possibly in some political risk (cheers).

Lord Goschen and Colonial Relations

Well, Lord Goschen takes a different way. He is not waiting for the bold Minister, but he says he warns his countrymen for heaven's sake not to come to terms with our own kith and kin. What a terrible thing! (Laughter.) It is certain, he says, to breed a quarrel. The best way is to remain absolutely isolated; that if we made a treaty with them or with foreign Powers that will involve a limitation of their freedom or of yours, and then, said Lord Goschen, think what the result may be. Certainly it will lead to a greater division of opinion rather than greater union. Does Lord Goschen act in his own family upon that principle? Perhaps it is an impertinent thing to do to pursue any man into his own family, but I will put it generally. Do we act on that principle ourselves; do we refuse to take our children into our confidence; do we refuse, when they are in our confidence—do we refuse to promise anything, to pledge anything, to come to any argeement with them? Do we say, "Don't let us talk upon this matter for fear we disagree?" (Laughter.) But Lord Goschen did not always hold this extraordinary view, the effect of which would be that, if Lord Goschen should join another Government that Government must never make a treaty again. It applies as much to treaties about defence or anything else. The Japanese treaty, for instance, is absolutely condemned by the same argument which would also have condemned the Cobden treaty with France in 1860. But Lord Goschen said only twelve years ago: "I must enter my protest against an extreme application of the view that under no circumstances could we make fiscal treaties with our Colonies without injuring other portions of our trade. If we find we could make the whole Empire one as regards customs, surely we have the same right of Zollverein union with our Colonies as Germany has w th Bavaria or the United States among themselves. I claim for ourselves the same right" (cheers). The present proposal is not a proposal for absolute Free Trade in the

Empire, which is what is meant by a Zollverein, and, therefore, Lord Goschen might properly say, "Although I would support the one I will not support the other;" but it disposes of the principle of not making treaties, because if you made a treaty of Free Trade with your Colonies there would be a much greater limitation of freedom on both sides than if you only dealt with half a dozen or more articles. Therefore I cannot think that Lord Goschen has seriously undertaken to put forward as a sufficient answer a case so weak as that ("hear, hear").

The Nation's Opportunity

I do not threaten your prosperity, although I say that if we continue on our present lines I think it will be seriously in danger ("hear, hear"). I have not threatened the immediate disruption of the Empire, but I do not believe we can permanently keep the Empire together except upon lines which have been understood and adopted and worked upon by other countries with success. I do not believe that the United States would have been the great empire it is but for commercial agreement between the several States which form it. I do not believe that Germany would have been a great and powerful empire but for the agreement between the several States that created it; and I do not believe that we shall be a powerful Empire, I do not believe that we shall be an Empire at all, unless we take similar steps. We have a State which differs indeed from theirs; differs, in the first place, because it is greater, because it is more populous, differs, in the second place, because it is more universal in its products of every kind, differs also, as I think, in the fact that its growth is all before it, and whatever we may hope for to-day by the adoption of this policy we may fairly hope to gain much more if it be consistently pursued for generations. It is on that account, therefore, that I hold that the present time is so important. I ask you not to be frightened by bogies which are raised by our opponents, the bogey of dear food which will not come, by the bogey of retaliation by

other countries, which would certainly cost them a great deal more than us, by the terrible consequences of adopting a policy which has successfully promoted the interests of every other civilised country in the world. No, gentlemen, I ask you not to be frightened by threats of danger to come. But I ask you to look at this matter with a great sense of responsibility, remembering that this Empire of ours, of which I believe, we all in our hearts are proud, is a great trust committed to our hands. It has often been in the past, I am not prepared to deny it, a heavy charge and responsibility; but it has made us what we are—it has taught us to see the virtue of national sacrifice, and we may in the future look for fruits from this tree which will justify all the pains that we may take in its cultivation. Therefore it is that I invite my countrymen now, when I firmly believe they have one of these opportunities that seldom come to us, now that they have the opportunity of making this Empire permanent, not to dismiss this possibility as a vain and empty dream. Remember that its realisation will be the greatest glory that can ever fall to any statesman or to any nation. I ask them to take these things into their consideration and to come to a right decision (loud cheers).

HOW THE POLICY AFFECTS WORKING MEN

At an overflow meeting in St. George's Hall there were about five thousand present. Mr. Renwick, M.P., presided. Mr. Chamberlain had a most enthusiastic welcome, the audience singing, "For he's a jolly good fellow," and cheering wildly.

Mr. Chamberlain said:

This great subject of tariff reform is so large and so complicated that if we go into details it is very difficult to select from all its branches what would be most advisable to dwell upon. I speak in ignorance of what has gone before in this large gathering, but I think that perhaps you would like to consider, in the first place, how this question affects the working man.

The Working Classes and Fiscal Reform

I disclaim altogether any idea of appealing in this controversy to classes. One class is as good as another class and has as much right to justice as another (cheers). Whether it is numerous or not, it is entitled under the best traditions of the British race to equality of treatment and fairness of consideration. But the working class is the most numerous class, and I think that any great change in our fiscal system is likely to affect them more than any other class. You hear a great deal about the interests of consumers and producers, and I want to point out to you that the working man in every case is both a consumer and a producer. There are some persons who are consumers without being producers, but they have to be very rich (laughter) before they can attain

to such a position. Now it appears to me that the free importers make a great mistake—which the working men have already found out—in discussing this question as though it were chiefly a question concerning consumers. It is much more a question concerning producers ("hear, hear"). But as working men are both, I will just consider their position as consumers. Under this head their natural desire is to have everything as cheap as possible, and it is an important result of my plan that it will not raise the cost of their living by a single farthing. It is true that I propose to transfer a part of the taxation you now pay from one article which you consume to another, but if what I take off is as much as what I put on the change cannot make any difference to your pockets.

How the Plan will Work

Suppose that you are earning 30*s.* a week, and suppose that the Government of the country wants 6*d.* a week from you to pay for all the administration of the country. Now, it does not matter one halfpenny to you how it takes that 6*d.*—not in regard to your pecuniary position. Your wages of 30*s.* will be reduced to 29*s.* 6*d.* because of the 6*d.* the Government takes; but whether it takes it on bread, or whether it takes it on tea, or whether it takes it on tobacco, it may matter in other ways, but it does not matter in money to you one atom; and that is why, in considering this question, I beg of you working men to remember that it is not a pecuniary question. You cannot lose money by my proposals. Therefore you have only to consider what you will gain by them. I admit that nobody wants to change. We are all more or less conservative (laughter), and we all want to stick as we are as long as we are comfortable and as long as there is no object in change. But I urge upon you that, while there is a great object in change, you cannot lose by change (cheers). Very well, if you are not to lose anything, what are you to gain? As a consumer you will not lose, your cost of living will be as cheap as ever, but as a producer you will gain. What is the interest of

every workman in this country? Employment. Every sensible workman knows that more good would be done to him if you can assure him to the end of his working days constant employment at fair wages than anything else in the world. I have tried in my way to help him. I have passed legislation, I have promoted legislation, I have helped others to promote legislation, and I believe the marks of confidence which have been so often shown to me by the working classes in the kingdom are due to the fact that they know well I have in my public life made it a first object to raise the standard of living amongst the working population (cheers). But I have always said that the Acts that have been passed—Employers' Liability, Workmen's Compensation, and the Factory Acts and the Mines Regulation Act—pale their ineffectual fires before the advantage which workmen in this country would derive if their employment were more certain, more continuous, more widely extended, and better remunerated. My belief is that, if you will agree to this change of taxation, which is not proposed to you to get more money out of you, but which is intended to give a preference to your own Colonies, your own kinsmen, the men who helped you in the time of stress and danger, you will not only help them but they will give you something in return in the shape of more employment.

The Claims of Empire

Here are eleven millions of white men, flesh of your flesh, blood of your blood, of the same religion, and with the same reverence for the British Empire, claiming to share its history and its glorious past; they are willing to unite their future to yours (loud cheers). I say it would be mean, unpatriotic, and unwise to consider the subject in a petty, haggling spirit. These are the men with whom you are asked to enter into closer relationship for their own as well as your own benefit, and in doing so you will stimulate their progress and increase the employment for your labour.

Employment and Wages

I want to point out to you, and nobody can possibly controvert the fact, that if there is more employment there must also be rises of wages. What do you find now? Is it not always the case that a rise of wages follows more employment, and if to-morrow you had in this town only one man for two jobs instead of two men for one job, do you not think that the necessary result would be that the value of your labour would be higher and that you would benefit in consequence? And remember that that is not a question between you and the employer. The American employer is happier in giving better wages to his men when he knows that there is plenty of employment. Why? Because he gets higher profits when there is plenty of employment, and he is glad to give more for the workmen's services. When work is slack the wages of the working men are lowered and at the same time the employer's profits are lowered. Now you working men know that the best thing for you is employment; if you do not secure it you have either to emigrate or go into the workhouse. That is the question for you to consider. Have you considered it in Newcastle? There are not many cities that have not felt the pinch. You, as far as my information goes, have felt some of it along with other manufacturing towns in the North of England. One thing is clear to men of business, and I speak as a man of business as well as a statesman, and that is that there are always fluctuations of trade. There have been years of good trade, and you must expect in the ordinary course of trade to have years of bad trade. I want you to prepare for that. You are asked, "What does it matter to you if one industry after another is destroyed? You must go and find other employment," but I should like to know how a man who is used to working a hammer can go and make needles. How is a man who has been brought up to a technical business, which any of us would be sorry to try, and of which we should make a beautiful mess if we did try,

and has gained at it great superiority so that he earns large wages—40*s.* to 50*s.*—how is he going to find any other trade? Is he going to sweep the streets? But he will not do that so well as those accustomed to doing it all their lives (laughter). Is it not a pretty thing that these free importers should come down to you workmen and tell you that you are not to support the change that I propose because when one of your industries has gone the men employed in it can take up some other trade? Follow it out—what has become of those friends of yours who were in that trade? How many of them have succeeded in getting as good places as they had? Think how much loss, how much suffering, particularly to those dependent on them, must result from a change of trade such as I have been speaking of. Take the case of iron imports, which have risen from 100,000 tons in 1899 to 530,000 tons in 1902 in this district. They have come from the foreigner. Meanwhile, of this same iron we sent out 1,000,000 tons in the earlier year, and we only sent out 320,000 last year. Let us make a calculation. We have lost upon that 430,000 tons which the foreigners sent us and upon which we got no wages at all and no advantage at all; and we have lost also 680,000 tons upon which we did get wages and which we used to send to the foreigners.

The Interdependence of Trades

That is very pretty, but how long is it to go on? And what is to happen if it does go on? Do not believe that selfishness is a good policy. You may think: "What does it matter to me—I am a coal-miner—what happens to the iron trade? I am sending coal to the foreigners in increasing quantities. Why should I join a movement intended to protect the iron trade?" In the first place, your trade is of the most precarious kind. You miners are sending out coal, and half of the coal sent abroad is bunker coal. That will not be affected by this change. It goes to English steamers. Nor does it much affect your trade in the North, as it is Welsh coal.

But of the remainder, how long do you think that they are going to take your coal ? You are only waiting to be eaten up (laughter). If you look, you will see that the production of coal in France, Germany, and America has been increasing with gigantic speed, and it is as sure as anything that in a comparatively few years they will want no more of your coal, and that they will probably be exporting coal here. What is your stand-by ? If you will back the trades that take your coal, the ironmaster, the iron miner, and persons connected with them—if you support them and all others who use your coal in this country to maintain their trade, the time will come when they will maintain yours. If you leave them to find their ruin now, it will not be much use ten or twenty years hence for you to ask them to support you in claiming an import duty on a product which you now declare should be free. It is in the interests of one class of manufacturers to support another. Take another instance, a Newcastle-on-Tyne industry. I remember when I was a boy that glass and the Tyne were synonymous terms. What is the state of the glass trade on the Tyne ? I am informed by a gentleman connected with the trade that twenty-five glass works have been closed and that the imports of glass are three times as much now as thirty years ago, and consequently now three times as many Britons have been displaced from their ordinary labour to make room for the foreign goods which have come in from abroad. Take chemicals. I have tried to find out what is the truth about a rather technical matter, and I tell you, who probably know more about it than I do, because I am telling a good number of other people who will perhaps do me the honour of reading me to-morrow. The decomposition of salt by the two processes used for this purpose, Le Blanc and electrolytic, has fallen 22 per cent. in twenty years, and the exports have enormously decreased. There is one part of the trade that seems to be gone, or nearly gone, and the remainder of it is in the greatest danger. In one process for making alkali there are two products, caustic alkali and bleaching powder. People who want to export alkali must make the bleaching powder and get rid of it in order to

make it pay. The Germans have this advantage. They make as much alkali as they want, and all the bleach that comes in the process they dump here in England. We can only make a limited amount of the alkali because we cannot sell our bleach, and if this goes on we shall sell no alkali at all in that process which requires that both alkali and bleaching should be produced. I have said enough of these technical and local matters.

Retaliation

I want to know what have our opponents to say to this? They complain that I am a pessimist (cries of "No"). I do not want to exaggerate. You may not feel the result for some years to come. If you are content to say, "Let the present system continue," very well and good. You may say, "All's well to-day: we do not care about to-morrow" (laughter). You will care if you pursue the present system. The only way to stop it is by retaliating upon those people who put their hostile tariffs upon your goods. You might say to them: "We are willing to treat with you if you will deal with us upon equal terms, but if you will not let our goods into your markets, we will not let your goods into ours" (cheers). I think I have said enough. I have put before you two parts of my programme. My programme is to go with a stiff back to our competitors and say: "Gentlemen, we think you have played this game long enough" (cheers), and then I would go to our friends and kinsmen in the Colonies and say: "Gentlemen, we think, having regard to the probabilities of the future, that it is high time that John Bull and Sons entered into partnership" (cheers).

Joint Heirs of the Empire

We are joint heirs of the greatest Empire the world has ever seen (cheers). What can we make of it? We, the white men, the British race, to whom it has fallen, to whom it belongs, with all its responsibilities by virtue of the

sacrifices that we have made. What can we do with it? We should say to the Colonists: "We ask you to help us; we invite you to our councils; we call upon you to be one with us in your trade as in everything else." I firmly believe that the appeal which came to us first from the Colonies will now be reciprocated by the British people throughout the world. There is no limit to the prosperity of this country and of the great Colonies, which are only at present in their infancy and which are rapidly approaching to manhood, and this great inheritance which has fallen to us will become a still greater Empire to those who come after us (cheers).

RESULTS OF THE NEW POLICY. WHAT THE COLONIES WILL DO*

MR. CHAMBERLAIN, on rising to speak, was received with great cheering. He said :

I think that the two previous speakers said something of the gratitude with which you welcome me to-day to Tynemouth ("hear, hear"). Ladies and gentlemen, the work that I have undertaken is not an easy one. I am not inclined to minimise its labours, but when we come to talk of gratitude, it is I who owe gratitude to great Constituencies like this, representative of the energy, the enterprise, and the industry of the country, who are willing to listen to what I have to say, and who have already given me such encouraging support (cheers). It is not an easy thing to address in a few hours three great meetings on the same subject, and to introduce anything of novelty into these addresses, but I suppose I may still find something to say (laughter) on a topic whose importance none of us are likely to under-estimate, and in which so many are interested.

This question touches, and touches closely, every man, woman, and child in the British Empire. Now, among other things that have been said about the present agitation, there are two which I will call mistaken if they are nothing worse. It is said that I have sprung this subject upon an astonished people, and that the discussion is one that is altogether premature—sudden and premature ! Well, so far as suddenness is concerned, if there is ever to be anything new in the world it must be sudden (cheers), or if it were not

* Delivered at Tynemouth, October 21, 1903.

sudden, it would not be new (laughter). I am not ready to admit that the active propagation of the principles which I have laid down is unexpected. I suppose that my resignation may be unexpected to some of my colleagues who did not expect that I should resign my office in order to give effect to my principles, but it was their fault and not mine. Because I assert—having previously obtained the permission of his Majesty to make such statements as may explain my resignation—I assert here that, whatever any member of the Cabinet may have heard or have thought, I distinctly declared that if this policy of preferential tariffs were not accepted as the policy of the Government, I should be unable to continue in the Government; that I should feel it my duty to appeal to Cæsar (cheers)—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 understanded of the people (cheers). But although 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 has thought that a question of this kind should be forced upon 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, to every trade, every interest, every man, and 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 (cheers). My endeavour now is to make the importance of this matter clear, and not to steal a march upon 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 (cheers). During that time I am going to work (cheers), and, as far as I

can see, I am going to keep my opponents at work too (laughter and cheers).

Preparing for a Long Conflict

If I succeed in convincing you that this change is necessary in your 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 if life and health are spared to me, I will go on again ("hear, hear," and cheers). I will never drop this subject that I have undertaken unless, 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 ("hear, hear"). So much for the suddenness with which this question has been introduced. There may be plenty of time for discussion. All that is wanted is that our political opponents should not press for an election (laughter). I am not dealing with party politics, and I am not saying whether that will be wise for them or wise for us; but I say, so far as this question is concerned, they have it in their own hands whether the decision shall be sudden or slow (laughter and "hear, hear"). But is it premature? (Cries of "No.") Premature! Are we in all respects situated so admirably that it is premature to raise the question whether we might not be better? (Laughter and "hear, hear.") Are our relations with our Colonies, and is the future of the Empire so clearly defined that it is not desirable to discuss these matters? These matters are difficult. For a man to express himself with all the courage and consistency of my friend Mr. Leverton Harris may require a certain amount of moral strength. But are we, because there are many people who have no moral strength, to say—This is a question on which there will be division, and, therefore, we will not talk upon it at all? Are we to listen

> To the voice of the sluggard? I heard him complain
> You have waked me too soon, let me slumber again.

(Laughter and cheers.)

Results of the New Policy

Past History of the Agitation

It is not premature to raise this question. Look back, if you please, upon its history. There are two branches of it. The first may be described as an endeavour to protect ourselves against the hostile tariffs of other nations, either to secure from them some consideration of our interests, some reciprocity in return for all that we offer to them, or else if they will not meet us to say, "Very well, gentlemen, you can keep your own markets, you can block us out by your tariff walls, but you shall not come into ours" (loud cheers). That is the first part of the question. And the second part of the question is the one to which I have specially devoted myself, the question of preferential tariffs with our Colonies, in order to increase the sources of supply within our own Empire, in order to make us self-supporting, in order that the British race throughout the world may be independent of foreign supply and foreign assistance (cheers). Now, it is not premature to raise either of these questions. Is it premature to raise the question of retaliation—the question of Fair Trade, as it is sometimes called? Why, it was raised in the early 'eighties. By whom? By Lord Randolph Churchill (cheers), and I observe with some surprise that his son, while admitting this, asserts that in the latter part of his life his father changed his opinions. I was an intimate friend of his father, and I knew a good deal of what he thought and spoke, and while I do not for a moment contest any statement which may be made, after consideration of his papers by his son, yet I say that, as far as I was aware of Lord Randolph's opinions, he had never changed in this respect. The only difference, as I supposed, was that in 1883 and 1884 and 1885, he thought he could persuade the people of this country to adopt this policy, and, later on, he thought that was impossible. Therefore, as he was perfectly justified in doing, he turned aside to other matters in regard to which he thought he would have more influence upon public opinion ("hear, hear").

A Curious Change

But there was another great authority; that was Mr. Ritchie, who about the same time brought forward a Fair Trade resolution in the House of Commons. Well, nobody recollects that better than I, because I opposed it (laughter). It is really a very curious change (laughter and "hear, hear") —a *chassé-croisé*—that whereas in 1883 or thereabouts, I was convinced of the extreme importance of, and advocated, free imports, at that very time my opponent was Mr. Ritchie, who was advocating Fair Trade and preference to our Colonies. I admit that I have changed my opinion ("hear, hear"). I admit that I have done so because, in my judgment, the circumstances have entirely changed in twenty years. I do not mean to say that in 1883 there were not some signs of danger which I myself perceived; but I did not think at the time there was any sufficient ground for coming to the people of this country to ask them to make a great change in their fiscal system. But since 1883 everything has changed in that direction. Since 1883 this great foreign competition has sprung up, these protective nations have grown up under a Protective system, and instead of being ruined, as many men supposed they would be, they have prospered more and more. It is a matter of common knowledge, and I do not feel the least humiliation in saying that these facts have had an effect upon me, and they have changed my opinion as to what is the right course to take. Whether it would have been right to take it in 1883, when Mr. Ritchie proposed this policy, I am not certain even now, but that it is right to-day I have no difficulty whatever in thinking. I have explained my position. I leave it to Mr. Ritchie to explain his. I do not blame him in the least for changing his opinion, but I ask him how—seeing that the arguments he used at the time of which I am speaking have now been materially strengthened by the change in our circumstances—he has given up the policy he then supported? There were many others who were precursors in this policy, and if I had time, and it were

interesting to go into these personal matters, I should like to consider whether the truth is that I am too late or that they were too early. My own feeling is that men like the venerable Sir Charles Hamond, late member for Newcastle (cheers), and Sir Farrar Ecroyd, and other leaders in the Fair Trade movement—my opinion is that they were too early, and that, although the dangers which they suspected were real dangers, they had not manifested themselves clearly at that time. Therefore the majority of us were unable to appreciate the full force of their arguments. But now let to-day take care of to-day. Any man who approaches this question in an impartial spirit will have no difficulty in seeing that all these dangers have greatly increased; and, if they continue to increase in the same proportion, we shall not only lose our commercial supremacy but the whole character of this country will be changed, and in the course of another generation this will be much less an industrial country inhabited by a race of skilful artisans than a distributive country with a smaller population consisting of rich consumers on the one hand and people engaged in the work of distribution on the other. In itself, the country might still be richer, but it would be a country—I was almost going to say not worth living in, and at any rate not a country to be proud of (cheers).

That is the history of this question of retaliation. Surely it is not premature to raise it now, seeing that it was raised twenty years ago.

Our Colonial Relations

Then what about preferential tariffs and the closer relations with our Colonies? (A voice, "The right thing," and cheers.) Yes, it is the right thing. I thought my friend said it was ripe. I was going to reply, "It is ripe" (cheers), and when the fruit is ripe, and you do not pluck it while it is ripe it becomes rotten (cheers). But I was about to say that this branch of the question also is not new. I referred last night to a speech of Lord Rosebery's, made in 1888. Now, unfortunately, there has been a misreport of

my quotation last night, and I wish to correct it, because I would not for the world misquote any one, and least of all Lord Rosebery. The quotation as I gave it at Glasgow, and as I believe I gave it last night, was this: "I do not see that you can obtain the great boon of an Empire encircling the globe with a bond of commercial unity without some sacrifice on your part." The only point I want to make is this, that Lord Rosebery evidently thinks that an Empire encircling the globe with a bond of commercial unity is a good thing (cheers). He said that he thinks also that you cannot obtain this without sacrifice; and then, in a previous part of the quotation, he points out, that if you do not make this sacrifice, you might lose your Colonies (cheers). That is the only argument that I wished to derive from what he said in 1888; but when I said that this matter is not premature, I did not refer to Lord Rosebery at all. I referred, to begin with, to the great Conference that was held in Ottawa in the time, I think, of Lord Rosebery's Government. It was after he became Prime Minister, and whilst Lord Ripon was Secretary of State for the Colonies, and at that great Conference it was proposed, unless I am mistaken, by an Australian, and seconded or supported by Mr. Hofmeyer, the greatest, I think, of all the Dutch statesmen that have ever held influence at the Cape, and it was supported by members from Canada. And what was the proposal? It was for preferential trade throughout the Empire upon all articles upon which taxation was levied. Lord Ripon felt himself obliged to refuse that proposal. After I came into office I had to reconsider the question immediately. I made two speeches on different occasions in which, accepting the principle of Preference, I urged the Colonies to go farther and establish a real Free Trade throughout the Empire with duties on all foreign countries. Then I presided over two great Conferences—one the Jubilee Conference, the other the Coronation Conference of the Premiers of all the self-governing Colonies. And this matter of Preferential tariffs was before both Conferences, was the matter of particular discussion by the Conferences—and as the result of the

second Conference a unanimous Resolution was arrived at, asking the consideration of the Imperial Government to the desire of the Colonies that in return for preferences they were willing to give to us we should give them the preference in the case of other existing taxes in which they were interested (cheers). What happened after that? Nothing was done. Canada, in spite of this rebuff, gave us a preference of $33\frac{1}{3}$ per cent. upon its duties, and the result of that has been that our trade with Canada, which was falling to nothing, has increased from about six millions in a few years till this year, when it will be about eleven millions; that is to say, it has nearly doubled (cheers). The Australian Premiers promised to move their parliaments to give us a similar preference. The matter is still under discussion in New Zealand and in Australia. In South Africa, the Governments of South Africa, the self-governing and the new Colonies, have agreed to give a preference of 25 per cent. (applause). Will you bear in mind that all this has been done without any promise of a return, of a similar character—that is to say, it is done voluntarily by the Colonies. Is it not a mean thing afterwards to say to these men, when they come and ask you for something, "You are asking too much? You are giving nothing, and we are asked to ruin our trade in order to benefit yours." There is absolutely no foundation for a charge of the kind, which is a calumny on the patriotism and on the generosity of our Colonies (cheers).

The Corn Tax

Well, they give us these preferences. They were the subject of the same sort of political controversy in the respective Colonies which a similar proposal has raised in this country. There was a Party in Canada who said: "Why have you given this for nothing? Why don't you make a bargain with Great Britain, with the Mother Country? Why do not you ask them to give us a preference?" Well, they did ask us to give a preference, and at the last Conference the Canadian Minister said: "You have got

a Corn Tax of only 1s. a quarter, which cannot be appreciated in coin of the Realm." (a voice, "A farthing"). Not a farthing, but less than one-eighth of a penny per quartern loaf—supposing it were all paid by the consumer. They said: "It is of no real consequence, but as a matter of sentiment it will show your feeling towards us as we have shown our feeling towards you. Give us a drawback. That will not hurt your people. On the contrary, if you are right in thinking that they pay the tax, if you allow our corn to come in free it will have a tendency to reduce the price, and, therefore, you will be benefiting the consumer, and at the same time giving us a little benefit, and will enable us to do what we want—not merely to give this $33\frac{1}{3}$ per cent., but also to give you something else. You could in this way touch the sentiment of reciprocity throughout the Colonies, and your action will be appreciated there. It will enable us to go with you in this great Imperial crusade, and it will enable us to carry your policy further." Well, sir, the late Chancellor of the Exchequer declined to comply with that request. He was ready to keep on the corn tax, but he would not do so to give any preference to the Colonies. Some day, before I am done with this discussion, I am going to say a word or two about that (laughter and "hear, hear"). For the moment I merely state the fact. Mr. Ritchie threatened resignation unless he was permitted to take off the corn tax without giving any preference to our Colonies. I am not blaming him. But what was the immediate result? Then we stood in face of our Colonies, and I, as Colonial Secretary, was expected to say to them: "Not only will we not put on a tax in order to give a preference to you, but now that we have a tax which does us no harm, does not add one farthing to the cost of the living of any working man, and of which nobody complains, we insist upon taking it off, for fear we should be obliged to give our own kinsmen a slight preference." The situation became critical at once. I knew enough of the Colonies to know that, generous as they are, true as they are, loyal as they are, they are very sensitive of your opinion ("hear, hear"). And if you are going to show in these matters that you care nothing for the r

opinion, if you will not even give consideration to them, and if you will not meet them in any way, even if it does no injury to yourselves, because of some pedantic idea of a Free Trader or Free Importer, I do not see how you are going to maintain this good feeling which we are all glad to believe obtains at the present time. We cannot afford to play tricks with so precious a gift.

Relations with Mr. Ritchie

Under these circumstances there was only one thing open to us; we could not afford to lose our Chancellor of the Exchequer just before the Budget was to be introduced. We had to accept the view which was forced upon us, but we claimed—those of us who thought as I do claimed—that under the circumstances this matter must be brought before the country (cheers). We claimed that this matter must be discussed in all its branches, and thereupon it was that Mr. Balfour, making his speech to the Deputation who came to him about the Corn Tax, and I myself, making a speech at Birmingham, pointed out to the people of this country what were the tremendous issues which were now in their hands, and implored them to consider them before the next election. In my case, at any rate, I propounded a policy which I believe to be the only one which will maintain our Empire as it is (cheers). In these circumstances I think, gentlemen, that this matter was not prematurely introduced. It was quite time that the question was raised by some one. It is a duty, and a heavy burden and responsibility, as you can all understand; but I do not think that it fell more clearly upon any man's shoulders than it did upon mine, because for eight years I have been in close communication with these Colonies, and have been doing everything in my power—without, indeed, doing anything which could by any possibility injure my own people—to bring the Mother Country and these countries which I consider part of our common Empire (cheers) into closer union of heart and of interest (cheers).

What are the questions, then, that I have propounded?

In the first place, my question is whether a policy—which, remember, was based upon statements made at the time that policy was inaugurated, every one of which statements has been refuted by subsequent experience—whether that policy should be reviewed and reconsidered. You were told—not you, but your fathers, sixty years ago—that five years after Free Trade was adopted every other country would be Free Traders. You were told that Free Trade would not in the slightest degree interfere with the industry of the tenant farmer. It might reduce rents, but his position would be as good as ever.

Early Free Trade Promises

I need not contrast to-day, though I will do it if necessary, the difference between the promises that were made and the performance. I see how it happened. I do not think that it was unreasonable for Mr. Cobden to believe that those would be the results of his policy. Only, unfortunately, they have not been the results that were actually achieved. Now, when the doctor comes to you and says, "You will take so many pills and in a week you will be all right," and then at the end of the week you find you are a great deal worse, do you not think that under the circumstances you would go to your doctor and say to him, "I would rather prefer a different prescription?" (Laughter and "hear, hear.") Then, the second point is this—We are a mild and patient people. There are all sorts of things you can do to the British lion (laughter). You can tickle him (laughter), you can pull his hair, you can even tread on his tail (laughter); but you must be careful. Some day or other there comes a time when he will not even let you whisper in his ear (laughter and cheers). Now, for twenty years past—especially in the last twenty years—the foreigners have assumed that the British lion was asleep, and they have attacked his markets one after another, and they have made great inroads upon them. They have not done this by what is called fair competition, not because they make things better than we do, nor because they make them cheaper

than we do, but they have done it owing to the advantage given by their fiscal system, owing to the bounties which they have granted, owing to the Trusts which they have created, owing to the fact that, as to many of them, they have not adopted our humanitarian views about the position of the working men. And accordingly they have been able to produce more cheaply, because they have got their labour at a lower price, or have enjoyed other advantages in the competition. As long as this did not appear to produce any effect, I do not wonder that the British lion continued to sleep. Now it has produced an effect so serious that there is not a single town in this country in which one or other of its industries has not felt this pressure. My second question therefore is, How long do you intend to take this lying down? (Cheers.)

A Policy of Retaliation

I believe myself that a policy of retaliation under such circumstances, the policy, in fact, of the Government, is legitimate, is wise, and will be effective (cheers). Then the third point is whether we should not attempt to recover our export trade ("hear")—I have not spoken of our home trade—whether we should not attempt to recover our export trade by negotiation. If we were to go to foreign countries and were to say to them: "We are no longer going to allow you to come in free here unless you allow us greater facilities than you have hitherto done," my own belief, and it is based upon considerable knowledge and experience, is that, in many cases, at any rate, they would be only too glad to treat with you. I have been told by foreigners of great distinction: "We have no enmity to you, but you surely cannot expect us not to take advantage of the open door ("hear, hear"). We protect ourselves because we believe it is in our own interest, not because we wish to do you an injury. You do not agree with us. You tell us that we are fools. You tell us that we are ruining ourselves, and you, therefore, prefer to keep your doors open. As long as that is the case we will come into your door. If you are

going to take a different line, and say that your door will be shut as our door is shut, then we are perfectly prepared to deal with you (cheers). As far as we have got at present we are not prepared to open our door and keep it entirely open. But we will keep it ajar, and we shall not complain if you keep yours ajar too." It is not a position of hostility to foreign countries, but it is a practical thing. I do not believe there is a man in this country who would tell us that these foreign countries would not give a penny in order to keep for themselves the biggest of all the markets they could possibly obtain. I pass by that argument as absurd.

My last question, and the most important question, is whether we can succeed with our Colonies (cheers). That is the most important thing. They are the markets that are increasing most rapidly. Eleven millions of whites, remember, taking from you £5 or £6 per head, while—I forget—I think it is 270,000,000, but it is, at any rate, hundreds of millions of foreigners only taking a few shillings per head. It is much better if we can increase the number of our customers at £5 than that we should bother ourselves too much about our customers at 5*s.* or 6*s.*

A Mandate asked for

I want, therefore, a power of negotiation. I want a mandate from you and all the people of this country (loud cheers) to give me leave to negotiate with our own people, with our own kinsfolk (cheers). What sort of negotiation is that going to be? We are told they will not negotiate; I think that absurd. We are told two things. We shall ask for too much, and they will give us too little. There has been a misapprehension as to something I said at Glasgow, and I want to make this clear, and I ask the great agencies of the Press to convey my views to the Colonies. I want what I say now to go to the Colonies. I have just seen a Manifesto issued by the National Liberal Federation, and signed by Mr. Augustine Birrell, whose facetiousness in other walks of life has given us all so much amusement. But in this political manifesto he says that my proposal is

that the Colonies are to enter into a self-denying ordinance never at any time and in any circumstance to extend the number of their manufactures, or to conquer new fields of commerce in competition with Great Britain. Now, facetiousness is all very well; but it goes too far when it gives effect to such a gross misrepresentation as that. Of course, the object is perfectly clear. It is to induce the Colonies to believe that I am blind to their natural conditions, to their own necessities, and that I am prepared to stop their progress, close it down absolutely and arbitrarily, in order to secure certain advantages for this country. I have never said anything of the kind, but it is printed as though it were a paraphrase of what I have said (cheers). I have said nothing of the kind, and nothing of the kind would be possible if I had said it. No, sir, the Colonists, I think, know me. They know that under no circumstances do I want to interfere with their commercial freedom any more than I should like them to interfere with our commercial freedom. We have given them full power to decide for themselves as to what their fiscal policy should be. When we come together in negotiation we shall see how far we can arrange our fiscal policies to suit mutual interests. Neither has the right to say to the other, "You shall do this or you shall do that; or you shall be blamed if you do not do it" (cheers). And in the second place they know that I would be the last man to propose to stereotype their progress. They will be great nations in the future. Small nations now, but in imagination cannot you see what they are certain to become? It is possible that in the life of children now living the population of these self-governing Colonies may be greater than the population of the Mother Country. Think not only of the present and ourselves, but think of the future, when these great States have become great nations—whether it is to be that you have travelled with them and they with you, or whether they are to be separately established, separately considered, and with separate interests.

What the Colonies will Do

Now I have said what I do not think they will do, and what I certainly will not ask them to do. What have I said they will do? At present I have not got any mandate, and when we come to negotiate I can speak more positively. Meantime I only express my opinion of what I think they will do ("hear, hear"). I think, first, that they would so much rather buy what they want from us than from the foreigner; that they would give us a preference which will practically open to our commerce a new field at present of 26 millions sterling a year, a field constantly extending, and which in a few years may be worth two or three times as much, but which at present is in the hands of our foreign rivals. That is the first thing, and it is no small thing; but besides this, with an arrangement on our part which will have the effect of stimulating British emigration to our Colonies rather than to foreign countries, that will have the effect of stimulating their principal productions and giving greater extension to their agricultural industry—I think that, with all these things coming as results of the policy that I propose, they will be inclined, in all future tariff arrangements, to proceed upon what I may call natural, rather than on artificial lines. By natural lines I mean that each country should, of course, be allowed—and, in fact, encouraged—to manufacture for itself all things for which it has special facilities; but it should not be encouraged to manufacture for itself things which would really cost more to manufacture than to buy; things for which it has no particular aptitude, and which it may well take from us in exchange for other articles which it can more favourably produce. That is my argument; and I put it only as an argument that will appeal to our Colonists, who are quite as shrewd and quite as businesslike as ourselves. Between these two things—between the preference they will give us over foreigners, and between that portion of their necessaries which they will still be ready to see supplied from us—there will be left to us a constantly increasing trade, which will add greatly to employment

in this country, and will benefit it in other ways, so that there will be full amends for any loss, if there be a loss, which we may suffer in our trade with foreign countries ("hear, hear"). Now, gentlemen, if you will give to the British Government the mandate for which I ask, they will negotiate with the Colonies. I say to these men of faint heart, who think that the Colonies will ask too much, or will be prepared to give too little, "Do not be alarmed. If that is really their position—if they are as selfish as you think them, as unreasonable as you say they are—well, we are not fools. In that case, the negotiations will come to nothing. We do not ask you, the people of this country, to give anything for nothing; but we say that what you give will be met by what they give, and that a bargain may be made that benefits both sides" (cheers).

Mutual Bargains

I have known a great deal about business in my time, and I say I have never cared for a bargain in which I thought I had gained everything. I do not think that that is a lasting bargain. There must be something unfair about it, and no bargain is a good bargain which is not a bargain that is mutually satisfactory. I say there is room, and I shall prove it, in our situation, for a bargain between ourselves and our Colonies which will be mutually beneficial, which is likely to be permanently satisfactory. I believe that our negotiations will be conducted in a spirit of generous appreciation, and not in a spirit of petty haggling on either side. For myself, I deprecate any attempt to represent the interest of our Colonies as hostile to the interests of our own country. I would not say here that something that was being done for Lancashire was, therefore, an injury to Yorkshire, or that something given to Warwickshire was, therefore, an injury to Worcestershire, and what Yorkshire, Lancashire, Warwickshire, and Worcestershire are to this country, India, Australia, South Africa, and Canada are to the Empire. What benefits them benefits us. If you benefit any one of us you cannot help benefiting the whole. The whole depends

upon the parts. You cannot have one of the parts diseased without the whole suffering. It is impossible to conceive any kind of bargain that can be made which will be to the advantage of any and which will not be ultimately to the advantage of all.

Now one word more. All my policy is to be considered, as I have myself represented, as a broad outline which will enable you to understand the kind of thing I have in my mind. It is not a cut-and-dried policy which cannot be altered in any detail. I am getting many letters, which say: "You have said you would put an average tax of 10 per cent. on manufactures. I am in such and such a trade—the thimble trade, for instance (laughter); what tax do you propose to put upon thimbles?" (Renewed laughter.) My answer to all such inquiries as that is, "You must wait till the negotiations begin." 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 (cheers), the majority of the voters (loud laughter)—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 ("hear, hear"). I have no right to complain of my experience, at any rate, 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 (cheers). But 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 for the opinion of experts from every industry in the country ("hear, hear"). 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 (laughter), or, on my own accord, and from my own small knowledge, to attempt to draw up a tariff, would be perfectly absurd ("hear, hear").

Arranging a Tariff

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 which was 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 should 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 home trade and which would enable us to draw closer to our friends across the sea (cheers). In my opinion, the two great objects which I have in view—the prosperity of the home trade and the closer union of the Empire—are within our reach. We have again and again failed to take advantage of our opportunities. Think for a moment. When self-government was first given to the Colonies would it not have been possible then to have arranged all these matters so that we should not have been working one against the other, but should all have been working on the same lines from the first? I think so. But, at any rate, that is a position which we did not take up, and which we now have no opportunity of recovering. In the period which has elapsed, what has been our treatment of our Colonies? What has been the view taken here? Have not the Colonies, when they have come here, found themselves neglected, the subject of no interest, the greatest possible ignorance being shown of the conditions under which they lived? When they have appealed to us we have told them their policy

was nonsense, because it did not exactly accord with ours. We have told them that, if they did not like our views, the sooner they left the better. We have often promoted legislation with the distinct object, as stated by the statesmen concerned, of getting rid of them as early as possible. We have done all these things. Now at last we have come to our senses. We recognise their importance, and share to the full the sympathy and affection which they have shown to us. We cannot expect, however, that we can altogether escape the effects of our past neglect and apathy. Now, again, we have, as I say, an opportunity.

What is the alternative to the proposals which we make ? Where do you find in any single speech which has been made on the other side a clear-cut policy which can be put against mine ? No, the policy which is offered to you is *laissez faire*, let matters alone. My judgment is that this country of ours has let things alone too long (cheers). We have been too ready to drift. Now the time has come once more, I hope under happier auspices, when I trust that we may be able to find a policy of our own, and have the courage to hold to it, and the generosity to bear the sacrifice, if any sacrifice be necessary, and when we may enjoy the success which we shall deserve if we maintain our convictions and give them practical effect. (Loud cheers, during which Mr. Chamberlain resumed his seat, having spoken nearly an hour.)

THE POLICY RE-STATED. HOW IT AFFECTS TRADE UNIONISM AND SHIPPING *

MR. CHAMBERLAIN, who was loudly cheered, said: I desire to express to you the hearty thanks of Mrs. Chamberlain and of myself for the cordial welcome which you have given us to Liverpool ("hear, hear"), and to say that, while I come here with great pleasure to talk to you upon what I think to be the most important controversy of our time ("hear, hear"), I am especially pleased to think that I come at the invitation of a great working-men's association (cheers). I shall tell you why directly, but in the first instance I want to put before you the position at which we have arrived. What is my case? What are the arguments by which I support it? What are the objections of my opponents? Well, my case is that the trade of this country as measured—and I think it ought to be mainly measured—by the exports of this country to foreign countries and to British possessions, has during the last twenty or thirty years been practically stationary; that our export trade to all those foreign countries which have arranged tariffs against us have greatly diminished, and at the same time their exports to us have greatly increased. Then it is part of my case that those foreign countries which have adopted Protection have, in all the elements by which you have been accustomed to test the prosperity of a nation, grown in a greater ratio and more rapidly than we have ourselves; and I have also to point out that this tendency, which has

* Delivered at Liverpool, October 27, 1903.

become so manifest in recent years, is likely, as every sensible man of business knows, to be accentuated as time goes on. Whatever may be our losses now, our losses in the future are likely to be much greater if we continue our present system ("hear, hear"); and the reason for that is obvious.

The Case against Dumping

Not only are the old causes continuing to exist, but new causes are coming into operation. There is that process the name for which we have borrowed from the United States, and which is known to you as "dumping." The fears which I have expressed with regard to it have been humorously described by Mr. Asquith as "dumpophobia" (laughter). Well, I admire humour myself (laughter). I indulge in it occasionally (laughter). But when a lawyer tries to be humorous about business, without practical knowledge of the subject, then I think I have not a high appreciation of his jokes. What is dumping? Dumping is the placing of the surplus of a home manufacture in a foreign country without reference to its original and normal cost. 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 (laughter). Now the United Kingdom is the only country where this process can be carried on successfully, because we are the only country that keeps open ports. All the other great countries protect themselves against dumping by immediately putting 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. They are surplus stocks, which are 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 the surplus of the products of all the producing countries in the world may very well ruin the trade of this country (cheers). Now a curious thing which Mr. Asquith does not seem to appreciate—a curious thing to him, but not to us

(laughter)—is that "dumping" only takes place seriously where the country that has recourse to it is in a state of depression. As 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 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 their full production 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! (Cheers.) And as I look forward in the ordinary course of things to a time of depression which will follow the time of prosperity, which we have recently enjoyed, I think before very long Mr. Asquith may discover that dumpophobia is something really to be afraid of, and not to be laughed at.

Our Colonial Trade

Now there is only one other fact to which I need call your attention as part of my case, and that is that during the time in which these changes in the conditions of our trade have taken place, the only thing that has really given us encouragement has been the continual growth and prosperity of our trade with our Colonies. In almost exactly the same proportion in which the trade with these foreign protected countries has continuously fallen off, trade with our Colonies and possessions has continuously risen; and if we have good trade to-day, if the last year, 1902, was one of the best years that British trade has known, it is not thanks to the foreign trade which has decreased, but it is thanks to the colonial trade which has increased (cheers).

How do I propose to meet the state of things that I have described?

The Union of the Empire

I propose, in the first place, to meet the foreigner with his own weapons ("hear, hear"). I propose to treat him as he

does us ("hear, hear"), until he treats us better (cheers); and I propose to treat our Colonies better than we have hitherto done (cheers). And in connection with this I hope for something greater, in my opinion, even than increased trade, greater certainly than material prosperity. I hope to lay firm and deep the foundations for that Imperial Union which fills my heart when I look forward to the future of the world. We shall unite the British Empire not merely by a bond of blood and sympathy—that already exists—but by that bond of commercial unity which every one, to whatever party he may belong, every one who has studied this question, admits to be necessary if the union is to be permanent. Now, I confess in connection with this that I read the other day with very great pleasure the report of a speech made by my friend—my political opponent, but my personal friend—Sir Edward Grey, at, I think, Alnwick, on October 24 of this year. Sir Edward Grey describes himself as a Liberal Imperialist. I accept his description. I do not doubt for a moment that he is as loyal to the Imperial idea as I am myself ("hear, hear"); but he has not had my eight years' experience of Colonial administration. He has not had it burned into his brain and mind that the present is the time, that this is the critical period during which we may lay the foundations of which I have spoken, and that if this opportunity be lost irretrievable mischief may be done which never can be undone. But what he said was this: "If he could see a chance of all barriers throughout the Empire being thrown down so that there were no barriers within the Empire, he would say there was something to make sacrifices for; if we could get a nearer idea of Empire which had no barriers within itself, but which raised duties on foreign goods only, then he thought there might be an ideal for which there would be a great deal to say." That is my ideal (cheers). I hope we all have ideals which are higher at times than any things to which we can possibly attain. That is my ideal (loud cheers). But I know, as a practical statesman, that you cannot realise any such ideal as that in the twinkling of an eye by the waving of a wand. You must proceed to it

step by step; and the proposal which I make to you is a step, and a great step, towards Free Trade throughout the Empire, which is, no doubt, the ultimate object of our aspirations, but which at the present moment is impossible (cheers). Therefore, although at present Sir Edward Grey is unwilling to follow me, I think, after reading what he has said, it can only be because he has not understood that what I propose is a step to that ideal which he and I have in common.

The Objections to his Proposals

I have put before you as shortly as I can the reasons for the course I am taking, the proposals I make, and now what are the objections? I deal with them briefly. They are practically two—in the first place, that everything is for the best in the best of all possible worlds, that everything is thoroughly satisfactory, that our prosperity is so great that we ought not to try to make it greater, and so on (laughter). Perhaps, if I were talking to an audience exclusively composed of Liberals and Radicals, I should say to them—"If that is your view, if you are so conservative that, having attained to what you think a satisfactory position for yourselves, you are not going to take any step to make it better, where is the difference between your moderate Radicalism and the oldest and most rabid form of Toryism (laughter and cheers) in days long gone by?" But let them argue that with their own people. I do not believe that in my lifetime, at any rate, and I doubt whether for many centuries afterwards, the world will ever be so good that it will not be possible to make it better.

But a second argument against these proposals—one which they dwell upon in every paragraph in every paper, in every poster on the walls, in every speech of every man and every woman who speaks, from the top to the bottom—is that this is going to lead to a time of dear food. I shall have time before I leave Liverpool to say a word or two more on that question of dear food, and to-night I will only say this—that I ask you to take my pledge, and to believe

in my sincerity when I give it, that if you accept my proposals as they stand, they will not add one farthing to the cost of living, and, in my opinion, in the case of the poorest families they will somewhat reduce that cost (cheers).

The Working-Class Point of View

Now that is the text, that is the subject, upon which I have been preaching in some of the great centres of population; and now, coming here at the invitation of a working-class association, I am going, as one principal part of my speech, to ask you to consider with me why the working man, and especially why trade unionists, should support my proposals. I want to guard against its being supposed for a moment that now or at any time I am going to appeal to any class interest or to any one class as against any other. If I am right, every class in the country will be benefited by reforms which will give increased work and increased employment to the poor, and I daresay increased profit to the capitalist (cheers). But I am right to begin with the working class in the first place, because they are the most numerous. That counts for a great deal nowadays (laughter). Now that you are all represented, the vote of a working man counts for as much as the vote of a multi-millionaire; and, in the second place, because in these circumstances, if I do not convince the working classes, I am absolutely powerless. I can do nothing without you ("hear, hear"). That is why I rejoice at the cordiality of your reception (loud cheers). Sometimes, indeed, in the course of the great crusade which I have not undertaken willingly, but because I thought the duty was thrown upon me, I have felt as though I stood alone ("No"), fronting hosts of enemies; but I am encouraged by the thought that behind me there is a great multitude which no man may number (cheers), who give me their sympathy and who will give me their support (renewed cheers). Now, why should you follow the advice which I tender to you? In the first place, because, thank God, the working men are now, as they always have been, patriots, because they, to

whom every additional expense counts for more than it does to other classes, yet always put first in their creed the welfare of the kingdom and the welfare of the Empire. It is not a selfish support which they tender to me, although their interest will be served by a patriotic policy. What is the whole problem as it affects the working classes of this country? It is all contained in one word—employment ("hear, hear"). Cheap food, a higher standard of living, higher wages—all these things, important as they are, are contained in the word "employment" ("hear, hear"). If this policy will give you more employment, all the others will be added unto you. If you lose your employment, all the others put together will not compensate you for that loss ("hear, hear").

Free Trade a Middle-Class Movement

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, the working classes were neither represented nor consulted ("hear, hear"). I do not say that that makes Free Trade good or bad, but it is a fact that the movement was a manufacturer's and a middle-class movement ("hear, hear"). 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 worth remembering 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 ("hear, hear")—higher wages and shorter hours. I do not think

that that would be a disadvantage (cheers). But 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. 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 the action of the Anti-Corn Law hypocrites. 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, declared, through their leaders, 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.

The Electoral Power of the Working Classes

Fortunately, no condition of that kind can ever again occur in this country. The working classes are represented now (cheers), thanks very much to the efforts of one of the great Free Traders—my late friend and colleague, Mr. Bright. I am not certain whether Cobden ever took much interest in the movement for electoral reform; but Mr. Bright made it one of the objects of his life—and it is largely due to the efforts of Mr. Bright, who went out in his time, as I am now doing, alone to speak for a policy in which he believed—it was largely due to Mr. Bright that the working classes have the franchise at the present moment (cheers). And what follows, gentlemen? You have the franchise; you have the majority of votes; and you can say "Yes"

to this policy or you can crush it (cheers). The responsibility, therefore, is yours. It no longer rests upon the minority. It does not rest upon the aristocracy or the House of Lords (aughter). It does not rest upon the middle classes. It rests upon the shoulders of the workmen. There is, indeed, still one responsibility which rests upon those of us who call ourselves statesmen. We have been, by your votes, selected for the position of leadership. It is the duty of a leader, if he has come to any conviction, to express that conviction as clearly and as plainly as he can to those who are, indeed, his masters, but who ought to listen to the leader whom they have chosen. It is his duty to do this, even though in doing it he may lose any little popularity that he may have gained, even though in doing it he puts an end to his political life. I have the satisfaction of thinking that in attempting to do this you will, at all events, recognise my good intentions (cheers). I have an idea that the working classes of this country are on this question more advanced than many of their leaders (cheers). If so, we shall win (loud cheers). I care not who is against us. The Cobden Club may rage furiously in all the languages of the civilised world (laughter and cheers). The "Free Fooders" may imagine vain things—but we shall win the victory (cheers).

Trade Unionists and the Cobden Club

Ah! but it is said, "How can you expect to do that when the Trade Union Congress has passed a resolution against you?" (A voice, "It does not represent the working men.") It is true that some of them have declared against us, but I recollect that there are many trusted leaders of the working men, both of trade unions and of other organisations, who do not share the views of the Trade Union Congress; and, therefore, great as is their authority, I humbly venture to appeal against them to you (cheers), to appeal against the officials to the men who appointed them and gave them their power (cheers). I say then, in the first place, that to me it is rather an extraordinary thing that these trade-

union officials, acting apparently on the instigation of the Cobden Club, have prepared a manifesto, circulated through the Cobden Club, against the proposals to which I am asking your attention. Why should they do it through the Cobden Club ? The Cobden Club was formed to honour the memory of a man whom we all know to have been a sincere man, whether he was right or wrong, and always deserving of the respect of his fellow-countrymen. Yes, he was all that ; but he was not a friend of Trade Unions, and now you have the Trade Unions in the arms of the Cobden Club. Mr. Cobden himself, speaking of Trade Unions in 1844, just before the reform of the Corn Laws, said : "Depend upon it, nothing can be got by fraternising with Trade Unions (laughter). They are founded upon principles of brutal tyranny and monopoly (laughter). I would rather live under the Dey of Algiers than a trades committee" (great laughter). Surely to use a club founded in memory of a gentleman who held those opinions is a strange thing for Trade Unionist leaders of to-day. But, I want you to bear in mind that Mr. Cobden from his point of view—from the Free Trade point of view—was perfectly right.

Trade Unionism Irreconcilable with Free Trade

I want you to bear in mind that it is absolutely impossible to reconcile Free Trade with trade unionism. You can have one or you can have the other, but you cannot have both ; and I am glad to say that in expressing this opinion I have the support of a trade unionist with whom I have disagreed upon almost every other question. Mr. Keir Hardie, speaking in the House of Commons, said : "Free Trade in the abstract is all but an impossibility. There is no member of this House who supports trade unionism who can claim to be a consistent Free Trader" (cheers). And then he goes on to say : "Trade Unionists of this country have no intention of allowing the sweating and underpaid labourers of Continental nations to enter into competition with them" ("hear, hear"). Is that your opinion ? (Cries of "Yes.") Well, they are brave words. You will not

allow it? Then you will not be Free Traders (cheers). There is no getting out of the dilemma. The gentlemen who oppose me because they say I am a Protectionist, and who then go down to the House of Commons, and in order to catch working-men votes in Radical constituencies, declare themselves supporters of the prevention of alien immigration and the prohibition of prison-made goods, of shorter hours, and so on, are inconsistent (cheers). The Trade Union Congress was not always of the opinion of the Congress that met this year. In 1888 the Parliamentary Committee offered a report, in which it said this: "The demon of cheapness"—the present Trades Congress makes a god of cheapness; the Parliamentary Committee in 1888 spoke of it as a demon—"the demon of cheapness has pervaded our whole social system, and while the cheapness of goods has been a matter of wonder, purchasers seldom or never give a thought to the human blood and muscle that have been ground up in the production of the article" ("hear, hear"). That is admirable, and if I had time I could preach a sermon from it (voices, "Go on"), and I think it would be well to preach that sermon before the present Trades Congress (laughter). My first point, therefore, is this—that it is not only the consumer you have got to consider. The producer is of still more importance; and to buy in the cheapest market is not the sole duty of man, and it is not in the best interest of the working classes.

Recent Legislation and Free Trade

Now what are the legitimate objects of trade unionism? In my opinion there are five. In the first place, to enable working men by union and combination among themselves to meet employers on equal terms and to bargain with them. If there were no Trade Unions and no combination capital would be too strong. Labour would be at the mercy of capital, and it is to prevent that, among other things, that Trade Unions were founded. Then the next object is to secure the highest wages which are consistent with the conditions of each trade—to raise the standard of living and

to prevent unfair competition—to insist on proper precautions for the health and safety of those employed; and, lastly, to provide for those of their comrades who, owing to temporary illness or misfortune, are deprived of their means of livelihood. Those are legitimate objects, in my judgment, and I heartily approve of them, although I have not always been able to approve of all the methods by which they have been sought to be obtained. But one thing is certain. While we have done much to secure these objects, while the mass of the people, to whatever class they belong, have sympathised with them and have passed legislation such as the Factory Acts, the Mines Acts, the Truck Acts, the Compensation to Workmen Acts, the Fair Wages Clauses, the Prohibition of Prison Goods, and a number of other minor Acts of the same kind, every one of these measures is opposed to the strict doctrine of Free Trade. Free Trade says you are to buy in the cheapest market. 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 to 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 his labour just as low or just 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 the doctrines that those who accuse me have abandoned long ago (cheers). 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 farther. 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? (Loud cheers.) If you insist on limitation of

hours, and upon 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 to the advantage of the foreigner, who is not so scrupulous and who conducts his work without any of these conditions. I say, then, that 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 (cheers).

The Lesson from Fair Wages Clauses

Again, take the case of the Fair Wages Clause. I saw the other day that in the regulations of the London County Council it is provided that the wages and hours to be paid by contractors under their contracts are to be such as are current and recognised by the trade of the district ("hear, hear"). Very good; I am making no objection. I believe similar regulations exist in all the Government departments. But these regulations do not apply to goods which are brought in by foreigners; and what is the result? The other day Vauxhall Bridge was to be rebuilt. The Committee which dealt with the matter recommended, as I am informed, to the London County Council that only British material should be used (cheers). Surely that was fair—that is to say, if you will impose on British manufacturers all these conditions, you must either impose the same conditions on foreigners, or you must say you will not buy foreign goods. But the recommendation of the Committee was rejected by the County Council; and I am told that two labour members voted against the recommendation of the Committee (cries of "Shame!"), and that accordingly, while requiring all these conditions for British contractors,

the contract is thrown open to foreigners if they choose to compete. I do not know, I have not been informed in regard to the particular contract, who took it; but I have been told that £41,000 worth on one account, and perhaps more on others, of tram rails were bought by the London County Council from Belgium. (A voice: "What about Liverpool?") Now will you please follow that up? I am not blaming the London County Council; they considered that they had only got to look in the narrowest way to the interests of those whom they represent, and accordingly they bought in the cheapest market, according to the Cobden Club maxim (laughter). Now, how much did they save on that £41,000? I understand that they claim to have saved £8000. Yes, and how much did their country lose? (Cheers.) To make that £41,000 worth of rails £20,000 of wages were wanted, and where did they go to? They went to Belgium, and they might have been spent in this country (cheers). That is being done all over the country, and if I wished I could give you plenty of instances. In every case the gain is small, but the loss, if you look at the country as a whole, is very great. Now, look at this thing in another way. You are to buy everything in the cheapest market. On what ground do you say that we should not buy our labour in the cheapest market? Everybody knows that there are countries—I will not name them—in which labour is very much cheaper than it is here. Why should we not import labour from them to any extent? I am one of those who for many years have voted and spoken in favour of the regulation of alien immigration (cheers). I do not want to prevent it altogether, but I want a man who comes practically a pauper to these shores to show that he can be, and will be, a useful and a profitable citizen (cheers). I would like, therefore, to apply tests to those who come, but how can I do so? With what reason, with what sense could I make a law and restrictions if while I keep out the labourer I let in his goods (cheers), if I allow the man who makes slop clothing or whatever it may be, at starvation prices, if I keep him rom working in Shoreditch, but allow him to work at some

other place, which, again, I will not name (laughter), and thence send to me the goods which he has made at these ridiculous prices? Now, what is the conclusion of this branch of the matter? If protected labour is good, and I think in many ways it is—that is to say, the fair protection of labour—then it is good to protect the results of labour (cheers); and you cannot do the one without the other, or else in trying to do good to labour you will do it much more harm than good. And if it be good, as I think it is, to support the objects of trade unionism, then, I say, those objects can only be secured, can only be permanent in our system as long as we can offer to the bulk of our workpeople, to all those who are willing to work, constant and remunerative employment ("hear, hear"). As long as we have got large numbers of people who would work if they could, but cannot find work to do, so long it is useless to talk of raising wages or restricting the hours of labour, or putting on to manufacturers additional cost which they cannot afford to pay. The only result will be that you will still further lessen the amount of your employment. Now I hope to give you more employment ("hear, hear"). I hope to do so by keeping, in the first place, a firmer hold upon home markets. I hope, in the second place, to do so by having something to bargain with when we trade with the foreigner, and I hope, in the last place, to do so by encouraging the best of our trades, the trade which is most profitable to us in proportion to its size, the trade which is increasing most quickly, the trade which we have it in our power to stimulate most greatly—I mean the trade with our own kith and kin across the seas (cheers).

Liverpool Shipping

Now I turn to a different subject. Industry in Liverpool, as industry in many other great cities of the Empire, is more or less specialised; and there is no industry which is probably so important to you as the great shipping industry of which Liverpool is practically the centre. Liverpool boasts itself to be the sea-carrier and the merchant of the

world ("hear, hear"). I tell those who are concerned in this great industry—I will not do you 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—but I tell you as I have told them: "You will benefit by this policy (cheers). You cannot lose by it" (renewed cheers). Now I am going farther. I will say 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 (cheers), 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, although I doubt myself whether it is so large as some of our statisticians appear to think. Bear in mind that, whether it be £50,000,000 or £90,000,000, 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 employs British subjects. What is paid to the alien seaman 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. What is the case? It is very admirably stated, I think, in a little pamphlet which has been sent to me, written by one of your townsmen in a very moderate way, by Mr. Norman Hill. What does he say? He points out the enormous progress which this industry has made in recent years; he says that even now it is still larger than any other merchant navy in the world; he says it is still increasing in amount, and I hope, and I think he hopes, that it is still profitable to those who are concerned in it. I do not pretend to criticise his figures. I am not going to dispute them. It is not necessary for my purpose. I am going to admit every one of those statements and every one of the figures on which they are based; only I would like to point out to Mr. Hill what, indeed, he would recognise himself, that these things

tell only half the truth. They tell what is your position positively, but they take no note of comparative progress, and it is only by comparative progress and not by actual progress that you can foresee the future. It is not what we have 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 been given 100 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 (laughter), and the Cobden Club says, "That is my man; he is still ahead" (laughter). I think we know better (laughter).

The Decline of British Shipping

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 that symptom at all ("hear, hear"). I must trouble you with a few figures as an illustration of what I am saying. I take these figures from some admirable articles which appeared in the *Times* newspaper, and which were written in a most impartial tone. According to them, British tonnage entered and cleared in foreign parts increased 20,000,000 in ten years—1890 to 1900—but foreign shipping in the same period, and in the same ports, increased 80,000,000—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 an accelerated ratio. Now then, take foreign tonnage into the United Kingdom from 1890 to 1902. It increased about 15,000,000, and the British trade in our own country in the same period only increased a little more than 12,000,000 —that is to say, increased less than the foreign. 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 there are the last figures. 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 that the house is still standing if you know that there is rot in the foundations? (Cheers.) What is the use of saying we are doing very well when you know you are doing comparatively worse every year? What is the good of talking about your income-tax returns or profit or the length of your voyages, when you know that behind you have galloping up at a greater rate than anything you can reach your bitterest and severest competitors and rivals? (Cheers.)

Mr. Asquith's Explanation

What is the cause of all this? I will tell you on the authority of Mr. Asquith. Mr. Asquith thinks himself competent to lecture the chiefs of industry in this country, be they shipowners or manufacturers or agriculturists. He knows why it is they are going behind, and not in front as quickly as they should do. He says it is want of intelligence (laughter). Intelligence is only to be found in the legal profession (loud laughter). It

is want of capacity, it is want of enterprise. Now, if there be in the whole of this country any trade or trades of which such a statement is untrue, it is our great shipping industry and our great shipbuilding industry. I am not here to say that all our methods are perfect. I should not have been the founder and Chancellor of a great university if I had not felt that we stood in need of improvement; and I shall be very glad of Mr. Asquith's assistance in establishing Charlottenburg schools in every city in the Empire, in order to give advantages which at present we do not enjoy. But when we have done all that, I say we should not even then increase greatly the skill and the industry and the talent and knowledge of the men who control these two great trades, and that it is not in that direction that we shall find explanation for the evils to which I have called your attention.

The True Cause

What is the explanation? In the first place, there are bounties and subsidies. How do you think that any man can stand against the kind of bounties, direct and indirect, with which a shipowner finds his path crossed in so many directions? You will find the whole account fully told in the Parliamentary report which deals with this subject. When I was travelling the other day, I had a little experience which seems to me to be worth relating. I was at Zanzibar, on the east coast of Africa, and I was told that the Germans were making great progress in their trade with East Africa. I said to the merchants whom I saw there—most of them English—"How is this? Is it that we are so far behind the Germans that you cannot buy our goods any longer?" And they said, "No, it is not that. Your manufactures, perhaps, may in some respects be improved, but the real reason is that the Germans have got an excellent line of steamers"—subsidised, I think, with £80,000 a year—"whereas we have only got an inconvenient and unsatisfactory line with a miserable subsidy of £6000 or £7000 a year, and the German steamers bring German goods, and

the trade follows the flag." The trade of East Africa may not be a very large one, but the instance, at all events, is worth quoting as an instance of what is going on elsewhere.

British Restrictions and Foreign Freedom

We have made sacrifices in many quarters of the globe, in none more than in that which I recently visited. And now who is to have the advantages of them? Are they to be taken from us by bounties given to foreign shipping? Are foreign Governments to be allowed to induce a foreign trade which would not otherwise naturally belong to their countries?

Then, again, look at the disabilities to which British ships are exposed. We put upon them all sorts of regulations —right regulations, mind you—I am myself the author of some of them. We require a load-line for them; we require other precautions. Why? For the health and safety of those who go down to the sea in ships. While I say that is right, what do we do with the foreigner? We do not require any load-line from him. It is possible, I am told, for an English ship in your port here of Liverpool to load up to say, 3500 tons, and then to have an inspector come on board and say, "This won't do; this is above your mark—below your mark, I suppose I ought to say—(laughter), you must pull out 500 tons at once"; and then that steamer goes away with 3000 tons of cargo. The next day, as I am told, a foreign ship may come in not marked at all, and may load up its 3500 tons; and the 500 tons may make all the difference between profit and loss, and we allow him to have every one of the privileges which we give to the other ships. These things want discussing. I have not seen that Mr. Asquith, or Lord Rosebery, or Lord Goschen has discussed these matters, and yet it seems to me they have a certain amount of importance, at all events in Liverpool. I have been told to-night, since I came here, of another disadvantage. You have to register tonnage, and the foreigner has a different register. Your

vessel is registered perhaps at 1500 tons, and the foreigner, who has precisely the same cargo-carrying capacity, is registered at 1000 tons; and he pays dues of every kind upon 500 tons less than you. Is that the way to keep your trade? ("No" and cheers.) What I am pleading for is scientific treatment of trade subjects, not this—Pshaw! (cheers and laughter)—it makes me despair sometimes—not this feeble and futile policy of official incapacity or official apathy, which makes it either below the dignity or below the duty of a British Government to take care of British trade. (Cheers.) I am coming to an end ("Go on"), but I have one more word.

British Exclusion from Foreign Coasting Trade

What about the exclusion by certain foreign countries of British trade from what is called the "coasting trade"? ("Hear, hear.") And what about the definition of "coasting trade," which makes a voyage from Riga, in the Baltic, to Vladivostok, in Siberia, a coasting voyage, or from Portland, Maine, to San Francisco, on the Californian coast, a coasting voyage? (Laughter.) And yet these are voyages which no British ships may undertake, 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. Let us see how this works. A few years ago we had a growing trade with Madagascar. Madagascar becomes a French Colony. 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 with the existing conditions of trade with Madagascar. 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. Your trade there is doomed. It may not be gone yet, but is that a reason why you should not bestir yourselves in order to keep it? ("Hear, hear.") Rest assured, if you do not take note of the warning that is written on the wall, the trade will go, and you will never be able to recover it.

Our Trade with Cuba

We will take another case, a more important case—that of Cuba. Cuba is 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. The United States have undertaken obligations with regard to Cuba, and they claim corresponding privileges, but our idea was 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 proposes preferential arrangements with Cuba, treating Cuba exactly as I want you to treat our Colony of Canada (cheers). They propose 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. I am told that 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 see what losses we can sustain without complaining!" (Laughter.)

Our Colonial Coasting Trade

I say that in this matter of shipping something should be done ("hear, hear"). Our Colonial Premiers on the last occasion, among other resolutions besides the one asking us for preference, passed a resolution asking the British Government to consider the conditions under which the coasting trade as between ourselves and our Colonies is carried on; and the Premier of New Zealand has already, I believe, proposed a law to his own Parliament in which he recommends that the same treatment should be measured to a foreign country that they measured to the British Empire ("hear, hear"). Where they keep their coasting trade to themselves, New Zealand and the Mother Country should keep their coasting trade to themselves. These matters are not matters to be hastily settled. I am not asking you to accept them; I am only putting the case before you. I say there must be a remedy—there must be some way of bargaining with these gentlemen to get rid of these unfair restrictions. And it is for that power of bargaining, and, if necessary, of retaliation, that Mr. Balfour has asked and that I have asked ("hear, hear"). And, after all, if there be any difference between us whatsoever, it is only that I go farther than he does and that I ask, not in the future, but to-day—("hear, hear")—for the preference to our Colonies which will bind them and us together (cheers).

I have made clear to you, at any rate, what I think would be the effect of my policy upon your great shipping industry. I think it would encourage and stimulate our Colonial trade, which is already the most progressive and the most profitable, and by thus stimulating our relations with the Colonies, we shall be able to give to the shipowner a return freight in such cases as Canada and Australia. Surely there would be an enormous advantage both to him and to us. I think he would increase his trade with the Colonies, but I see absolutely no reason whatever to believe that he would decrease his trade with other countries.

Why should he? Name to me one single Protectionist country which at the same time that it has built up its own markets has not been able to increase its foreign exports. If that be so, we shall be able, at the same time that we hold our own market, to increase our trade with the foreigners, and the only change which I anticipate—and it is a change which I greatly desire—is that the character of the cargoes may be somewhat altered. I want to see less of their finished manufactures coming in (cheers), and I want to see more of their goods—raw materials and things of that kind—in return for our exports of finished manufactures (cheers).

Our Colonies and our Future

I have gone into some detail in these matters, but, after all, I have not wandered from my subject. You may take any detail. I can follow any trade however small, or any trade however large, or any class however small, or any class however large, as I have followed to-night one great class and one great industry, and the result will always be the same (cheers). And, over and above any elaborate attempt to prove what seems to me hardly requiring proof at all—that your interests will be served by the change which I have undertaken to recommend to you—over and above these I appeal to those solemn considerations of Imperial sentiment and national patriotism for which the city of Liverpool has always been distinguished (loud cheers). What is your motto? "Ships, Colonies, and Commerce" ("hear, hear"). You are right to place Colonies in a prominent position. You are right to place it between the other two, for the other two depend upon it, and as long as we keep our Colonies we have nothing to fear for the future. I have not endeavoured, although I have been represented as doing so, to prove that the refusal of my proposals will be followed by any immediate result. I do not know whether it will or whether it will not. But I look to the future, as every statesman should, and I say that, if you continue your present system, and if, above

all, you leave your Colonies, now loyal and devoted to you, to seek for reciprocity in other quarters, a reciprocity which others will be ready to give, but which you, forsooth, I am told, will emphatically refuse (cries of " No "), then I predict that sooner or later this great Empire of our dreams will vanish away and will leave not a wrack behind.

Remember, the experiment has been tried. Holland tried, in the time of her greatest prosperity, to retain her command of the sea, her position as carrier and merchant of the world. She tried to maintain it without productive capacity. She tried and failed, and you, gentlemen, cannot be more successful than she was. Remember that the principle, the underlying principle, of Cobdenism was cosmopolitanism. It was to care for all the world, avoiding, and even despising, the special care for which I plead—the care for those who are nearest and dearest to us (cheers).

The Present Issue

Even at this moment one of the most strenuous advocates in the Press of the views which I oppose declared the other day that the great issue between us was no mere party question, but it was a conflict between Imperialism and Little Englandism. Yes, he is right. He is a Little Englander. I am an Imperialist (cheers), and the conflict is between us. This is now to me the urgent and the present issue. You are called upon in this generation to a greater responsibility than ever before. It is on your decision that this tremendous issue rests. The balance hangs, but I know what your forefathers would have said. I know what they did. I know how they endured burdens and sufferings to which our sacrifices, if indeed sacrifices there be, are as nothing but as a drop in the ocean ; and I know how, with half our population, with one-tenth of our wealth, with Ireland hostile, under conditions of which we have no conception, they nevertheless, and at times almost alone against the world, bore themselves bravely in the Titanic strife with Napoleon and came out victorious (cheers). What is our task to theirs ? It is a mere trifle ; it is only

for us to keep the fruits of the victory that they have won. I commend this issue to your consideration, and if indeed we are called upon to give up some antiquated and nevertheless dearly beloved prejudice or superstition, if indeed we are called upon for more than that, let us show that prosperity has not corrupted our blood—that it has not weakened our nerve or destroyed our fibre (loud and prolonged cheers).

THE QUESTION OF EMPLOYMENT *

MR. CHAMBERLAIN, who was received with loud cheers, said : I have been told that one of my critics, looking through the numerous speeches which I have been called upon to deliver, some of them in close succession, with only a few minutes' interval, complains that he finds them too monotonous (laughter). If that be so, it is not my fault. Where the kindness is universal, how is it possible to make any difference in the gratitude ? ("Hear, hear.") Ladies and gentlemen, wherever I have been I have been received with the greatest consideration, but nowhere more so than in this great city (cheers), and from no class more than the working class, the majority of the population upon whose continued welfare and contentment the life of the kingdom depends. You have, it is true, introduced a new element to-day into the proceedings, for you have not only presented to me an address in the most flattering and generous terms, an address which deeply moves me as being more than anything I could have expected in appreciation of my services, but you have accompanied it with this beautiful casket, which has been offered to me in terms so graceful that you have added immensely to the pleasure with which I receive it (cheers). Ladies and gentlemen, believe me that the prediction Alderman Salvidge has made will certainly be fulfilled. I shall value your gift as long as I live, and my children will cherish it after me, not merely for its intrinsic worth, but for all that it carries with it. For the great delight of my life through a long public career, which has

* Delivered at Liverpool, October 28, 1903.

not been without storm and stress, has been that I have nevertheless managed to retain the confidence of the great majority of the working classes of this country (cheers). And if in the course of this somewhat prolonged contest I have had the right—I do not say I have used it—if I have had the right to complain of calumnies addressed to me I have found ample compensation in your continued regard and confidence (cheers).

A Question that Touches All

Ladies and gentlemen, if I have ever doubted of the success of the mission that I have undertaken, I should doubt no longer ("hear, hear"). Wherever I have been, in Scotland, in the North of England, here in Liverpool, I have found the same feeling. I have noted what I have never noted before, although, as you know, I have been somewhat active as a speaker from political platforms—I have noted something more than a mere party support, which a party leader may always anticipate. I have noted a certain friendly interest on the part of those who are my political opponents which I value very much in a controversy in which I feel that their interests are deeply involved ("hear, hear"). Ladies and gentlemen, to what cause do I attribute this generous spirit which hitherto I have been unable to fully recognise? I believe it is due to two things —in the first place to the belief, which I think undoubtedly obtains, that in this campaign not only am I sincere but that I have no personal object to serve (cheers). That is one advantage of advancing years (laughter). When one is young, whatever may be the truth of the matter, one is credited with a burning ambition to arrive quickly at some high and important position. When one approaches more nearly to the end of one's usefulness ("No, no")—more nearly! (laughter)—then one, at all events, is spared these unkind and unnecessary suggestions, and it becomes evident, even to those who on other occasions have been most bitter, that it cannot be with any unworthy motive of that kind that one leaves one's own arm-chair and one's own

fireside in order to carry the torch or the cross throughout the length and breadth of the land (cheers). That is the first reason. But the second really resides in the subject itself. This is different from ordinary subjects. A great number of our party questions interest, no doubt, very greatly sections of the people. There is one thing which always interests the British people—and that is what Government shall hold office (laughter). That interests them intensely, although they know perfectly well that, so far as their ordinary life is concerned, it would not matter much what Government held office. But in this case it is different. For good or for evil, for better or for worse, this question is going to touch you all. There is not a man, whether he is a Radical, or whether he is a Liberal, or whether he is a Liberal-Imperialist, or a Free Fooder, or a Free Trader, or whether he is a Conservative or a Tory or a Liberal Unionist, and I might go on for five minutes more (laughter)—to whom it is not a matter of the greatest importance—to find the solution of the problem which I have brought before you. I must repeat once more to you that it matters more to you, to the working classes, whose representatives I am addressing, than it does to any other class, because it is a question of employment (" hear, hear "). I am not exactly an idle man myself (laughter), but my employment is not life and death to me, and it is to you (cheers). And therefore I can never, even at the risk of being monotonous (laughter), address any meeting in which working men predominate without telling them that they should address themselves mainly and chiefly to the question whether or not the proposals which I make to them will increase their employment. Of one thing I am quite certain, and that is, that if nothing is done their employment will decrease, and the effects of that upon your homes, upon your wages, upon your comforts, upon the standard of living, all that you value—you yourselves are even better able to judge than I.

The Difference between Wealth and Welfare

Now, I often think that the economists who deal with this question, the gentlemen who treat of the science of wealth, forget altogether the difference between wealth and welfare. It is quite possible to be rich and not happy. That is possible for the individual, and it is equally possible for a nation; and it is conceivable that you might be taught scientifically how this nation can be made richer and at the same time you might leave out of account the fact that in becoming richer it would become worse and less happy. It is often said, "The foreigners who are protective countries, and whose example you wish us to follow, their working men are less well off than ours." I have two things to say about that. In the first place, I am not quite so certain of the fact as the political economists are who measure happiness by wealth. It is quite conceivable that the foreign workman might be earning less wages and yet might be getting more for his wages in one way or another than you do. But, putting that altogether aside, I believe that, at all events, the improvement as measured by wages has been, on the whole, greater in the case of the foreigner than it has been here ("hear, hear"). The improvement in the condition of some of the foreign workpeople, at any rate, has been more rapid than the improvement of the condition of the working people of this country; and I ask you, where will you find in any other civilised country in the world as much money spent on pauperism in proportion as there is here? ("Hear, hear.") Where will you find a statesman, an economist, an inquirer, one man in any foreign country, to tell you that one-third of the population is on the verge of hunger, as Sir H. Campbell-Bannerman has told you, on the authority, as he says, of certain inquirers? I think his figures are exaggerated ("hear, hear"), but I think there is a great deal too much truth in them.

Delusive Returns

I think we cannot properly measure the present position of the working classes of this country by the sort of returns which the political economists provide for us, and which deal only with the highest class of workman. They never deal with the amount of employment which each working man has. They deal with the average rate of wages, which is quite a different thing. I was told the other day that the wages of dock labourers in Liverpool are fair wages. Yes, that may be, but does the dock labourer in Liverpool always get continuous employment? ("No.") And if he does not get continuous employment, what does it matter how high the wages are? Suppose a dock labourer were paid 15*s.* a day, everybody would say "magnificent," and that would appear on the returns and would raise the average of wages. And yet, if that dock labourer only had a Saturday morning's work in the week, he and his family would be living on 7*s.* 6*d.* a week ("hear, hear"). I am not, therefore, at all satisfied by these assurances that everything is going so well with you. There is a great deal more that we have to learn and inquire into before we can say there is no possibility of further improvement; and no one can deny that if we can secure a greater demand for labour there would be fewer people unemployed, there would be more people of those who are employed who would have continuous work; and when the labour of the country was fully employed, then, as a matter of course, wages would rise, and wages would rise without doing harm to any one (cheers). That is the point. There are some people who try to persuade the working men of this country that the whole thing is a struggle between themselves and the capitalists, and that if they can only squeeze the capitalists a little more they will get more wages, and that it will only be the capitalists who will suffer. Now every one who has paid any attention to the condition of trade and industry knows that to be an absolute untruth. He knows that if you do not give the capitalist the reasonable profit that he

has a right to anticipate, he will take his capital elsewhere, and in the long run the employment will go also. On the other hand, there is not a capitalist in this world who would not be happy to pay every workman he employs double his present wages if he could get the same average of profit for himself. I say, then, that if you will follow my advice you may have more employment, and with more employment wages will tend to increase also.

The Effect on Home Trade

There has been a statement made again and again, that in saying this I am thinking only of the export trade, and that I take no note of the home trade, which is much more important. How any one who has any experience of business can read a statement of that kind into my speeches it passes me to conceive. I have said exactly the opposite. I know perfectly well that the home trade of this country is five times at least as large as the export trade, and what I am pressing upon you as your first duty is to keep firm hold of the home trade (cheers). I say if you will do that you will have the export trade in addition. There is no earthly reason why the export trade should diminish, why it should not increase. But at present you are being hit in every part of your body. You are being hit in your foreign trade. That is being reduced, and you are being hit in the home trade too. What is the meaning, what is the result, I should rather say, of the facts that are pouring in upon us of industries that are gone, of industries that are going? If you can show me that when an industry has left this country it is because we can no longer under any fair circumstances compete with the foreigners—I should be sorry, but I might say, "This is a natural course; we must bear with it." But when I see these industries not leaving us because we are no longer capable of attending to them, but filched from us (cheers), stolen by unfair means, then I ask you, as I have asked working men in other parts of the country, How long are you going to take it lying down? (Loud and prolonged cheers.)

The Dumping Policy

Now let us see what is going on. In each neighbourhood I go to I inquire, and I am prepared to state the results of my inquiries, in order that they may be judged upon the spot, where people know much more about them than I do, 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 17,000 or 20,000 watches, and that he is prepared to offer them at any price he can get for them. Why does he do that? Because the great watch manufacturers in America have agreed together that they will not reduce their production, but that they will agree upon 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 (cheers) in the only country which is magnanimous enough, generous enough, foolish enough, to allow it (cheers). 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 accepts 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 upon 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, will find out that they have created a monopoly for the benefit of the Americans and they will have to pay through the nose for their watches. There will be only one place from which you can get them. When there is no longer any home competition, when you are dependent absolutely upon the prices that the American factory chooses to fix, you will not gain in the long run. But at the same time I

do not blame any one as long as our present system is continued. I do not 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 ("hear, hear"). If the Prescot factory tries to send a watch into America, or if any English watch strays there somehow (laughter), what happens then? A duty of 45 per cent. is clapped upon it—half the value—yet all American or Swiss watches can come into this country absolutely free. Now that is a comparatively small trade, but it affects very much an interesting industry both here and in my own neighbourhood at Coventry.

The Glass Trade

Now, what about glass? I am told that at the present time 240,000,000 of bottles are imported into this country. I think these come from Germany. Have Germans any special faculty for making bottles? ("No.") 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 upon 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 making of bottles? That trade has been seriously injured, I will not say destroyed. Then there is plate-glass. It is a great industry at Warrington. (Voices, "St. Helen's.") Yes, it is a great industry at St. Helen's. 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. I have been told by a manufacturer in the trade that at one time the plate-glass industry employed 20,000 English workmen. Now that is all gone ("Shame"). But why? The foreigners put duties upon plate-glass, varying but rising to the enormous duty of 60 per cent. Therefore, there is no chance of ou 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 the

fixed expenditure on the sale of plate-glass in their own country and then send all the surplus into this country below cost price. There is one more case, and that is Warrington (laughter). You ought to laugh at me, for indeed I am very much obliged to my friend for correcting me before; but this really is the case of a Warrington industry, because it is the case of wire. It is the case of a Manchester industry also. I remember great wireworks at Manchester, and there are great wireworks 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 ("Shame"). All right, but why "Shame"? (Laughter.)

The Personal Equation of Suffering

Our Free Importers say, "What do you complain of? You have cheap food. What do you complain of?" They say, "You have these things—this wire, this glass, these watches—you have them very cheap." You say, "But we have no money to buy them with" (cheers and laughter). I do not know what they would say to that, except that it is the necessary result of the doctrine which they glory in supporting. Now, another answer which is made is, "What does it matter? You have lost all those trades. You are losing others, but there is something that remains. The men who made watches are doing something else." Yes, and what do they do? Here is a man who makes a watch. For that he requires a fineness of touch that often is hereditary, which can only be obtained after years of work, obtained only in youth and never obtained in after life; and the moment the watch trade ceases, or does not continue to employ the same number of workpeople, this man, who has acquired the special gift that is worth much to himself and his family, has to throw it away, to destroy it. He has to go and act as a porter or a dock labourer, or to sweep the streets, and if afterwards we restore

to him his trade he would be no longer able to take advantage of it. He is dropped into the ranks of casual employment, dropped down into the 13,000,000, be they more or be they less, who are always on the verge of hunger. I say that the personal equation of suffering which all this transference of trade involves is the sort of thing which some political economists never think of at all ("hear, hear"), and the Cobden Club treats it as if it were of no consequence. It is, I say, of the utmost consequence. Even if it could be proved in the long run that the country did not suffer in wealth, that there had been a transfer from one trade to another, still I should say, when you count up the families that have been reduced to misery, all the heart-burnings, all the suffering that has been caused by these changes to the individual, when you think of the honest men who have gone to the workhouse and can never be brought back again to the ranks of continuous labour—when you think of all these things, then I say, even if the country were enriched its wealth would have been dearly purchased ("hear, hear").

Trade Runs in Cycles

Now, I believe the working men of the country will have to think of these things, as they are brought home to them —and I say it with sorrow, but I say it with conviction, it is going to be brought home to them very soon ("hear, hear"). The trade of this country always runs in cycles. We have had five or six years of exceptionally good trade, but the time is coming—I do not predict exactly when, but it will come—when there will be a cycle of bad trade. Then the evils which I dread and fear will be accentuated in their influence upon the working classes of this country (cheers). There will be more imports from abroad in the shape of surplus production, more want of employment, and more misery of every kind. As these things come home to you, will you seize the earliest opportunity to alter the system under which this state of th ngs is possible? Why should you be afraid? Suppose I am wrong; suppose that, in common with 99 out of 100 of the whole civilised world,

I am wrong, and the pure Free Importers are right, still it is perfectly evident that the adoption of these proposals will not do you much harm, because these 99 out of the 100—those other countries, our German competitors, our French competitors, our Italian competitors, our Russian competitors, our Swedish competitors—are all doing very well. Therefore it cannot be an alteration such as I propose that will make the difference against us which the professors desire you to believe. 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 (cheers), which, after all, only involves, if it involves anything, this small transference of taxation from certain kinds of foods 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 (cheers).

No Sacrifice Demanded

I admit that sometimes I almost feel as if this were the weak point in my whole argument. I have to say to you—because I believe it to be true—that I ask you to make this change for your own good, as well as for the good of the Empire, and that you will not be called upon for any sacrifice. I declare to you I wish I could say that you would be called upon for a sacrifice. I declare I would rather speak to you here and appeal to you as Englishmen, and ask you whether you are not willing to do what your fathers would have done, and what, in fact, they did do (cheers); whether, for some great good in which, indeed, you might have no immediate personal interest (cheers), you would not be willing to make a sacrifice for great Imperial results (cheers). When we talk of Empire, and that is the satisfactory thing in this discussion, then we rise to a higher plane, then we are not thinking of ourselves, we are not thinking only whether a farthing here or a farthing there

is a matter to us. We are thinking in the first place of our past, of the past of which we are proud and which we desire to continue; we are thinking of our present in order that we need not be ashamed and may hold up our heads as sons of those who have gone before us; and we are thinking of the future, and of our children, and our children's children, to whom we wish to leave unimpaired and intact the great inheritance which our fathers left to us (loud cheering).

A REPLY TO LORD GOSCHEN *

MR. CHAMBERLAIN, on rising to respond, was received with loud cheering. After warmly acknowledging the personal compliment paid to Mrs. Chamberlain and himself, he proceeded to say :

NO PARTY QUESTION

I am aware, sir, that your position is, for the time, a neutral one. Politics in a party sense are and ought to be absolutely excluded ("hear, hear") ; and I myself feel that it would be in the worst of bad taste if I were to use the opportunity which you have afforded me to treat of any subject of purely party controversy, or to treat of any subject at all in a party spirit (cheers). But in the course of the great discussion in which the whole nation is engaged, I for one have absolutely refused to treat the matter as a party one (cheers). As far as I am concerned, I will never lend myself to the idea that any question which, like this, touches every single member of the community, can be, or ought to be, treated as being a mere matter as to which party or which section should form the Government and the Administration of the country (cheers). And I am happy to think that, while on the one hand some of my best party friends, some of those with whom I have been most intimately connected during the last few years, have felt themselves compelled to differ from me on this point, on the other hand some of the most influential of my political opponents and a great multitude of those who upon any ordinary political question would undoubtedly record their

* Delivered at Liverpool, October 28, 1903.

votes against me, are nevertheless in this matter willing to give to me a favourable consideration (cheers).

Lord Goschen's Opposition

Now among those who differ from me is my old friend, formerly one of the most distinguished members of your city: I mean Lord Goschen. But of all my opponents none has treated this matter in a more moderate, in a more scientific, and in a more impartial spirit. This is not the first occasion in which we have differed, and I remember another unauthorised Programme in regard to which we took opposite sides, but I think it a good augury that on that occasion I proved to be right and he proved to be wrong. I hope the same thing may occur again. There is one pleasure I have in dealing with Lord Goschen, and that is, that, like myself, he is a man of business, and that enables him to do what many of my critics fail to do, that is, to appreciate the arguments he has to answer; and when I read his speeches I understand what he means, and I know that he has understood what I meant. In the address he has given there are many matters which are scientific questions, and which it is impossible for me to speak of in a great popular audience where figures and scien ific argument cannot possibly be fully appreciated; but here I think myself justified in referring to them once more. Now one of the principal foundations of Lord Goschen's argument was the doctrine which I think is an antiquated doctrine in more senses than one—the doctrine, that is, of some of the older economists, that you cannot put any tax whatever upon imports without putting it entirely upon the consumer. I think myself that that argument has been disposed of practically by the modern experts in economical science ("hear, hear"). But at the same time I should like to add one or two words to what I have already said on the subject. Now Lord Goschen went very far on this point. He was, as you know, a supporter of the recent registration duty on corn. He supported it as a permanent widening of the basis of our taxation; but he has been considering

the subject since, and told his audience the other day that the tax must have fallen upon the consumer. It is true that the prices of corn did not rise, and it is true that the price of bread did not go up, and in fact that nobody felt the tax. It was absolutely imperceptible, but it must have been there (laughter). Somehow or another the consumer must have paid it. Let me say, in the first place, I wish that Lord Goschen would devote his great talents for the benefit of another Chancellor of the Exchequer who has succeeded him (cheers), and that he would try to discover a few more taxes which, although they would benefit the Exchequer, would still be imperceptible to all of us, and would therefore be joyfully accepted, at all events, in comparison with such other taxes as the income-tax and the house-tax, and the death duties which, so far as I can judge, are quite sufficiently appreciated (laughter). But I do not think an argument which is based upon the existence of something which you cannot see, which you cannot feel, which you cannot touch—I do not think that an argument of that kind is a very powerful argument against a change which may be desirable on other accounts. And I would also point out that any such argument is entirely opposed, not only to all the scientific doctrines of other countries, but to all the practice and present opinion of other countries.

Reception of the Proposals Abroad

Now you, gentlemen, who in the course of your business have occasionally to make yourselves acquainted with foreign opinion must, I think, have been struck by the way in which these new proposals have been received abroad ("hear, hear"). On the whole, I think it is remarkable, considering that we are not altogether popular amongst our neighbours, that this proposal for a change of policy, which is thought by foreigners to be likely to cause them some injury, has been received with such general good temper and with such full appreciation of the objects with which it is proposed. In the United States and on the Continent we find a general feeling that it is extremely natural that with

further experience we should review our fiscal policy, and at the same time a determination on their part not to resent any change, but to endeavour to meet it. You will find throughout the length and breadth of the Continent and the United States an expression of a feeling not so much against the policy, but of a desire that in each case they should be prepared to meet the policy, and to meet it, if possible, by concessions which may remove some of the objections which are now entertained to their systems (cheers). But—and this is my particular point—you will find that, unlike Lord Goschen, every one of these countries believe that, if they do not meet us in a reciprocal spirit, and if, therefore, we are forced to retaliate upon them and to put duties upon their goods, it is they, and not the British consumer, who will have to pay the duty ("hear, hear"). Now I should think that that is a point which we ought to keep in mind ("hear hear"). I think that in forming their tariffs they have really proceeded in a more scientific way than we have, and I think that they are not unreasonable when they say—though they are sometimes unreasonable, perhaps, in the extent to which they carry their doctrines—"If we allow you to come into our country and sell your goods and make a profit, then we expect you to contribute towards the expenses of our Government and administration." I should like to know —I have seen calculations with regard to particular trades, but it would be worth carrying it farther—I should like to know how much each article that is produced by each trade pays in the way of taxation; and I should like to ask whether it is not as a general principle right that, if foreigners enter into competition with these articles, they should be called upon to pay an equal amount towards the administration of the country (cheers).

Figures not Conclusive

In pursuance of this argument that taxes are paid by the consumer, Lord Goschen devoted himself chiefly to the consideration of the comparative prices of taxed and untaxed articles. He said, in effect, that, taking sufficient

averages, whatever duty was paid upon food in a foreign country had raised the price of food in that country, and the price, as compared with the price of food in this country was increased by the difference in duty; that is to say, taking a duty of 5*s.* per quarter on corn, then the corn will be 5*s.* dearer there than in this country. I have already said that this question will never be decided in that way, and that figures will never prove anything. The factors are so complicated. You cannot get any figures that all men will accept as conclusive upon any point under discussion. You can only take figures as illustrative of your argument. I have been looking at this question and taking out figures which may be disputed, but which lead me to a totally different conclusion from Lord Goschen. 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 tax. I am going to ask you to listen to a few figures on that subject.

The Effect of Duties on Prices

Take, in the first place, the case of France. Now before 1878, and for five years after, the duty there on corn was 1*s.* 0½*d.* per quarter. I take five years as a sufficient period for comparison. In the five years 1878 to 1882, when a duty of only 1*s.* 0½*d.* was levied on wheat, the price was 49*s.* 10*d.* In the next five years, after the duty was raised to 12*s.* 2½*d.*, the price fell to 37*s.* 3*d.*—that is to say, the duty was 11*s.* 2*d.* more and the price fell by 12*s.* 7*d.* (laughter). 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, let us compare the price in France with the price in England. The excess of price in France when the duty was 1*s.* 0½*d.* was 4*s.* 10*d.*, and that was probably owing to a difference in quality. But in the period when the duty was 12*s.* 2½*d.* the excess rose from 4*s.* 10*d.* to 9*s.* In other words, an increase of 11*s.* 2*d.* in the duty only increased

the comparative price in this country by 4*s.* 2*d.*, and 7*s.* 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 that as the result of the argument France did not pay the full excess of duty, but only 4*s.* 2*d.* out of the excess of 11*s.* Now take Germany. A rise of duty took place in 1885—a rise of duty of 4*s.* 4½*d.* The average price fell during the three years in which the duty remained in force 8*s.* 6*d.* below the average of the price during 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 10*s.* 7*d.*, or 2*s.* 1*d.* more than it fell in Germany. In other words, an increase of 4*s.* 4½*d.* in the duty only increased the comparative prices by 2*s.* 1*d.* and 2*s.* 3½*d.*, 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 8*s.* 10*d.* per quarter in 1888, and the price rose about 1*s.* 6*d.* a quarter. In the United Kingdom it fell 2*s.* 6*d.* during the same time that it rose 1*s.* 6*d.* in Sweden. The difference in the comparative prices was 4*s.* The difference in the duty was 8*s.* 10*d.* Accordingly 4*s.* 10*d.* of that tax, or 55 per cent., was paid by the foreigner. I apologise for putting these details before you ("No, no"), but I think they are important and justify my doing so ("hear, hear"). 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 Edgworth and Professor Ashley, and, among the older economists, John Stuart Mill and the late Professor Sidgwick, all of whom have said at one time or another that a part of any duty imposed upon imports, a part, at any rate, is paid not by the consumer, but by the foreign exporter.

A Question of Principle

Now, I turn from these details; I turn to a question of principle, which I think is really of great importance and is at the bottom of the difference between myself and those

who call themselves Free Fooders. I may say in passing that I hope, now that the Duke of Devonshire, with all his great practical common sense, has joined the Free Fooders, that he will induce them to change their name, because a more misleading appellation than that for an association whose leaders are the men who during our generation have done more to tax the food of the people than all the rest of the country put together has never tried our patience. But what is the principle upon which these Free Fooders proceed? It has never been so clearly stated before, and to my mind it is absolutely wrong, accounts for a great number of the mistakes we have made, and ought to be dismissed from our fiscal gospel. ("Hear, hear.") It is, to put it in a few words, that a tax upon food, or a tax upon any other import, is perfectly justifiable if it is a tax purely for revenue purposes. If the tax only benefits the Exchequer, and does not do a halfpennyworth of good to any other interest, then it is a good tax; but if incidentally or even directly, as one of its proper and necessary purposes, it benefits any interest in this country or any trade in this country, if it benefits the whole country, if it promotes the great ideal of Imperialism to which so many of us attach so much importance, if it has any of these incidental advantages, then let it be utterly condemned. It is not worthy of consideration by any true follower of Mr. Cobden (cheers). Now I call that a preposterous doctrine (cheers). My methods and anything else may be quite wrong, but my object is simply this. I want to establish a scientific taxation in place of a taxation which, in my opinion, is a taxation in its most brutal and arbitrary form (cheers). All this comes from that old, bad doctrine of *laisser faire* which was the bottom of the policy of the Free Traders in times before we appreciated our position as a great Imperial race (cheers). It is to my mind an utter misapprehension of the duty of a British Government to say that so long as it only taxes the people, so long as it only taxes the money out of their pockets, and so long as its operations are not, indeed, imperceptible, but are as burdensome as they can be made—then you may give it your support

without hesitation; but if, on the contrary, the Government of a country considers itself as though it were the directors and managers of a great undertaking, and as though the interest of every one of the shareholders was part of its duty, as though it had to give a careful eye to everything that passed, not only in this country but throughout the world, and wherever it could assist its own people and promote its own interests immediately to intervene, then we are to be told that such a Government is unworthy of the confidence of the nation.

An Appeal to Mr. Gladstone

Now, Sir, I have great respect for all those Chancellors of the Exchequer to whom I am referred. I have great respect for my friend Lord Goschen. But I appeal from them to one greater than all of them—I appeal from Sir Michael Hicks Beach, from Sir William Harcourt, and from Mr. Ritchie to one greater than all. I appeal to Mr. Gladstone himself. Mr. Gladstone was a man of whom I think Liverpool can never be otherwise than proud (cheers). Many of you, always in politics opposed to him, and many of us, who at one time accepted him as our trusted leader, believe alike, in his later years especially, that he made great mistakes. None of us doubt his capacity, his ability, his proud position as one of the most honourable, most able, most generous of British statesmen (cheers). I am not, I need scarcely say, going to claim Mr. Gladstone as one who would have been in favour of the policy I am putting before you. I do not think there is any use in speculating as to what men who have gone from us would have done in new circumstances; but if I am asked, I think the high probability is that Mr. Gladstone would never have been able to detach himself from those ideas which he so long entertained and expressed in regard to Protection and Free Trade. I only appeal to him, therefore, as a great master of the underlying principles of finance. I will apply his principles as I please. I claim him as an authority upon the principles;

and upon the principles, I say, he was entirely opposed to this new doctrine of taxation—that a tax is to be recognised as reasonable and wise when it does no good to any living soul and only so far as it brings money into the public Exchequer. Mr. Gladstone made a remarkable speech in introducing his Budget in 1860. I propose to read the whole quotation which bears upon this subject, because I think it is worth your careful attention. The whole subject and the circumstances of the time are also worthy of your attention.

Mr. Gladstone in 1860

Mr. Gladstone said: "But I do not hesitate to say that it is a mistake to suppose that the best method of giving relief to the labouring classes is simply to operate upon the articles consumed by them. If you want to do them the *maximum* of good you should rather operate upon the articles which give them the *maximum* of employment" (cheers). He was speaking in 1860, fourteen years after 1846, when the anti-corn law legislation was passed. "What is it," he asked, "that has brought about the great change in their position of late years? Not that you have legislated here and there, taking off 1*d*. or 2*d*. in the pound of some article consumed by the labouring classes. It is that you have set more free the general 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." This is a thing, I think, which will come as a surprise to many who take part in this discussion. I find gentlemen of great reputation speaking as if there was general distress because of the high price of bread before the corn laws were abolished, and that no sooner were the corn laws abolished, than by a stroke of the wand this distress was removed by the cheapening in the price of food. The

great reduction in the price of food did not take place till long after 1860—long after the time when Mr. Gladstone was speaking. But let me keep before you the main question and continue the quotation. "It may possibly be doubted whether up to this time you have given them cheaper bread. At best it is but a trifle cheaper than before. That change, however, is one comparatively immaterial, but you have created a regular and steady trade which may be stated at fifteen millions a year. By that trade you have created a corresponding demand for the commodities of which they are the producers, their labour being an essential and principal element in their production. It is the price their labour thus brings, not the price of cheapened commodities, that forms the main benefit received from your legislation (cheers). That is the principle of a sound political economy applicable to commercial legislation." What were the circumstances under which this Budget was produced? Mr. Gladstone was asked to relieve the working classes by taking off the duties on sugar and tea, but he said it was his object—I am not now quoting his words—he said: "No, I shall not benefit them much by that. You must use the money you have to dispose of in order to increase employment, in order to give them by their production the means of purchasing commodities they require." He refused to take off the duties on sugar and tea. What did he do? In the first place, he took off the excise duty on paper, and it is most interesting to read that part of his speech. I only read it again the other day when I made my speech at Glasgow, and I was curious to find almost the same language as to the country mills that might be supposed to be the producers of paper as I have used as to the country mills that I thought might in the future be grinding our corn, and as to our duty to do anything we could to keep the country people on the land, and not send them to crowd into the towns to compete with the artisan (cheers).

That was one use that was made of the money at his disposal, and the second use was this—to prepare for the deficit which he anticipated in consequence of the reciprocal treaty with France, a treaty in which we reduced our duties on French goods in order that she might reduce her duties on ours. I have been told that that was a reciprocal treaty, and not a Preferential treaty (laughter). Well, it was both. It was a reciprocal treaty, that is admitted; but it was also a Preferential treaty, in the sense that the articles upon which we reduced our duties were, many of them, articles which no other country made. When we reduced the duties on French claret and burgundy, how did that benefit the other countries to which we gave the most-favoured nation clause? The fact that it was not preferential in the full sense came up for discussion later, when I was a member of Mr. Gladstone's Government. When we tried to make a second treaty with France, after the old one had expired, what did the French say to this? They said: "You have given, and continue to give, under your policy every advantage you offered to us to every other Power. You have now given all that you had to give, and you have given it to everybody. Under the circumstances, is it reasonable that we should make what we consider a sacrifice? You were pleased to give us this concession because you considered it to your advantage; we are very much obliged to you, but you have nothing more to offer us in return for the concessions you ask, and we, therefore, can give you nothing except the most-favoured-nation clause." It may be in some cases an advantage to this country, but the advantages of it has been grotesquely exaggerated ("hear, hear"); since all these treaties are made between countries who have their own interests to consider, who do not consider ours when they are negotiating treaties, and when they are completed they are often of no advantage to us. What, for instance, is the advantage of a most-favoured-nation clause in a treaty between Germany and

Russia, in which Germany gives a reduction to Russia on articles we do not produce? (laughter). I have said enough about the two propositions; and I wish to question both—the proposition that a tax put upon imports is necessarily borne by the consumer, and the proposition that it is the duty of the Government to ignore every consideration except the immediate interest of the Exchequer.

Free Trade an Anti-Imperial Policy

Now, I will come to what, after all, is the most important point in this discussion. At any rate, I should never have raised it, I should never have thrown myself into this controversy and all that it nvolves, if I had not been moved by my own personal experiences ("hear, hear"), by the responsibility which I felt I had towards the Colonies whose relations with this country I administered so long ("hear, hear"). If I had not felt in connection with that experience and responsibility that the whole future of the Empire depended upon our being ready to review our policy, I should have left these fiscal questions, so far as they concern the immediate interests of the United Kingdom, to younger men, perhaps to my descendants (cheers). But it is because the two great objects to which my whole public life has been devoted, in the first place the amelioration of the condition of the working classes ("hear, hear"), and in the second place the union and the strengthening of the Empire ("hear, hear"), on which I believe our future depends—it is because both of these objects, and one of them especially, are at stake, that I have taken off my coat for a contest of this magnitude.

But in reference to this second and most important part, it is interesting to bear in mind what many have forgotten, I myself among the number, that the policy of the Free Traders was an anti-Imperial policy which, I do not say all, intended to carry into effect but which coloured all that they did. If you had said to Mr. Cobden, "Your policy is very good, it may increase the prosperity of this country. but in the long run it would lose us our Empire, it would cause

separation of the Colonies," what would Mr. Cobden have said? What did Mr. Cobden say? In Mr. Morley's "Life of Cobden" there is a quotation from Mr. Cobden's letter, which, in 1842, four years before the passing of the Corn Law legislation, he wrote to his brother. Mr. Cobden said: "The Colonial system with all its dazzling appeals to the passions of the people can never be got rid of"—got rid of! Is that the object of our policy? (cheers)—"can never be got rid of except by the indirect processes of Free Trade, which will gradually, and imperceptibly, loosen the bonds which unite the Colonies to us by a mistaken notion of self-interest." When my attention was again called to this letter—no doubt I read it at the time that it first appeared—I was as much astonished as any of you could be. Is it not fair, is it not reasonable, that those of us who have thought that our Imperialism was quite consistent with Free Trade should now review our position when we find the leaders of Free Trade not only contemplating the possibility of this disruption of the Empire, but declaring as their private conviction, hope, and aspiration, that the policy of Free Trade would lead indirectly, but certainly to this result? (Cheers.)

The Future with the Empire

Surely it is unnecessary for me now to argue this question. I will express my own feelings in two or three words. No one is prouder of England, Scotland, and the United Kingdom than I am. I can never read our past history without a thrill of emotion. We are not a perfect nation, we have done many bad things in our time—still, what grand things have been given us to do! What grand things we have done by the courage, the tenacity, and the determination of our race! We are a mere speck on the globe, but we have made ourselves, or have been made in the course of the designs of Providence, responsible for 450,000,000 of people (cheers). I do not believe that all that is meant to go for nothing. I do not believe that we have not, in securing this position, fulfilled the duty that was imposed

upon us. But what if the duty is too heavy for our shoulders ? And in my judgment, although the United Kingdom alone may yet have much to do, may yet take a great place amongst the kingdoms of the world, she cannot rival the empires that are springing up around her. We are venerable, we are old with honours and burdens beyond the average imposed upon us. We cannot look to a future equal to our past (" hear, hear "). Yes, we are old, but the Empire of which we are a part is new (great cheers), and in that Empire we may find with our kinsmen and our children a future—a joint future —which we shall share with them, which will be greater than anything to which we can look back (cheers).

THE CHANGED CONDITIONS SINCE THE REPEAL OF THE CORN LAWS*

MR. CHAMBERLAIN, who was received with prolonged applause, said :

Mr. Chairman, Ladies, and Gentlemen, I thank you for the welcome that you have given me. I am glad to be among my own people (cheers). It is now almost exactly six months since, in addressing my own constituents in the Town Hall, I called their attention to our relations with our Colonies, to our present fiscal conditions, and I invited them to consider whether the time had not come when some modification of those conditions would be necessary and desirable. It was not for the first time that I had spoken on the subject, but then I was fresh from a visit to some of our great Colonies, and had had an opportunity of intercourse with many representatives of Colonial opinion, not only of South Africa, but of our Australian and Canadian Colonies, and I desired particularly to press upon my friends and supporters my own deep feeling of the growing importance and the immediate urgency of the question. Much has happened since then (cheers), some of it painful and some of it eminently satisfactory, and above all I am grateful to those to whom I spoke—and to a much larger audience which I have always in mind on an occasion such as this —that they have answered my appeal, that they have discussed this great question, that they have refused to treat it as the delusion of a madman, as some of my

* Delivered at Birmingham, November 4, 1903.

opponents thought it to be, and that even those opponents themselves have been so far converted—(laughter)—that whereas before they regarded the matter as one not worthy of a moment's consideration, they have since been speaking of nothing else (cheers and laughter). Ladies and gentlemen, I had at that time a sort of instinctive idea at the back of my head that the working classes of this country, who were not either consulted or represented at the time when Free Trade was accepted as the policy of this country—who have never had it presented to them as a serious issue in the fifty or nearly sixty years that have elapsed—I had an idea that they, at any rate, would approach this question with an open mind, and that they would not accept a policy more than fifty years old at a time when everything had changed, every policy, every institution had submitted to modification—they would not accept that as an inspired doctrine which it was blasphemy to question (" hear, hear "). I had an idea, and it seems to have been a right one (cheers), that they, at any rate, were not so wedded to the wisdom of our ancestors, that they would be ready immediately and without question to accept the appeal which has been addressed to them by Mr. Asquith to " stick to our well-tried policy " (cheers). It sounds a little like a shopkeeper's advertisement (laughter and applause). It might perhaps be excused in the mouth of a Conservative statesman of the old school, but it sounds strange when it comes from a gentleman who claims to be a Radical statesman (laughter).

The Anti-Corn Law Agitation

I have said that in the interval which has elapsed between our acceptance as a nation of Free Trade principles and the present time much has changed. Before I point out to you these changes, I think it may be useful if you will bear with me for a few minutes while I say something about the history of what is called the Anti-Corn Law agitation. It seems to me that this has been very much forgotten; sixty years is a long time, memory plays strange tricks with us, and I am afraid that

many of those who differ from me have not taken the trouble to read contemporaneous accounts, given not merely by Protectionists but by Free Traders themselves, in regard to this great movement. Now I ask you what is the view which has been placed before you by the opponents of any change. I want to state their case as fairly as I can, and I think this a fair statement of it. They have either represented to you, or they have led you to infer, that during the times of Protection this country was continually declining until it reached a state of unexampled misery and destitution. Not only in those days were people on the verge of starvation and misery, but—according to their theory—they were actually being starved. They have led you to believe that this state of things was due wholly to the Corn Laws, to the high price of bread, and to Protection, and then they have led you to believe that when the Corn Laws were repealed everything changed as though by magic, and at once there was cheap food for all people ; destitution no longer existed ; we entered on a time of great and universal prosperity, wholly due to the alteration of our fiscal system. I am afraid that that statement of the case has been accepted without inquiry by many persons. I have to say now that, if that is the case, it is a popular delusion (cheers). There is one answer to it—a general answer, which, I think, is conclusive. If it were true that Protection inevitably brought with it destitution and misery and starvation, and if Free Trade inevitably brought with it prosperity and progress, how do our opponents account for the fact that every foreign country without exception that has adopted Protection has—in recent years at any rate—progressed more rapidly and in greater proportion than we, the Free Trade country of the world ? (Cheers.) I do not say that they have progressed in consequence of Protection, but I say that the argument of my opponents that Protection is necessarily ruinous—and that Free Trade necessarily implies prosperity—is absolutely disposed of by facts which are known to every man of you, which are known to every reasonable and impartial inquirer.

Straight Questions

But, putting aside that general answer, I am going to deal with the matter from its historical aspect. Is it true that at the time when Free Trade was introduced and the Corn Laws were repealed that we were in a state of destitution and misery and starvation? Is it true that, under the protection which prevailed before, this country was going down in the scale of nations or losing its prosperity and losing its trade? No, gentlemen, absolutely no. The exact reverse was the case. In the years preceding the repeal of the Corn Laws—and I will take especially the years from 1830 to 1841—there was a time of great prosperity in this country under Protection. I do not mean to say that the country was as rich or as great as it is now, but comparatively with other nations it occupied a better position ("hear, hear"). Comparatively with other nations it was absolutely in the first rank. It had conquered, under Protection, the absolute commercial supremacy of the world, and although trade was less then than it is now it was increasing with a rapidity, a proportionate rapidity, which has seldom been exceeded since. But in 1841 we had in this country one of the crises which occur in every country from time to time, whether they be Protectionists, or whether they be Free Traders. We had a time of bad trade and small employment. It was not brought about by Protection. It was not brought about by the dear loaf, for in that period the loaf was much cheaper than it has been many times since the abolition of the Corn Laws. But it was brought about by circumstances which you will all understand. We had become the workshop of the world. We had been very prosperous. We were increasing our production rapidly. We outstripped the demands of the world. Foreign countries were in a poor condition Their prosperity had been hindered by many causes into which I will not enter now, and they were unable to take the surplus of our production; and so many of our mills and factories had to go on "short time," or were closed altogether, as you all have known in your own

experience. There was great want of employment, which is 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 the time—in 1841 and 1842—to which Sir William Harcourt referred in his speech which was made on Saturday last. He went back to the memory of his youth, and said that at that time he was at school—I think at Preston—and had been, I understood him to say, a witness of riots in which some of the people had been shot down by the military. He went on to say that nothing of the sort had ever happened since. Well, sir, this is a very small matter, but I think his memory deceives him, because I think in later times—I believe, I have not had time to check it—I believe he was Home Secretary—(laughter)—people were shot down in a Midland mining district, and a special Commission was appointed by the Government to inquire into the circumstances. But, after all, as I have said, that is really not relevant to the subject.

The Riots due to the Chartists

The point is that the riots in 1841 and 1842, to which Sir William refers, and which he apparently wished his audience to believe were due to the Corn Laws or 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 of those days were absolutely opposed to the leaders of 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 (laughter). 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 that would deal with the circumstances of their conditions, was to secure sufficient representation according to their numbers, and they begged of them not to be drawn aside by the Free Trade agitation, which, they said, was a red

herring to divert them from what was more important in their interests; and these riots and discontent were due to the action of the leaders of the Chartists, who urged the working men of this country to a universal strike, and they were directed not in favour of Free Trade, but they were directed against the Manchester manufacturers and others who were at that time the chief supporters of Free Trade. Somebody the other day said that that was not quite correct. I forget what objection he took to it, but I ask you to read the accounts given, not by me, not by a Protectionist—but by a Free Trader, a Free Trader who lived in those days, and was a friend of Mr. Cobden, who wrote a history of the Free Trade movement in which he believed, and who, therefore, is an irrefutable witness in a case of this kind. Mr. Mongredien wrote the history of the Free Trade movement. Read what he said about the position of the Chartists.

A Quotation from Cobden

You will find in Mr. Morley's "Life of Cobden" a quotation from Mr. Cobden, in which he said—I must be careful about the exact words—(laughter)—that the great body of intelligent mechanics stood aloof from the movement, and at the same time he admits frankly—he always was honourable and frank in all his discussions—he frankly admits it was a manufacturers' movement, and he says: "I must confess that in the outset, at any rate, most of us thought that we had a distinct class interest in the matter." That is to say, rightly or wrongly, the Free Trade movement was a manufacturers' movement, was not a working-class movement, and the leaders of the working classes of those days—rightly or wrongly—were opposed to the movement; they were in favour of something quite different, in favour of that electoral reform which in subsequent years the working classes have obtained. Now bear in mind, let me impress upon you what this argument is. It tends to show you that the distress of which you are often reminded, the distress of 1841, was not attributable to the Corn Laws, not attri-

butable to the price of bread, was not attributable to Free Trade; it was due to other causes altogether. Here is a proof. In the years immediately following 1841 and 1842 everything changed. More employment was found, great prosperity prevailed. Now again, let me quote what was said in reference to the period immediately before the repeal of the Corn Laws. Mr. Mongredien says this: "The adoption of Free Trade was not the result of pressure from adverse circumstances. This 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 generally was cheaper than it had been for many years" ("hear, hear"). And yet Sir William Harcourt, trusting to his memory—(laughter)—tries to persuade you—to persuade the working classes of this country—that Free Trade was adopted because of the famine and the starvation which prevailed at that time. Now I go back to my history. In the autumn of that year, when things were so prosperous, a great calamity visited one part of the United Kingdom; the Irish people had been accustomed up to then to depend almost entirely for their sustenance upon the potato. The potato famine came, and the crops were destroyed, the prices rose, and the most appalling misery was the result in Ireland; and I have seen it stated that even millions of the population were on the verge of starvation. Gentlemen, it is clear that that must have had a great effect upon the statesmen of those days. That it must have impressed them with the necessity for relieving food from any exaggerated taxation, I can well understand; but the potato famine was not the result of the Corn Laws—(laughter)—nor was the price of bread at the time of the potato famine the cause of their repeal or of the legislation which followed.

Some Striking Figures

I ask you—that was the autumn of 1845—I ask you now to consider these figures. I will not trouble you with many. In 1846, when things were at their worst, when the Irish

famine had put the whole people of Ireland into a condition which was almost one of despair, what do you think happened with regard to the price of bread? The price of wheat for the whole year of 1846 was 54*s*. 8*d*. per quarter, and after the repeal of the Corn Laws, which took place in that year, taking an average of ten years the price of wheat was 55*s*. 4*d*. per quarter, or 8*d*. higher than it was during the year of 1846, when the repeal took place (cheers). 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 (cheers). But I have something else to which I have to call your attention. It is true you have been told that after the repeal of the Corn Laws this country entered on a period—which lasted for five-and-twenty years—of what I may call unparalleled prosperity. I do not deny it, but I say that it had nothing 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 Australia, the development of inventions, the enormous increase of railway and steamship communication, the general impetus and stimulus which was given to the trade of the world (cheers). 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 a supremacy in the world's markets. 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—of this great advance in the general dealings, the commercial dealings of the world ("hear, hear"). Now, gentlemen, I beg you to notice, before I pass on, that nothing that I have said is intended to show to you that it was wrong to adopt Free Trade at that time, and under the circumstances at which it was adopted. That is a different question altogether ("hear, hear"). But I want to prove to you, and I think I have proved it, that it was not

Free Trade, and it was not any cheapening of the loaf, which made Free Trade necessary, but, on the contrary, as Mr. Mongredien tells us, Free Trade was adopted in this country because people were persuaded at that time, and I think rightly persuaded, that at the moment and under the circumstances it was the best economic policy for us to pursue.

Free-Trade Sophistries

Let us treat the present question in the same way; let us get rid of all this idea that Protection is immediately followed by starvation and destitution. That is absolutely untrue. Let us get rid of the idea that Free Trade necessarily brings prosperity. That is altogether untrue; but let us, as business men, as fair men, consider quietly whether, under existing circumstances, the policy of free imports which has taken the place of the policy of universal Free Trade is for us the best policy. It may be the best for us, and if so I do not pretend that the country will be ruined by its adoption. It may not be the best policy, and in that case believe me the country will not suffer for adopting a different policy (cheers). Now, then, I come to my next point. Here is one of the great changes which we have to recognise, which has altered the whole situation since Free Trade was adopted. Mr. Cobden based his whole argument upon the assumption which he made in all good faith, that if we adopted Free Trade it would mean free exchange between the nations of the world, that if we adopted Free Trade, five years, ten years would not pass without all other nations adopting a similar system.

Cobden's Miscalculations

That was his belief, and upon the promise, the prediction which he offered, the country adopted Free Trade. Unfortunately he was mistaken. He told the country of his day that what he wanted to do was to keep England as the workshop of the world. All the rest of the world was to be the wheat-field for England. I came across a passage in

his speeches the other day which really, now that you think of what has actually happened, seems to be almost astounding. Mr. Cobden said that the United States of America, if Free Trade were adopted, would abandon their premature manufactures—(laughter)—that the workmen in their factories would go back to the land—(laughter)—and—now I am quoting his exact words—that they would "dig, delve, and plough—(laughter and cheers)—for us." If that had been true I doubt whether I should have been here to-night. But it was not true. The Americans have not so conceived their national destiny. They have not believed that they were created by Providence in order to dig, delve, and plough for us. They have thought that they had natural resources even greater than our own. They have thought that they could manufacture as well as we, and I am afraid that their ideas of the future have been much more correct than Mr. Cobden's. We have to deal with altogether different conditions. What happened when Free Trade was adopted in this country? Foreign countries which, as I have said, were backward in those days, were not manufacturers. Their Governments put on tariffs against our manufacturers. It is quite possible that they may have suffered in the first instance. They thought of the future, of their children, of their country—all very good things to remember occasionally (laughter). What was the result? Behind the tariff wall they built up their industries virtually during the twenty-five years in which we were so prosperous under Free Trade—gradually they became more and more manufacturing nations, gradually they got a firm hold on their own home markets. They kept us out, and they established the industries with which, not satisfied any longer with their own markets, they are now invading ours. I do not blame foreign countries, I do not appeal against their policy, but I ask you, as sensible men, are we really so conservative a nation that, while such a change has taken place in the whole conditions of our trade, we are still to say, "We stick to our well-tried policy"?

Our Relations with the Colonies

Then, gentlemen, I come to another point which, perhaps, is of even greater importance—at all events in the future—than the one to which I have referred. I want to call your attention to the change in the relations between this country and its Colonies ("hear, hear"). I want to call your attention to the change in our political relations, to the change in our commercial relations. Take the commercial relations first. When I was at Glasgow the other day I pointed out that there had been a decline in our trade, in the exports of our manufactures to the foreign protected countries. I pointed out that our trade with the neutral countries—which, although they have tariffs, have no industries, and therefore are not protected in the true sense of the word—that our trade with those countries had remained stationary. And I pointed out that our trade in our Colonies had increased by leaps and bounds ("hear, hear"), so that it had concealed the deficiency in our foreign trade. Well, I have seen no answer to this (loud and prolonged cheering). My figures have been questioned—not that it has ever been denied that the figures in themselves were correct, but it has been suggested that other figures might be produced which would tell a different tale. I am not going into figures to-night, but I defy my opponents to produce any figures which are relevant to this statement, and which will in any way refute it (loud cheers). It is quite true that they have produced volumes of statistics (laughter). I must paraphrase the remark of Sir William Harcourt about them, and I must say, "Where they are true they are irrelevant, and where they are relevant they are not true." But I daresay I shall have an opportunity in one form or another of dealing with those statistics. Meanwhile I only tell you the result of my examination, and my conclusion is this—whether your trade is prosperous at the present time, or whether it is not, its continuance depends essentially and mainly upon the continuance and even upon the increase of your trade with your Colonies. If that trade declines, if it does

not increase, then I do not care what may be the truth as to the comparative figures dealing with our foreign trade, but I say there will not be sufficient employment for our population, and very likely we shall have to meet a crisis even greater than that which our ancestors had to contend with in 1841. It is then our interest at the present time—I am dealing with interests—it is to our interest to stimulate the prosperity and the progress of our Colonies—("hear, hear")—quite independently of any affection that we may have for them, quite independently of any gratitude that we may owe to them. It is to the interest of every one of us, and, above all, of every workman, to preserve with them our trade relations, to increase and to improve them. And, if we give them a preference they will reciprocate ("hear, hear"). If we take more from them they will take more from us.

New and Important Point

There is one point which I do not think I have dealt with before, but it is one of great importance. It is this, that every year from our surplus population we send some of our best, of our youngest, of our most energetic—we send them abroad to seek their fortunes in other climes. Where do they go? They go for the most part under a foreign flag. They or their descendants break the connection. Being no longer under the shelter of the Union Jack, they no longer share our Imperial sentiment. I hope that they remain friendly, but they are no longer to be counted amongst our supporters, amongst those who with us maintain the mighty edifice,the responsibility for which has been thrown upon us (cheers). I am afraid I have been led into sentiment (laughter). Now I go back to interest (laughter). Every emigrant from this country who goes, let us say, to America—what is he? A prospective customer of yours to the extent of 6*s*. If he goes to Canada he takes £2, if he goes to Australia, he takes £5 or £6; if he goes to South Africa he takes more. Is not that worth considering? (Cheers.) While we are dealing exclusively with these

matters of the pocket, had we not better think whether it would not be worth our while—whether it would not be best to hold this Colonial trade and to increase it by every means n our power, rather than depend upon the crumbs which fall from the foreign man's table (loud laughter and prolonged cheers). And therefore it is one of my objects to-night to invite you to treat your friends better than those who are your rivals and your competitors (cheers). "The friends thou hast and their adoption tried, grapple them to thy soul with hooks of steel" (cheers). I say that is in your own interest. 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. But there is more than that. The pocket is not everything in these matters. There is more than that, and I warn you that if you are out of sympathy with your Colonies, if you think that because they have, following every other nation, adopted a different policy to yours, therefore they are foolish, and must not be listened to; if you reject their offers made to you in a most patriotic spirit—not solely with any view to their own interest—because many of them believe that the concessions which are asked from them are greater than if they regarded their own prosperity alone it would be worth their while to give—but granted by them because they share your feeling as to the empire of which they form a part—if you refuse these offers, if you will not co-operate in sustaining the Empire on the lines that they offer, then you may lose your opportunity, and it may never return. Then, I warn you, you will never have that bond of commercial unity which at one time at any rate was the ideal of Lord Rosebery, and if you have not the bond of commercial unity you will never attain to that Imperial federation for which Lord Rosebery declared that he was willing to die (laughter). I do not think it is necessary for anybody to die (laughter and cheers), for my own part I am content to live for the Empire (cheers), and I ask you, I ask the people of this country, to settle in the first place when you are dealing with this question of pre-

ference to the Colonies, do you, or do you not, want political union? Do you want to draw the bonds closer? (Loud cheers, and a voice, "We have brothers there.") I agree with my friend. We have brothers there who reverence and glory in these family ties. No man, no politician, should induce us to do anything that would sacrifice them.

Another Change

Then this brings me to another change. In 1846 our position with regard to the Colonies was very different. The policy of the leaders of the Free Trade agitation was different. Again I ask you—if circumstances have changed are we so stupid that we cannot change to meet them? ("No.") The leaders of the Free Trade agitation were not exactly enthusiastic about Imperial union. I quoted the other day at Newcastle a letter from Mr. Cobden, in which he distinctly said that he thought that one result of Free Trade would be gradually and imperceptibly to loosen the bonds which united us to the Colonies—("Shame!")—and I said that nowadays we do not want to loosen those bonds, and accordingly, that if our policy tended in that direction we must change that policy ("hear, hear"). To-day I have seen a letter in the *Times* from a gentleman whom I will not name, and whom I do not know, who politely tells me that that is an untruth. That is an illustration of the way in which our opponents carry on the controversy. I will not follow them. The letter of Mr. Cobden speaks for itself. But if that is not enough I will give them another (cheers). Here is what Mr. Cobden said in speaking of our relations with Canada. He said: "In my opinion it is for the interests of both"—that is, of this country and of Canada—"it is for the interests of both that we should as speedily as possible sever the political thread by which we are as communities connected, and leave the individuals on both sides to cultivate the relations of commerce and friendly intercourse as with other nations. I have felt an interest in this confederation scheme because I thought it was a step in the direction of an amicable separation."

Mr. Cobden did not stand alone in those times. It was not merely the view of the leaders of the Free Trade movement, but there was a large party in this country who regarded the Colonies as a costly encumbrance, and who gave them self-government not with the hope that thereby we should draw them closer to us, but with the hope that they would take the reins into their own hands and become separate nations. I am not going to argue whether they were right or wrong. That question has been settled ; but if that was the idea that prevailed in 1846 in regard to the Empire, in regard to our relations with our kinsmen abroad, now that we have changed the idea we must be prepared to adopt a new system to meet the altered circumstances (cheers). Now I ask myself this question :

Free Trade Leaders and Cobdenism

Is it certain that the modern leaders of the Free Trade party do not share these antiquated views of Mr. Cobden and his friends ? I am not for a moment denying that, according to theiro wn views, and according to their opinions, they are just as patriotic as we are. I am not discussing the morality of the question ; I am discussing the facts. Do they think with us that closer relations with our brothers is not only a desirable thing in itself, but that it is our duty, our primary duty, to achieve it? ("hear, hear"). When I read speeches that are made by Sir William Harcourt, Sir Henry Campbell-Bannerman—(laughter)—by Mr. Courtney, I cannot find in any one of them any trace of a true appreciation of what the Empire means. I cannot find any enthusiasm, any sentiment whatever, any chord that can be touched, that will strike to this great ideal, as I believe it to be, of the British people. No, sir, I hope I do not do them an injustice, but I cannot see that they care one brass button about Imperial union. The only thing they seem to care about seems to me to be the union of the Radical party (laughter and cheers). But then it will be said, " Surely you do not attribute similar views to men like Sir Michael Hicks Beach, Mr. Ritchie, Lord Goschen, and, above all,

the Duke of Devonshire?" ("Hear, hear," and some laughter.) No, I do not; but I admit that I am totally unable to understand exactly what their position is. They seem to me to be Imperialists in theory but not in practice (laughter and cheers). They wish to see an Imperial union, but they refuse to do anything to secure it. Sir Michael Hicks Beach—of whom I desire to speak with the greatest respect—has himself boasted that he has always been against preference. He has refused a preference on wine—that would not increase the price of food to the working classes—(laughter)—he has refused a preference on wine when asked for by Australia; he has refused a preference on tea, a preference on sugar, and a preference on corn, and he glories in his refusal to do a little more for our brothers than he would do for strangers ("Shame!"). I do not understand it ("hear, hear" and some laughter). It may be all right, but to my mind that is not an Imperial policy ("hear, hear"). All those gentlemen who have joined the Free Food League were at first, as I understood, determined Free Traders; they would not listen to any departure from that doctrine; nothing was to touch it in the slightest degree. That is a consistent position to take up; but I find I am mistaken as to their position—(laughter)—because they are going to support the Government, when the Government have declared through the Prime Minister in unmistakable language that they are not going to allow the foreigner any longer to engage in unfair competition with this country—to dump their goods without any restriction. I quite agree, but no one can conceal from himself that that is a position which is inconsistent with the strict Free Trade doctrine, and in accepting it the Free Fooders have shown that they are not against Protection—that what they are so anxious to protest against is a preference to the Colonies (cries of "Shame!"). You may protect yourselves against the foreigner, but if you give any advantages even to those who offer you an advantage in return, if in any way, accidentally or otherwise, you benefit your kinsmen abroad, if you assist the Colonies into a position in which they will be still more important than

they are now as parts of the Empire, if you make concessions to them in order to show gratitude, if you negotiate with them for this purpose, then this is heresy of the worst kind, and the Free Food League is prepared to hound out of public life any statesman who will have the audacity to propose a policy of that kind. I have said, and I say again, I do not understand the position of the Free Food League.

But I turn to another class. I turn to that class of our opponents which is very ably represented by Mr. Asquith. They profess to be, and I believe they are, an Imperialist section of the community. Mr. Asquith declares his sincere sympathy with the consolidation of the Empire, but his view is that my proposals will destroy the unity of the Empire. The argument is very simple. If you once get into negotiation with your friends then you will quarrel with them (laughter). You may negotiate with foreign countries. You may make a reciprocity treaty with France, you may make a treaty with any other country upon the most ticklish subject, but if your friends in the Colonies ask you, for heaven's sake do not get into negotiation with them (laughter). What an absurdity this is! Mr. Asquith says, "I trust to sentiment. Here is this splendid feeling existing between the Colonies and the Mother Country; let it alone, don't touch it"; and then he argues in favour of an Imperial Council—a thing which I myself greatly desire, which on two separate occasions I have proposed to the representatives of our self-governing Colonies, but which on two separate occasions they have said it was premature for them to consider. He proposes this Imperial Council, and what does he think it is going to do? Why, that Imperial Council, whenever it is established, will have to do with such delicate matters as Imperial defence, as Imperial legislation, as Imperial taxation. Apparently Mr. Asquith thinks that the sentiment is strong enough to allow us to negotiate with our Colonies on these matters, and, at the same time, it is so brittle, that if we begin to talk to them about a tax on, let us say, brass-work, or something of that kind, that at once they would break off, and the Empire would be disrupted. Gentlemen, I do not take this view of the opinion of our Colonies. I believe

that we may just as safely negotiate with them as we may negotiate with any other people on the face of the earth ("hear, hear," and applause). And I believe that they will meet us with a greater desire to come together than anybody else with whom we can possibly enter into communication.

Will the Colonies Reciprocate?

Now there is another objection which they take. They say, "What Mr. Chamberlain proposes is a one-sided arrangement." This is Mr. Asquith's version. "The Colonies," he says, "have not shown the slightest inclination to respond to his offer; they will offer nothing worth having in return." Now, how does he know? (Laughter and applause.) It is news to me. Whence does he derive this astounding information? Well, sir, I know something of the Colonies, but I am not bold enough, and I am not presumptuous enough, to predict beforehand exactly what all these great States each with its separate government, each with its separate interests, will do in any case which has not arisen. I have confidence that they will do what is right—("hear, hear")—but I refrain altogether from saying—I have not the special information at my disposal which would justify me in saying exactly how they would meet our offer when it is made to them. Time will show whether I have undertaken this crusade in ignorance of their wishes—(cries of "No")—or of their intentions. Meanwhile there are some things that we all know—except Mr. Asquith (loud laughter). They are public property.

Preferences already Given

We know, for instance, that a preferential system has been asked for by all the Colonies on three separate occasions. It was asked for at the Ottawa Conference and at two Conferences over which I presided in London. It was asked for by the representatives of the several Colonies, and they were not repudiated when they returned home.

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, are all in favour of this principle ("hear, hear"). We know that Mr. Fielding, who is the 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 desire, added, that if their offers and suggestions were put aside by the Mother Country, no one could complain if they considered themselves free to reconsider the preference they had already given us. They gave us voluntarily of their own accord a preference of 33 1.3 per cent., and one result of that preference is that our trade with Canada has gone up in the last few years until it is nearly double—it has increased by something like £6,000,000—and the Canadian Government and the Canadian Opposition say that if we are willing to reciprocate they are willing to negotiate and see if they cannot give us further advantages ("hear, hear"). So much for Canada. In Australia the Prime Minister of Australia, and I may add the Prime Minister of New Zealand, have both made this policy of reciprocal preference a leading article in their programme. My friend, Mr. Reid, the leader of the Opposition in Australia, although he is himself a convinced Free Trader, has, if the reports of his speeches have been correct, declared that if he could not have absolute Free Trade, he would be prepared to give the Mother Country a preference of 50 per cent. (applause). In South Africa the whole British community is in favour of the preference of 25 per cent. which has already been accorded to us (applause). Mr. Hoffmeyer, the leader of the Dutch community in Capetown, has made no objection, but he has said that if there be no reciprocity he does not believe that that preference will be lasting. Now those are facts which cannot be disputed. You may draw your own conclusions. For my part, I say that 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—(loud applause)—that they

paid money, small indeed, in comparison with our vast expenditure, but not inconsiderable when you bear in mind the relative proportion of our population—(" hear, hear ")—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—(applause)—I for one am not prepared to treat their proposals with contempt, and I believe that we may negotiate with them without fear of a quarrel—(" hear, hear ")—and that they will show to us the same spirit of generosity and patriotism which I hope that we shall be ready to show to them (loud cheers).

Practical Aspects of the Home Trade

Now, I have dealt with some general considerations, and I want to say a few words on certain practical aspects of the question. Mr. Asquith, in his speech on Saturday, complained that I ignored the home trade ; that I did not answer his arguments upon this question. I ask Mr. Asquith's pardon (applause). I cannot answer every argument in one speech. I cannot answer all my opponents at once. I remember a case, reported at the time, of a civilian in a foreign country who was supposed to have said something very offensive to a certain regiment. The whole of the officers of the regiment, from the colonel to the ensign, sent him a challenge (laughter). He accepted all the challenges, but he said he preferred, if they did not object, to kill them one by one (loud laughter and applause). He added that he hoped they would draw lots as to which was to be first (renewed laughter). I wish my opponents would draw lots (more laughter). I am willing to put Mr. Asquith in the front rank. Now, what does he mean when he says I ignore the home trade ? I do not think I have made a single speech in which I have not given extreme importance to it. Why, sir, the main object I have in view in the whole of this crusade is to secure to this country a strong home trade —(applause)—to make that the centre of a self-sustaining Empire (applause). Sir, I gather that Mr. Asquith thinks

the home trade is very prosperous, and that if that is the case, it does not matter how much our export trade is declining. I am not certain that the home trade is very prosperous; but suppose it is, it is no answer at all to my arguments. If the foreign trade is declining, and at the same time the foreigners are sending more and more of their goods into our home markets, 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 (laughter).

I believe that 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. But 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 and join the industry which is rising (laughter). Well, sir, it is an admirable theory; it satisfies everything but an empty stomach (laughter and cheers). Look how easy it is. Your once great trade in sugar-refining is gone; all right, try jam (laughter). Your iron trade is going; never mind, you can make mouse-traps (laughter and cheers). The cotton trade is threatened; well, what does that matter to you? Suppose you try dolls' eyes (laughter). It was once a Birmingham trade, and that is why I mention it. But how long is this to go on? Take sugar-refining. Very well, 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 the course of time be applied to jam? And when jam is gone? Then you have to find something else. And believe me, that although 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 hoping that you will be able to replace them by secondary and inferior industries (cheers). And putting aside altogether the individual suffering that is caused by every transfer of employment, by taking the workingman from some trade in which he has been brought up, and in which he has been engaged

all his life, and setting him down to something else 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 any real compensation to the nation. There is no evidence whatever that when one trade goes another immediately takes its place (applause).

The Building Trade

I observe that Sir William Harcourt has been looking at the Blue-book, and not only that, but he has taken advantage of passing through Derby and Birmingham in a railway carriage to make observations in regard to our commercial position. What he said in effect is: "It may be that some industries are decaying, but then others are growing, and as I passed through these places I saw evidence of enormous activity on the part of the building trade." I have a letter to-day from a builder in Derby. He says that in Derby a great number of men are out of employment in the building trade. But really that does not affect the argument. The building trade: What does it mean? The tinplate trade is bad, and are the tinplate operatives to lay bricks? But what an illustration! What an unfortunate illustration to take! (Laughter.) The building trade is one of the few trades in this country which is protected, not by legislation, but by the circumstances, the necessary circumstances of the trade and the regulations of the trade. Have you ever heard—there may be a case, but I do not know of it—have you ever heard of a foreign contractor, say an Italian builder, coming over here and competing with British builders, to build houses or public buildings or manufactories—bringing over with him his own labour, at, let us say, 1*s.* to 2*s.* 6*d.* a day—(laughter)—and accordingly contracting for much lower prices? My latest experience is that of the Birmingham University ("hear, hear"). We put forward our specifications and asked for tenders. No foreigner—(cheers)—no foreigner offered to compete, and, if the progress of the building trade is to be quoted at all it tells in favour of Protection—("hear, hear")—and not

in favour of Free Trade. As I have said, by natural circumstances the building trade is protected, and if there were to be such an incident—if a foreign contractor were to come over from some country where labour is cheaper and bring that cheap labour to build either our university or anything else—I think he would find himself in a very difficult position ("hear, hear"). I say, then, that it is childish to suggest to you, in the first place, that a decaying industry can transfer all its capital and all its labour to the building trade, or to some other prosperous industry; and, in the second place, it is absurd to suppose that an industry in the condition of the building trade is any argument whatever in favour of free imports.

Building Materials

If you had taken building materials, that would have been a very different case ("hear, hear"). I think those who make all the details of house furniture, those who make iron girders for the support of your floors and roofs, those who, in former times at any rate—those joiners and carpenters who made doors and window-frames—they, perhaps, would have a different tale to tell ("hear, hear"). The builders' trade as a contractors' trade is, as I have said, naturally protected, but there is no protection at all for the materials which come into the business. Now, if our opponents fail, as I think they do fail absolutely, in producing any satisfactory explanation which would justify us in believing that all that is lost in one trade is made up in another, let us see what is the condition of the decaying industries. Mr. Asquith jeers at me, and says I have been working with I do not know how many assistants—I wish I had them—(laughter)—I have been gathering statistics of these decaying trades and yet I can produce very few cases. On the contrary, I can produce scores, but I am not going to fill up a whole speech with the history of decaying trades. What I have endeavoured to do is to deal in each place I have visited with some of the industries with which the people are familiar.

Decaying Industries in Birmingham

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 the same foreigners £137,000 worth, and we were £87,000 to the bad ("Shame!"). 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 these foreign countries, and which range up to 45 per cent. and at the same time that this is going on the Colonies are buying twice as much as all the foreign countries put together (loud cheers). 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 you have always the same result; decline in exports to foreign countries, increase of foriegn imports to this country, only concealed, only compensated, by increase in Colonial trade. Take brass manufacture—("hear, hear")—and I mean the smaller brass manufacture. In the last ten years the imports from foreign countries have increased threefold. The tariff upon brass-work ranges up to 60 per cent., and the Colonies are our best customers ("hear, hear"). I do not know what other people think, but I think that if this continues, and if the Colonial trade were to decline, as it will do if you do not adopt this system of reciprocal preference, the brass trade will decline, and not all the Trade Unionists in the world will save the brass trade from ruin, or the people who are employed in the brass trade from t e destitution and misery from which we wish to protect them (applause). Will you have another trade? ("Yes.") Well, take one of the oldest in Birmingham. It is mentioned in Hutton's "History." In the pearl-button trade six thousand workpeople used to be employed, and to-day

there are about one thousand, and very few of them have full employment ("hear, hear"). Why is that? It is largely due to the influence of the McKinley tariff, which shut out 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 ("Shame!"). I received to-day a telegram from a great house in the city who said that whereas Birmingham used to produce small wares of all kinds, and was the largest source of them, they are now got chiefly from Germany, and that one of the greatest German manufacturers had told him that if Mr. Chamberlain's policy were to be carried, and he thought that it was—("hear, hear")—and so do I—(loud applause)—if it were 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, who would get the wages, which are now enjoyed by German workmen ("hear, hear"). I wonder what has become of the five thousand pearl-button makers who were once employed and who have lost their employment? ("Making jam," and loud laughter.)

The Cycle Trade

I will only give you one more ("Go on," and applause). This time I am going to take a new industry, a comparatively new industry. Take the cycle trade. Now, what is the case there? Our exports to the foreign protected countries have fallen £566,000 in ten years. Our exports to the Colonies rose in the same period £367,000 (applause). What was the cause of that change? When the foreigners found that the manufacture of cycles was rather a good thing they put tariffs on cycles ranging 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 the English manufacturers could not compete. In 1897 the United States of America sent to the United Kingdom alone £460,000 worth of cycles, and at the same time they flooded

the Colonies, sending to British possessions £340,000 worth all of which we might have had if we had had tariffs to prevent unfair competition, if we had had preference arrangements with the Colonies which would have kept the trade for us (" hear, hear ").

I have one point more. If this great question had to be solved upon these considerations alone, upon the decline of our foreign trade, upon the progress of our foreign competitors, upon the necessity of keeping the Colonies with us —I should have no fear. The working classes of this country, the business men of this country, they know where the shoe pinches better than the political economists and the lawyers who profess to instruct them (" hear, hear "). But when we come to this, when we have got so far, then our opponents play their trump-card. Then they say, " Very well, if it be true that your trade is falling off, that your primary industries are decaying, still you had better bear the evil that you know sooner than risk an evil that you know not of (laughter). You cannot make any change "—again, what a curious argument for a Radical !—" you cannot make any change without being worse off. And, above all, if you are foolish enough to listen to Mr. Chamberlain—(laughter)—you will find the price of your food increased, the old bad days will return, destitution will be your lot, famine will stare you in the face. If you do not mind starvation yourselves, think of your families, think of your children." My answer is, that all this prediction of evil resulting from my proposals—prediction which you ought to suspect, because it comes from prophets who have always been wrong—(laughter)—is a grotesque misrepresentation.

The Big Loaf and the Little Loaf

I want to give you a practical illustration. You know that during the last few weeks the walls of Birmingham have been covered with a poster, a flaming poster which is intended as an advertisement for a London newspaper—(hisses)—which made itself notorious for its pro-Boer sympathies during the late war, and for the ready credence

which it gave to every calumny on our soldiers or upon our statesmen ("Shame!"). That poster shows you the big loaf bigger than any I have ever seen—I should think it must weigh about eight-and-twenty pounds (laughter). It shows you a little loaf, smaller than any I have ever seen—(laughter)—and which, I suppose, might weigh a few ounces. And it tickets one "The Free Trade Loaf," and it tickets the little one "The Zollverein Loaf." The placard has no other object than to induce you to believe that if you adopt my policy of preference with the Colonies it is this little bit of a loaf to which you and your families will be reduced, and you will have sacrificed the mammoth loaf which appears in another part of the poster. Now, I have had the curiosity to inquire what would be the exact difference in the size of the loaf if the whole tax which I propose to be put upon corn was met by a corresponding reduction in the size of the loaf. I asked my friend Mr. Alderman Bowkett ("hear, hear") to make me two loaves in order to test this question (applause).

(Mr. Chamberlain here unwrapped a parcel on the platform and produced two quartern loaves, which he held aloft, and which had no perceptible difference in size, the action of the hon. gentleman being met by loud and prolonged applause.)

I do not know whether your eyes are better than mine, but I admit that when I first saw these loaves I was absolutely unable to tell which was the little one and which was the big one. I know there is a difference, because I know that in the smaller one a few ounces less flour have been used in order to correspond to the amount of the tax. But it is still, I think, a sporting question—(loud laughter)—which is the big one and which is the little one. What is to be said of a cause which is supported by such dishonest representations as the one to which I have referred? ("Hear, hear.") You can see for yourselves that the difference is slight, but that is not the whole of the case. I have pointed out—I have given you figures, and arguments which I will not repeat, that there is reason to believe that the greater part of the tax, whatever it may be, will be paid by the foreigner and not by the consumer ("hear, hear"). But I have said

something else—so anxious am I that in no conceivable circumstances it shall ever be said of me that I increased the cost of living—the burden of life to the poor of this country, that I have said I will take an extreme case. I will suppose that the whole tax is paid by the consumer, and I will give him an exactly equivalent amount in remission on other taxes which enter into his daily existence (" hear, hear ").

I have done. I have endeavoured, in the course of my speech to-night as I have done in all the other speeches that I have delivered, while attempting to answer serious arguments still to avoid anything in the nature of purely party or personal controversy. I recognise with sorrow that some of those with whom I have been intimately connected in recent years of my political life differ from me on this point. I recognise with pleasure and gratification that, on the other hand, some of the strongest of my political opponents are with me now (" hear, hear "). They see as I do, that this is a question above party—(" hear, hear ")—a question which affects national interests. I have endeavoured to state the case as I see it, to state it fairly and honestly (" hear, hear "). I have not taken, as has been suggested, I have not taken my figures, or my facts, or my quotations second hand. Although I have had a great task put upon my shoulders, yet I have endeavoured, as far as that was possible, to verify myself everything that I have asserted (" hear, hear "). I have not tried to rush your decision (" hear, hear "). I have not endeavoured to take people by surprise ; on the contrary, I have asked for discussion and deliberation, and it is only after hearing all that can be said on both sides that I desire that you should come to your final conclusion (" hear, hear "). The issue will be in your hands. It will be with the people of this country. And none more momentous has ever been submitted to any nation at any time (" hear, hear "). Here, at any rate, is one point upon which all parties are agreed, whether we be Free Traders or whether we be Tariff Reformers : we all alike agree that the issue which is now raised is one on which may depend the prosperity of the country, the welfare of its people, the union of the Empire (applause). For my

part, ladies and gentlemen, I care very little whether the result will be to make this country, already rich, a little richer. The character of a nation is more important than its opulence (applause). What I care for is that this people shall 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 (great cheering).

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