

THE UNIVERSITY OF HULL

BRITISH BUSINESSMEN AND THE 'SCIENTIFIC' TARIFF: A STUDY OF
JOSEPH CHAMBERLAIN'S TARIFF COMMISSION, 1903-1921.
WITH SPECIAL REFERENCE TO THE PERIOD 1903-1913

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ABBREVIATIONS

1. FOOTNOTE ABBREVIATIONS

(a) General Sources

A.C.M.(P)	Agricultural Committee Minutes (Printed)
A.C.M.(VT)	Agricultural Committee Minutes (Verbatim Typescript)
DNB	Dictionary of National Biography
H.P.	Hewins Papers
J.C.P.	Joseph Chamberlain Papers
T.C.M.(P)	Tariff Commission Minutes (Printed)
T.C.M.(VT)	Tariff Commission Minutes (Verbatim Typescript)
T.C.P.	Tariff Commission Papers

(b) Abbreviated Citation of Tariff Commission Reports

<u>Agricultural Report</u>	<u>The Tariff Commission, vol. 3, Report of the Agricultural Committee, (London, 1906).</u>
<u>Cotton Report</u>	<u>Report of the Tariff Commission, vol. 2, The Textile Trades, part 1, The Cotton Industry, (London, 1905).</u>
<u>Engineering Report</u>	<u>Report of the Tariff Commission, vol. 4, The Engineering Industries, including Structural, Electrical, Marine and Shipbuilding, Mechanical and General Industrial Engineering, (London, 1909).</u>
<u>Flax, Hemp and Jute Report</u>	<u>Report of the Tariff Commission, vol. 2, The Textile Trades, part 7, Evidence on the Flax, Hemp and Jute Industries, (London, 1905).</u>
<u>Glass Report</u>	<u>Report of the Tariff Commission, vol. 6, The Glass Industry, (London, 1907).</u>

<u>Hosiery Report</u>	<u>Report of the Tariff Commission, vol. 2, The Textile Trades, part 3, Evidence on the Hosiery Industry, (London, 1905).</u>
<u>Iron and Steel Report</u>	<u>Report on the Tariff Commission, vol. 1, The Iron and Steel Trades, (London, 1904).</u>
<u>Pottery Report</u>	<u>Report of the Tariff Commission, vol. 5, The Pottery Industries, (London, 1907)</u>
<u>Silk Report</u>	<u>Report of the Tariff Commission, vol. 2, The Textile Trades, part 6, Evidence on the Silk Industry, (London, 1905).</u>
<u>Sugar Report</u>	<u>Report of the Tariff Commission, vol. 7, Sugar and Confectionery, (London, 1907).</u>
<u>Woollen and Worsted Report</u>	<u>Report of the Tariff Commission, vol. 2, The Textile Trades, part 2, Evidence on the Woollen Industry, (London, 1905).</u>

2. OTHER ABBREVIATIONS

ABC	African Banking Corporation
AGFA	Aktiengesellschaft für Anilin fabrikation
ASSCo.	African Steam Ship Company
BASNCo	British and African Steam Navigation Company
BBC	Balfour of Burleigh Committee (Committee on Commercial and Industrial Policy)
CRD	Corn Registration Duty
EEMCo	English Electric Manufacturing Company
ERTCW	Electric Railway and Tramway Carriage Works
FTL	Free Trade League
FCDSA	Fine Cotton Spinners' and Doublers' Association
GKN	Guest, Keen and Nettlefold Ltd.
ICI	Imperial Chemical Industries Ltd.
PNB	Patent Nut and Bolt Company
TRL	Tariff Reform League
UBC	Unionist Business Committee.

NOTE ON COPIES

Perhaps unusually for collected papers relating to the Edwardian period, the Tariff Commission Papers contain both incoming correspondence and copies of outgoing correspondence. Since the latter are virtually all carbon copies of typed letters, the conventional procedure of directing attention to copies in footnotes has been dispensed with.

ABSTRACT

This thesis examines the history of Joseph Chamberlain's Tariff Commission, with special reference to the years 1903-13, when Tariff Reform bulked so large in British politics.

Chapter 1 charts the difficulties that the complex debate posed for Tariff Reformers. In his 'first campaign' Chamberlain attempted to avoid them, at first by avoiding details of his policy, and subsequently by promising the establishment of a 'commission' of businessmen which would draft a 'costless', 'scientific' tariff.

Chapter 2 tells of the backstage moves that led to the formation of the Commission. Its main purpose, however, is to examine the ideology of Hewins, the Commission's secretary and Tariff Reform's leading economic thinker. As a historical economist, he believed that neo-classical economics paid insufficient attention to economic dynamics, and that inductive study would reveal the causes and remedies of Britain's economic 'decline'.

Chapter 3 examines the economic interests of the business members of the Commission. It suggests that fiscal allegiance was less simply a matter of industrial interest than some historians have thought. Often, it was political alignment which determined fiscal allegiance. Nevertheless, broad industrial biases remain, and on this wider front strict determinism remains a valid element in the analysis.

Chapter 4 uncovers the working of the Commission. Its rigid methodology, particularly the 'reduction' process, imparted bias into its operations in spite of Hewins's belief that, since facts were facts and description revealed causation, neutrality on the fiscal issue was unimportant. Furthermore, businessmen aiding the inquiry were self-selecting, another element imparting bias.

Chapter 5 examines the Commission's inquiry into the iron and steel industry, including a study in more detail of the 'reduction' process which lay at the core of its method. The Commission's treatment of dumping and of the effect of a tariff on price are given special attention. The chapter concludes by studying the Commission's drafting of a tariff schedule, demonstrating both the economic and the political difficulties encountered.

Chapter 6 shows the Commission's handling of a strongly Free Trade industry, cotton, and its admission that the case for protection was weak. Finding in its quite careful statistical analysis that the British industry was in relative decline, the Commission argued that 'retaliation' was the best long-term safeguard of the industry's prosperity.

Chapter 7 discusses the inquiry into agriculture. The Agricultural Committee was less cautious than its parent, but even here political considerations and conflicting interests within agriculture put severe constraints on its recommendations. Though improving agriculture's lot in the Tariff Reform package, the Committee probably did not dispel the suspicion amongst many farmers that, compared with industry, they stood to gain little from Chamberlain's policy.

Chapter 8 analyses the Commission's failure, for both political and economic reasons, to draft tariff schedules for most industries it studied, its failure to encompass banking in its examination, and its failure to produce an integrated tariff which harmonised interests between different industries. Propagandist activity, never absent from Commission business, increased as Hewins ventured directly into politics himself. The chapter concludes with a survey of the Commission's activities during the First World War, by which time its original purpose had been forgotten.

CHAPTER 1

The Development of a Tariff Reform Policy during

Joseph Chamberlain's First Campaign,

May 1903 - February 1904¹

Few dates of the Edwardian era are better remembered than 15 May 1903. On that day, in a speech at Birmingham, Joseph Chamberlain launched a campaign to widen the commodity base of Britain's import duties, partly for protection for its own sake and partly as a necessary prerequisite for granting preferential treatment to the colonies. Though there is no realistic way of quantifying the importance of any motivating factor in a decision to embark upon a programme of this kind, there can be no doubt that both political and economic motives weighed heavily in Chamberlain's mind, and since he saw his policy as the means of obtaining both his economic and his political objectives it matters little which of those objectives he regarded as paramount.² But, though the "ends" of the policy might be both political and economic, the "means" were not. As the campaign developed, the policy had to be formulated in more detail than had emerged from the Birmingham speech, and had to possess economic validity, since without this they would possess no political credibility. Where did the specific measures, the economic tools to bring about the Tariff Reformers' desires, come from? The many autobiographies, even Chamberlain's collected papers, give us little idea. Indeed, in Amery's Life of Joseph Chamberlain, the

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1. An earlier version of this chapter has appeared in W.H. Chaloner and B.M. Ratcliffe (eds.), Trade and Transport: Essays in Economic History in Honour of T.S. Willan, (Manchester, 1977).
 2. It is recounted by a biographer of Bonar Law that the deciding factor in Chamberlain's decision was the imperial rather than the protectionist issue, which he "should have left ... to younger men". But this helps little in an assessment of the importance of economic and political factors in the desire for Empire consolidation. See Chamberlain's remarks, quoted in H.A. Taylor, The Strange Case of Andrew Bonar Law (London, n.d. but c. 1929), p. 78.

most detailed political biography of the period, the economic measures at the heart of the campaign emerge quite late, almost as a bolt from heaven, at Glasgow in October.¹

It is the intention of this chapter to argue that the detailed measures - and they really were not very detailed, nor were they considered so by the Tariff Reformers - emerged from the public debate that immediately surfaced in the wake of the Birmingham speech, and which dominated the columns of the press in the ensuing months. There is perhaps insufficient evidence to regard them as having originated in the debate, though it seems that way at times. But at least they were conditioned and moulded by the course of the debate into the form which they possessed by February 1904.

In the public controversy a conflict between policy objectives and policy measures, between "ends" and "means", was evident. Chamberlain hoped to win acceptance of his policy in terms of objectives, since these were the less controversial. His opponents would not - indeed, could not - let him; they sought constantly to illuminate the weaknesses contained in the specific measures which, they asserted, he would have to advocate. In the debate over measures Chamberlain was less convincing, and had to advocate a new methodology. The most significant event establishing a terminal date for the first campaign was not so much, as is commonly supposed, Chamberlain's departure on a Continental holiday after a particularly gruelling series of major speeches but the establishment of a new organisation, the Tariff Commission. Partly intended as a propagandist body, partly as an investigating committee of more noble purpose, the task of the Commission was to bring new methodologies to bear in the formulation of policy, to enable the discussion to break out of a closed loop of controversy which revolved around imponderables. The Commission's scientific task was to find answers; its propagandist task was to be seen to be finding answers.

1. J. Amery, The Life of Joseph Chamberlain, (vols. 5 and 6): Joseph Chamberlain and the Tariff Reform Campaign (London, 1969), chapters 100-10.

I

In terms of its content the Birmingham speech did not formulate new proposals and policies. Chamberlain was content to start off his movement by appealing that the time had come to review thoroughly Britain's commercial arrangements and the place of the colonies in them.¹ Indeed, in a literal sense he did not so much advocate imperial preference as urge that people should discuss the issue in what later became known as the "great inquiry".² In this, people took him up immediately. Whatever backstage manoeuvring was going on, the immediate effect on the public was their bombardment by an unprecedented volume of Tariff Reform and Free Trade material. Speech-making was a primary weapon here - in the series of great speeches of summer 1903 the fiscal debate seldom took second place to the 1902 Education Act, and any such reversal of priorities was usually practised by second- rather than first-rank political figures. But it should be remembered that the biggest meetings reached directly only some 5,000 or 7,000 people, and much of this was preaching to the converted. The only contact of most people with the debate was through the press. Here not only were major speeches reported verbatim but there were also widespread reporting of minor speeches, even on a very local level, endless columns of editorial comment, and thousands of letters. And in a controversy with so many participants, dealing with economic issues and their political implications, political issues and their economic implications, it was inevitable that there was much confusion and uncertainty.

Chamberlain's aim as expressed in the Birmingham speech was imperial unity in the face of a changing world order and the rise of new economic super-powers. But he knew that such unity could be promoted by means only

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1. Chamberlain, at Birmingham, 15 May 1903; reprinted in Times 16 May 1903, p. 8.
 2. This phrase had sufficient currency at the time to be chosen as the title of Hilaire Belloc's satirical pamphlet The Great Inquiry (London, 1903).

of reciprocal preferences, since other methods (closer co-operation in imperial defence, and the proposal of the 1890s for a "Council of Empire") had already been vetoed by the self-governing colonies at the previous two colonial conferences.¹ Very quickly the Free Traders began to formulate possible schemes from the implications of Chamberlain's generalised statements. Asquith was one of the first to suggest that the plan involved taxation not only of imported food but also of imported raw materials.² Furthermore, since only 20 per cent of Britain's food imports and only 33 per cent of her raw-material imports came from the colonies, British costs of production would be bound to rise even if colonial products were allowed in free. A few days later Dilke hammered this lesson home in the Commons' debate on fiscal policy, in the process adding semi-manufactures to the list.³

Chamberlain was reluctant to concede on this issue. In the Commons debate he again stressed that imperial preference was raised only as an issue for discussion. He merely:

... called attention ... to the opportunity existing at the present time ... of making preferential arrangements in the nature of a reciprocity treaty with our colonies ... [and] to the fact that under our existing system we are helpless ... to bring any influence to bear on foreign countries if they attack our colonies or if they attack us in any manner which ... would seriously endanger our industries.⁴

Though seeking to perpetuate his idea of the reality of any discussion, Chamberlain did on this occasion admit that any step towards imperial unity via preference had little room for manoeuvre. In the carefully hedged climax of the Commons debate he remarked, "Therefore we come to this: if you are going to give a preference to the colonies - I do not say that you

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1. The conferences of 1897 and 1902. For a good short summary see S.H. Zebel, "Joseph Chamberlain and the Genesis of Tariff Reform", Journal of British Studies, VII (1967), pp. 138-41.
 2. Asquith, at Doncaster, 21 May 1903; reprinted in Times, 22 May 1903, p. 5.
 3. Parliamentary Debates, 4th ser., CXXIII, 28 May 1903, cols. 143, 144, 147.
 4. Ibid., cols. 178, 179.

are - you must put a tax on food".¹

Chamberlain had invited discussion: now he had admitted the necessity, under his scheme, of taxing food. But further than this he had said little, in spite of the Times' prediction that in the Commons debate he would have a chance to develop his ideas "with greater fullness and precision".² His critics, that newspaper announced, had misrepresented him and made wild inferences about his intentions, to the extent that "he has been credited with the visionary idea of forcing some cast-iron scheme of preferential tariffs upon all our colonies at once ... he has been charged with plotting universal aggression upon the commercial world".³

Chamberlain's statements in the Commons debate seemed to confirm such remarks about misrepresentation. Indeed, in the first exchange he had replied to Dilke's assertion that his plan was to tax food and raw materials with the words "I must ask the right hon. gentleman not to quote me as committed to this, that, or any other proposition."⁴ But his subsequent remarks surely left the Times disappointed: after the Commons debate his plans still possessed neither "fullness" nor "precision".

Chamberlain's reluctance to indulge in detail has been applauded by his official biographer, who sums up the situation thus: "The Opposition had called for a detailed statement of the new policy. They hoped to hear a set of proposals which could be subjected to every kind of criticism. Chamberlain had no intention of falling into the trap."⁵ Indeed, the reluctance was understandable, and there was perhaps little else that Chamberlain, a self-confessed novice in economics, could do. But any hopes of the success of silence on this aspect were unreal. The campaign could not for long be conducted on the basis of extreme generalities. And the opposition were not likely to impose upon themselves the restrictions on the debate over

1. Ibid., col. 185.

2. Times (editorial), 28 May 1903, p. 7.

3. Ibid.

4. Parliamentary Debates, 4th ser., CXXIII, 28 May 1903, col. 143.

5. J. Amery, op. cit., vol. 5, p. 232.

details hoped for by Chamberlain.

By August Chamberlain had still gone no further than to admit the necessity of taxing food. In a published letter to Griffith-Boscawen, a Tariff Reform MP, he put on record that he thought taxation of raw materials would be unnecessary.¹ Free Traders, however, capitalised on the Asquith-Dilke argument that, in such a case, the scheme would rest on too narrow a base. The Standard published the views of John Charlton, a member of the Canadian House of Commons of thirty-one years' standing, who maintained that a preference on wheat alone would benefit directly only the north-west provinces of Canada. Ontario in particular would gain little. Charlton felt that "it would be as well for British politicians to understand that preference confined to one or two articles would not be likely to command a favourable response in Canada".² To be fair to Chamberlain, from 28 May onwards he had by implication not confined his remarks to wheat alone, but nevertheless Free Traders were delighted when Charlton elaborated a desirable list from the Canadian point of view - all grainstuffs, flour, butter, cheese, meats, other farm produce, and timber, one of the industrial raw materials that Chamberlain had declined to include in his scheme.

At Cinderford in October Asquith pretended to take Chamberlain's reluctance to mention raw materials as an indication that he intended to exclude such commodities from taxation. Asquith wondered how the Canadian lumber exporter, already in bitter rivalry with Norway in the British market, would react to the news that he was to be denied the preference granted to his compatriot wheat farmer. Perhaps more dangerously, he pointed out that such a Canadian situation would have an Empire-wide parallel. South African food exports were negligible: the colony's principal export to Britain was raw wool, the raw material of one of our great industries.³

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1. Chamberlain to Arthur Griffith-Boscawen, 15 August 1903; published in Standard, 18 August 1903, p. 3.
 2. John Charlton, quoted in Standard, 17 August 1903, p. 3.
 3. Asquith, at Cinderford, 8 October 1903; reprinted in T.L. Gilmour (ed.), All Sides of the Fiscal Controversy (London, 1903), p. 70.

In fact Asquith was not the pioneer of this argument. The Free Trader had anticipated his speech, illuminating the inconvenient fact that after raw wool (exports to Britain in 1902 of £3.15 million) Cape Colony's only exports of any consequence to Britain were skins (£484,000), copper (£339,000) and hides (£83,000).¹ The lesson was simple: either raw materials would have to be taxed or the result would be a scheme with huge inequalities of treatment both between colonies and within colonies.

Without waiting for the Tariff Reformers to concede that taxation of raw materials would be necessary, the Free Traders proceeded to show that most products were in some circumstances raw materials. Though they surprisingly made relatively little play of agricultural products in this part of the debate, numerous propagandists made the general point. But the Free Trader took the laurels for pedantry when it printed excerpts from two papers, one by Free Trader Harold Cox and the other by protectionist Ernest E. Williams, in parallel columns as if in shocked surprise that the two camps could ever agree about anything. It hoped that Chamberlain would enlighten the country "as to why he does not intend to tax raw materials, and ... why his reasons do not apply with equal cogency to manufactured materials".²

Let us, for a moment, consider manufactured goods in general. There can be little doubt that Chamberlain, because of his endeavours at the Colonial Office, because of the capture of his imagination by the "illimitable veldt"³ during his trip to South Africa, had a sincere autonomous interest in the success of a colonial policy and was not merely using the Briton's sentiment for Empire as a vehicle for industrial protection. If this is so, it does raise the question as to whether Chamberlain, in his policy, would have therefore accepted a "second best" solution, that of preference to the colonies but with no duties on

1. Free Trader, 28 August 1903, p. 34.

2. Ibid., p. 37.

3. Chamberlain, at Birmingham, 15 May 1903; loc. cit.

manufactured goods, if it had been forced upon him. In this respect it is well to remember that the train of events was pulling manufactures more into the centre of the controversy, whether they were dispensable to Chamberlain or not. Bernard Semmel is correct in saying that the first six months of Chamberlain's proposals were "exclusively imperial in scope"¹ if by that he means that Chamberlain's second public speech on the issue took place six months after his first. But this neglects what had been going on in the public debate. There, duties on manufactures had made an oblique entry, not only through the development of a protectionist policy but also through revenue considerations. And whatever the intentions of the Tariff Reformers, Free Trade criticism played no small part in conditioning the role of duties on manufactures in the evolution of the Tariff Reform programme.

Many Free Traders seemed determined to ignore the fact that Chamberlain did not intend to exclude agricultural products other than wheat from his plan, in order to show that it could not succeed. Sir William Harcourt, after a homily on the dangers of over-reliance on imperial wheat supplies, informed Chamberlain in the press that any scheme to finance old-age pensions would require duties on manufactured goods as well as on wheat.² In fact Chamberlain had already widened the alternative possibilities in his programme, a step which in the long run was to result in the dropping of pensions from the scheme. At the Constitutional Club on 26 June he had mentioned the possibility of a series of compensatory reductions on existing food duties, and stated that working men would have a choice - they could opt either for such compensations or for longer-term social benefits:

That is a matter which will come later. When we have the money then will be the time to say what we shall do with it: and if the working classes refuse to take my advice ... if they prefer the immediate advantage ... if, for instance, they are called to pay 3d a week additional on the cost of their bread, they may be fully, entirely relieved by a reduction of a similar amount in the cost of their tea,

1. B. Semmel, Imperialism and Social Reform (London, 1960), p. 93.
 2. Free Trader, 31 July 1903, p. 4.

their sugar, or even of their tobacco. In this case, what is taken out of one pocket could be put back into the other.¹

Almost immediately certain Tariff Reformers proceeded to neglect Chamberlain's advice too. It is not impossible that they were prompted by a Chamberlain anxious to formulate a policy that would avoid the political stumbling block of an increase in working-class living costs, but, whether or not they were secretly guided from above, their actions ironically gave Free Traders more ammunition rather than less, this time on the other front of manufactured goods. The Daily Telegraph and "A Revenue Official" in the Times attempted to review the whole scheme to show how bread and meat could be taxed without affecting the budget of the working man.² The two schemes were quite similar, though using slightly different figures, and we can therefore concentrate on the one which excited most comment. "A Revenue Official" found that a 5 per cent tax on imports of foreign foodstuffs would yield to the Exchequer £7.5 million. But, as Free Traders were quick to point out, the cost to the consumer would be more than this, since the price of home-grown produce and colonial imports would also rise. The Free Trader, using a different estimate that a 5 per cent duty would yield some £5.8 million in revenue, assumed that the real cost to the consumer would be as high as £14-15 million. This meant that to keep the family food budget unchanged the existing food taxes (some £13.6 million in 1902) would have to be taken off in their entirety, and a residual amount £0.4 million - £1.4 million) would have to be taken off the tobacco duty.³ Whether "A Revenue Official" agreed that a tax which yielded only £7.5 million (or £5.8 million) to the Exchequer would actually cost the consumer as much as £14 million - 15 million he did not say, but he certainly did advocate the removal of the whole of the existing £13.6 million revenue duties on food imports.

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1. Chamberlain, at the Constitutional Club, 26 June 1903; Free Trader, 4 September 1903, p. 45.
 2. Daily Telegraph, Imperial Reciprocity. A Study of Fiscal Policy, (London, n.d. but 1903), pp. 76-83; "A Revenue Official" to ed., Times, 28 July 1903, p. 6.
 3. "The Proposed Gamble in Food", Free Trader, 7 August 1903, pp. 10-11.

As noticed by Free Traders, the implication of the scheme thus far was to leave an Exchequer shortfall of between £6.1 million (£13.6 million minus £7.5 million) under "A Revenue Official's" conditions and £8.7 million (£14.5 million minus £5.8 million) under those deemed likely by his opponents. "A Revenue Official" proposed to raise the necessary revenue by a 7 per cent ad valorem duty on imports of foreign manufactures, this rate producing a slightly larger amount than that necessary to cover the shortfall.¹ "Already, therefore," remarked the Free Trader, proud of its Machiavellian skill in exposing the ungodly, "the controversy gravitates towards the central point of the Protectionist ideal."²

Such rather precipitant schemes brought with them other, related difficulties. "A Revenue Official" was taken to task in the Times for failing to mention that, of the £37.8 million of Britain's food imports already subject to revenue duties, about 30 per cent were from the Empire, thus rendering an equitable system of preference between colonies more difficult.³ It was further pointed out that nearly half the existing duties were yielded from sugar, a tax that had been imposed under emergency conditions in the Boer war and which many regarded the Unionist government as pledged to repeal. Other critics related this back to the question of manufactures, whilst yet others wondered whether even taxation upon manufactures was enough to recover the revenue lost to the Exchequer in view of the fact that, if "crudely manufactured raw materials" and "domestic appliances and personal necessities" were excluded, duties under this heading would rest upon only 15 per cent of Britain's total imports.⁴ The implication was that either duties on manufactures would have to be very high or else taxation would have to spill over into raw materials and semi-manufactures.

Had the plan been just to tax corn and meat, leaving revenue duties

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1. "A Revenue Official" to ed., Times, 28 July 1903, p. 6.
 2. "The Proposed Gamble in Food", Free Trader, 7 August 1903, pp. 10-11.
 3. "Questioner" to ed., Times, 7 August 1903, p. 5.
 4. Free Trader, 7 August 1903, p. 11.

untouched, the Exchequer would have gained. Not perhaps by the £7.5 million suggested by "A Revenue Official" (the Tariff Reformers almost always assumed that sources of supply would shift from foreign to colonial countries, but that they would continue to collect duty on the food that no longer came from the foreign countries!) but by some positive amount.¹ But since, in order to stifle political hostility to an increase in the cost of food, Chamberlain felt the need, as early as June, to offer a choice between pensions and "compensatory" reductions, he was indeed committing himself either to leaving the Exchequer short (and thus, given the unlikelihood of any reduction in government expenditure, having to increase internal taxation) or to duties on manufactured goods.

Nevertheless, in spite of one or two loose statements, the Tariff Reform leaders and most of their supporters were by no means as forthcoming on the possibility of taxing manufactured goods, at least on the sustained basis necessary to satisfy the revenue considerations, as the Free Traders would have had the public believe. Though Chamberlain's remarks from Birmingham onwards advocated a policy of "retaliation" and the re-establishment of Britain's ability to negotiate, he was never specific. Phrases like "not being bound by any purely technical definition of Free Trade", "power of negotiation", and words like "freedom", all used in the Birmingham speech, hardly had the power, the solid reality or the permanence of the forbidden word "protection". Furthermore the least euphemistic passage from that speech ("... if necessary, retaliation, whenever our own interests or our relations between our Colonies and ourselves are threatened by other people") had direct reference to the imperial situation through Germany's proposed reprisals against Canada following the unilateral preference granted by the Dominion to Britain in 1897. All this could be interpreted as

1. The yield from a duty on corn and meat would also have depended on the extent of any preference granted to colonial produce. This was to remain an unspecified, indeed largely unmentioned, feature of the Tariff Reform proposals throughout the campaign.

periodic, ad hoc countervailing power rather than sustained protection. Chamberlain had not quite burned his bridges. But, by the same token, he had left the question of government revenue very much in the air.

In June C.A. Vince, Secretary of the (Birmingham) Imperial Tariff Committee and probably in as good a position as any to know in advance what really lay behind Chamberlain's statements, interpreted the policy as an essentially moderate one of eliminating unfair conditions of competition. In particular the granting of bounties, "direct or indirect", would be discouraged by the imposition of a duty corresponding to that bounty.¹

Vince forecast in the Times:

Mr. Chamberlain would adhere in every case to Cobden's principle of free interchange at the natural price. According to this, if he did put on a duty it would not necessarily give a claim to any other manufacturer. If Mr. Chamberlain found that the Germans earned their success legitimately, he would leave the home manufacturers to find out how they did it and to beat the Germans with their own weapons.²

The use of the phrase "if he did put on a duty" in Vince's letter highlights the refusal of the Chamberlainites to recast their general policy in terms of any concrete structure. Where the Tariff Reformers had come closest to presenting specific proposals, these proposals had not received the endorsement of Chamberlain himself. The Free Trade press was not at a

1. The principal example used by Vince was German machinery exports. Countervailing duties on direct bounties were quite widely accepted in principle: indeed, at that precise time the question of the sugar duties was being discussed by Parliament. But Vince must have realised that "indirect" bounties was a term which could have been used to cover any financial assistance given by the German government to exporters or transport concerns in the form of subsidies, exemptions from taxation or tax remissions. Indeed, taken to its logical conclusion, the term could even have embraced Germany's superior educational facilities. In view of the positive role of the State in pre-1914 German economic development such a policy, taken literally, could have given the implementers of a tariff carte blanche with regard to provisions against Germany. See C.A. Vince to ed., Times, 10 June 1903, p. 12.
2. Ibid. (my emphasis). Vince's letter had been sent to the Times only after consultation with Chamberlain's private secretary. Furthermore it is worthy of note that when, later in the year, Vince published his book Mr. Chamberlain's Proposals. What they Mean and What we shall Gain by Them (London, 1903), the volume's authority was increased by the inclusion of a preface by Chamberlain himself.

loss to suggest a reason for his silence in the face of the criticism of schemes put forward by his supporters but apparently without his authority:

While committing himself as little as possible he [Chamberlain] allows his lieutenants to put forward scheme after scheme and argument after argument, so that he may see which will take with the public, and hastily drop, all without prejudice to himself, those which obviously will not do ... [This] will enable him to start his campaign in October with a tolerably clear idea of the line of least resistance on which he has to move. For example, he has already learnt that the promise of Old Age Pensions will fall on incredulous ears, and that the nation will not stand any proposal admittedly increasing the cost of food.¹

If the precise structure of Chamberlain's policy was the subject of heated debate, so too were its likely effects. We must bear in mind that, since the effects were discussed in the absence of any definitive statement of policy, this was inevitably to heighten the prevailing confusion even more.

A fundamental element of the controversy, of course, was the effect on prices of a duty on wheat. At the extremes of opinion certain opposition speakers, such as Harcourt, argued from the beginning that the price would be raised by the complete amount of the duty,² whilst some Tariff Reformers even argued that the price would fall.³ The press debate was as unconvincing as the views of important public figures. Two correspondents in the Times conducted an absurd debate over the supposed effect of the French duties on the price of bread in Paris. The periodical Free Trader saw fit to intervene in this debate to correct the arithmetical errors, but the only thing it succeeded in proving conclusively was that its expert statistical staff thought that there were 2 kg in 1 lb, not 2 lb in 1 kg.⁴

It is generally recognised that the difference of opinion among academic economists over Tariff Reform reflected the division within the emergent profession between marginalists and historical economists.⁵ In the public

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1. Free Trader, 7 August 1903, p. 11.
 2. Sir William Harcourt, "Mr. Chamberlain's proposals", Free Trader, 31 July 1903, p. 4. See also Free Trader, 7 August 1903, p. 9.
 3. Sir Gilbert Parker to ed., Times, 6 August 1903, p. 9.
 4. A. Branscombe Wood to ed., Times, 28 July 1903, p. 6; R. Gamman to ed., Times, 4 August 1903, p. 2; Free Trader, 7 August 1903, p. 16.
 5. A.W. Coats, "Political economy and the Tariff Reform campaign of 1903", Journal of Law and Economics, XI (1968), p. 224.

debate no such niceties of methodology were involved. Free Traders frequently resorted to supposed historical proofs of the effects of a duty. At its crudest this approach is illustrated by a Gloucester correspondent who ascribed the dismal position of the labourer before 1846 to the evils of protection. When Chamberlain responded that the two situations afforded no parallel the West Countryman had sufficient guile to recall a speech of Chamberlain's in 1885 in which he had talked of the labourer's "hopeless" position under a "prohibitive protective duty".¹ Another Free Trader discovered the 246-year run of wheat prices in volume 29 of the Encyclopaedia Britannica to be nothing less than a Book of Revelations.² Elderly men enjoyed a brief period of popularity in being allowed to reminisce upon the terrible conditions of life under the corn laws.³ Examples of such simplistic approaches were to be found in great numbers. On a more serious level "Diplomaticus", in the Westminster Gazette, was one of several who made a detailed historical analysis of colonial preference before 1846, comparing the world and British market prices of sugar and timber and ascribing solely to the timber preference the short-lived supremacy of the US shipbuilder before the Civil War.⁴ Even when dealing with more recent events the Free Traders showed a strong affinity for the historical method. The editor of the Corn Trade Year Book sent to the Times information for the years 1890-97 to show that the French price of wheat, in that period, had always been greater than the English by more than the amount of the French duty. The Free Trader took these "conclusive figures from France" to prove that any corn tax would increase prices by more than the amount of the tax itself.⁵

Such over-simple analyses, in which the tariff was accredited with monocausal importance in the determination of price differences, are

1. Free Trader, 4 September 1903, p. 45.
2. "M.B." to ed., Times, 4 June 1903, p. 9.
3. See, for example, G. Chambers to ed., Free Trader, 21 August 1903, p. 29.
4. Cited in Free Trader, 21 August 1903, p. 28.
5. George J.S. Broomhall to ed., Times, 29 August 1903, p. 5; Free Trader, 4 September 1903, p. 42.

completely unsatisfactory in hindsight. And Chamberlain too sought frequently to stress that other factors had to be taken into account, not least to explain his retreat from his Free Trade position of the early 1880s.¹ But not all Tariff Reformers were able to sense the illegitimacy of the method, all the more since many of them were using similar arguments themselves. Indeed, to many Tariff Reformers historical method was taken as a central method of investigation.

Furthermore the Tariff Reformers' case was weakened by a duality of objectives. Chamberlain's Birmingham speech had virtually coincided with Chaplin's deputation to Balfour protesting at the removal of the corn registration duty, and it was hard for many to see why agriculturalists should agitate so strongly for the retention of a measure which they maintained would not increase the price of corn.² The Hon. Thomas Brassey, in his well publicised change of allegiance to the Conservative Party, expressed the view that Tariff Reform would tend to arrest the decline in the agricultural population, thus inferring that he expected the profitability of British farming to increase under a duty.³ But another wing of Tariff Reform ideology maintained the reverse. Both Sir Vincent Caillard and Sir Gilbert Parker argued that the supply of corn from the colonies would be so increased under a preferential scheme that in a few years the price in the home market would fall.⁴ The Free Trade press made the most of these conflicting approaches.⁵ This apparent inconsistency had its

1. Free Trader, 4 September 1903, p. 45.
2. Times, 16 May 1903, p. 9. See also editorial, p. 11, where the Times, whilst asserting its opinion that the reinstatement of the corn registration duty would not increase the price of corn, admitted that "possibly what was done a year ago by SIR MICHAEL HICKS BEACH suggested to the agricultural classes that they had a chance of obtaining protection, in the future, though not in the present ...".
3. Hon. T.A. Brassey to the chairman of the Conservative and Unionist Association of the Rye division of Sussex; Times, 7 August 1903, p. 6.
4. Sir Gilbert Parker to ed., Times, 6 August 1903, p. 9; Sir V.H.P. Caillard, Imperial Fiscal Reform (London, 1903). Caillard's book was based on three articles which had appeared earlier in the National Review.
5. Referring to Brassey and Parker, the Free Trader felt that "the task of reconciling these two Dromios of Protection is frankly beyond our power"; 14 August 1903, p. 17.

parallel in another sphere too. Whilst many Tariff Reformers took the line that the price of bread would not rise, others argued with Arnold Forster that a small increase in the cost of living would not be too high a price to pay for closer relations within the Empire.¹ Usually such speakers denied that there was any certainty of a price increase, but in admitting the possibility they contributed to the confusion, a confusion that was only increased when the financial orthodoxist Robert Giffen, in arguing that this might well be a situation where political conditions were more important than economic ones, remarked in a weighty letter to the Times that "something we may not quite approve may become expedient".²

In such a situation the public looked eagerly to the expert for judgement. But as Professor Coats has pointed out, so too did Balfour, himself relatively well versed in economic matters, and the advice he received from the Treasury on the effects of a duty on the price of corn was diametrically opposed to that from three Board of Trade officials.³ The academic community was also divided, and some economists, like Marshall, were reluctant to enter the debate. The famous "manifesto" of the "fourteen professors"⁴ did not prove an outstanding success in settling the debate:

3. The injury which the British consumer would receive from an import tax on wheat might be slightly reduced in the possible, but under existing circumstances very improbable, event of a small proportion of the burden being thrown permanently on the foreign producer.
4. To the statement that a tax on food will raise the price of food it is not a valid reply that this result may possibly, in fact, not follow. When we say that an import duty raises price we mean, of course, unless it is overborne by other causes operating at the same time in the other direction. Or, in other words, we mean that in consequence of the import duty the price is generally higher by the amount of the duty than it would have been if other things had remained the same.⁵

1. Arnold Forster, at Belfast, 18 August 1903; reported in Free Trader, 28 August 1903, p. 40.
 2. Sir Robert Giffen to ed., Times, 28 May 1903, p. 5.
 3. A.W. Coats, loc. cit., pp. 191-3.
 4. "Tariff Reformer" [L.S. Amery] to ed., Times, 18 August 1903.
 5. C.F. Bastable, A.L. Bowley, E. Cannan, L. Courtney, F.Y. Edgeworth, E.C.K. Gonner, A. Marshall, J.S. Nicholson, L.R. Phelps, A. Pigou, C.P. Sanger, W.R. Scott, W. Smart and Armitage Smith to ed., Times, 15 August 1903, p. 4.

This was hardly the clear and simple answer the public was hoping for. In hindsight, too, it seems a particularly deficient statement. The expectation that it would be improbable that the price of wheat would rise by any amount less than the duty was a relatively brutal simplification of the theory of the time, and the objectivity of the assertion was doubtful. In addition the postulate of a ceteris paribus situation was not very helpful in assessing the probable effects of a policy which would, if the Tariff Reformers' most sanguine expectations were realised, produce radical and dynamic changes in the production possibility curves of Empire wheat growers.¹ In the Times A.C. Pigou later avoided these pitfalls, but in order to show that a probable increase in price of slightly less than four-fifths of the amount of the duty could be expected he had to confront his public with terms like "the elasticities of production in taxed and untaxed sources respectively", and to hope that his readers would follow his reasoning that:

... to justify [the] ... assertion that the 'major part' of the tax will be borne by the consumers [sic], it is necessary to assume that the elasticity in the United Kingdom and the Colonies together is not merely equal to, but is nearly six times as great as, the elasticity in foreign countries - an assumption which it is impossible to defend.²

II

Finally, on 6 October, at Glasgow, Chamberlain gave details of his policy. In brief, the tax on corn was "not to exceed 2s a quarter", whilst maize was to be exempted because it was a food of the poor and a raw material for pig farmers. A "corresponding tax" was to be put on flour. A "small tax of about 5 per cent on foreign meat and dairy produce" was suggested, though bacon was to be excluded again because of its importance in the

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1. It is true that elsewhere in the "manifesto" the possibility of increasing imperial supplies was doubted, but not denied. See ibid., para. 6.
 2. A. Pigou to ed., Times, 3 December 1903, p. 5, quoted in A.W. Coats, loc. cit., p. 216 n.

budgets of the poor. There would be a preference on colonial wines and perhaps colonial fruits. And, in compensation, a remission of "three-fourths of the duty on tea and half of the whole duty on sugar, with a corresponding reduction on cocoa and coffee".¹ Using Board of Trade figures of household budgets, Chamberlain estimated the maximum effect of this proposal to be 4d a week to the labourer, 5d a week to the artisan, the extra expenditure being totally remitted by the compensating reductions.

But the maximum effect was unlikely. Chamberlain had presented his figures on the assumption that prices would rise the full amount of the duty. But he did not believe that this would in fact be the result:

I have gone to one of the highest official experts whom the Government consult ... and in his opinion the incidence of a tax depends on the proportion between the free production and the taxed production ... 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 ... This is a theory, like any other ... but I believe it to be accurate.²

Thus, argued Chamberlain, if the price of bread or other taxed articles rose by less than the amount of the duty, the consumer would gain, since goods relieved from revenue duty would fall by the total amount of the duty remitted, since there was no home production of such goods.

As we have seen in earlier Free Trade criticism, any such scheme would have resulted in a loss to the Exchequer. Chamberlain's remission of revenue duties was less sweeping than were forecasts of his policy, but he still calculated a shortfall of some £2.8 million per annum. To make this good, and to more than make it good, he proposed an average duty of 10 per cent on manufactured goods, "varying according to the amount of labour in these goods", and yielding an estimated £9 million - 15 million per annum.³

1. Chamberlain, at Glasgow, 6 October 1903; reprinted in J.M. Robertson, The Collapse of "Tariff Reform". Mr. Chamberlain's Case Exposed (London, 1911), pp. 52, 54.
2. Ibid., p. 58.
3. Ibid., pp. 61-2.

Chamberlain's scheme had apparently now emerged. But if anyone had expected what Chamberlainites had insisted were misconceptions surrounding the policy to disappear, they were disappointed. Though Glasgow was the most detailed formulation to date, it differed little in outline from the various forecasts that had been circulating weeks beforehand. In this sense, therefore, the Free Trade criticisms of all the projected schemes from 15 May onwards still had relevance.

Nevertheless the revelations at Glasgow do show some development in the policy. Chamberlain's admission that the price of wheat could well rise by 75 per cent of the amount of the duty - an estimate well in advance of, and little different from, Pigou's estimate of rather under 80 per cent - perhaps indicates that he no longer regarded this issue as critical to the campaign. Suspect as was the theory of Chamberlain's "official expert"¹ about the effects of food taxes upon prices, perhaps he felt that the inclusion of "compensatory duties" in the plan was hitting home.

Perhaps it was to avoid Chamberlain's adroit handling of food taxes that Free Traders thereafter changed their emphasis somewhat towards taxation of manufactured goods. Or perhaps it was that, now defined in a little more detail, and endorsed by Chamberlain, the scheme's provisions with regard to manufactures were more susceptible to criticism. The close follow-up of the speech at Glasgow by those at Newcastle and Tynemouth later in October provided ample material for discussion of this issue. It was, of course, noted by the opposition that in hoping to raise £9 million - 15 million on manufactures Chamberlain was working on Board of Trade estimates of manufactured imports, which included semi-manufactures. Indeed, this was by Chamberlain's own admission; in the Glasgow speech he said just that.² Asquith pointed out that the proposal to reduce imported manufactures, and increase imports of raw materials to make exports with, suffered from the old problem of the definition of a raw material. At Paisley he cited Sir Robert

1. Ibid., p. 57.

2. Ibid., p. 62.

Giffen's definition that raw materials were anything that entered the country to be worked on by British labour and British capital.¹ Here, of course, was a fundamental difference of approach - Chamberlain regarded semi-manufactures as manufactures, whilst the Free Traders regarded them as raw materials, and they were not to tolerate Chamberlain's concession that they should be subjected to a lower rate of duty. Besides, this meant that the rate on wholly manufactured goods would have to be higher than 10 per cent. Following the Free Trade maxim that "one manufacture is but the raw material of another",² Hicks Beach forecast dire consequences of a possible 20 per cent duty on agricultural machinery upon the sorely depressed agricultural sector.³

These objections to the plan were reinforced with four further considerations. Firstly, Asquith and Giffen attacked what Asquith regarded as the Tariff Reformers' tendency to "panic" over the increase in imports of manufactures.⁴ Giffen, whilst admitting the great difficulties in using government statistics that were often poorly tabulated and loosely defined, thought that in his speech at Glasgow Chamberlain's use of table 1 of the "Fiscal Blue Book"⁵ was misleading and subject to about 70 per cent error, since that table included semi-manufactures and manufactures together in one total.⁶ Secondly, though Asquith discounted dumping as being of no long-term importance,⁷ it was realised that to stop it according to Chamberlain's

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1. Asquith, at Paisley, 31 October 1903; in Morning Post, 2 November 1903, p. 4.
 2. L.G.C.M. [L.G. Chiozza-Money], "Preferential tariffs and British trade, II, The fear of imports - materials, raw and other", Free Trader, 7 August 1903, p. 15.
 3. Hicks Beach, at Manchester, 5 November 1903; in Morning Post, 6 November 1903, p. 7.
 4. Asquith, at Paisley, 31 October 1903; loc. cit.
 5. British and Foreign Trade and Industry. Memoranda, Statistical Tables, and Charts Prepared in the Board of Trade, with Reference to Various Matters Bearing on British and Foreign Trade and Industrial Conditions, Cd. 1761 (1903) (hereafter cited as British and Foreign Trade and Industry ...), p. 5, table 1.
 6. Giffen to ed., Times, 24 October 1903, p. 12; Chamberlain to ed., Times, 27 October 1903, p. 9; Giffen to ed., Times, 29 October 1903, p. 6. See also Chamberlain to Giffen, 24 October 1903, and Giffen to Chamberlain, 26 October 1903, in J. Amery, op. cit., vol. 6, pp. 479-80.
 7. Asquith, at Paisley, 31 October 1903; loc. cit.

wishes would require duties far higher than a maximum of, say, 20 per cent. In this sense it was perhaps unfortunate for the Tariff Reform cause that Ashley's book The Tariff Problem was published so near in time to the Glasgow speech.¹ For in that volume, commonly regarded as one of the finest statements of the Tariff Reform case, Ashley expressed the opinion that duties of 50-75 per cent might well be necessary to prevent a determined campaign of dumping.² Thirdly, it was noted - and this not only in relation to manufactured goods - that, once protection was established, its level had a tendency to rise. At Cinderford Asquith used a phrase popular with Goschen when he said, "Protection is an inclined plane. Once you put your foot on it there is no logical halting place until you get to the bottom."³ And fourthly, it did not go unnoticed that Chamberlain, in asserting that his 10 per cent tariff would raise some £9 million - 15 million, was assuming that there would be no reduction in the volume of manufactured goods imported. The Tariff Reformers were caught both ways: either a reduction in import volumes would narrow even more the base on which to place duties, or else the maintenance of import volumes would cast doubt upon the promise, carried for week after week by the Daily Express on its front page, that "Tariff Reform Means Work for All".⁴ (It must be said that it is possible that Chamberlain had in mind a situation where imports of semi-manufactures would rise, in spite of a duty, owing to the differential duty between semi-manufactures and wholly manufactured goods. But there is no real evidence for this, and such a view would not have been very compatible with his nationalistic sympathies towards British industry when it is considered that a large proportion of those imports of semi-manufactures were iron and steel products.)

1. W.J. Ashley, The Tariff Problem (London, 1903).

2. Ibid., p. 133.

3. Asquith, at Cinderford, 8 October 1903; loc. cit. See also Goschen, at Passmore Edwards Settlement, Tavistock Place, London, 16 October 1903; in Times, 17 October 1903, p. 8.

4. B. Semmel, op. cit., p. 112.

The Free Traders also criticised Chamberlain's statement, in justification of duties on manufactures as a bargaining weapon, that British exports had been stagnant for the previous thirty years. Giffen's argument, that the export figures should be presented after deducting the value of imported raw materials, seems to have been a refinement neglected by Free Trade spokesmen.¹ Rosebery and Asquith were both more in tune with the popular debate when they criticised Chamberlain for comparing 1902 with the abnormal year of 1872,² though Chamberlain took pains to point out, at Newcastle on 20 October, that this criticism was oversimplified.³ But Tariff Reformers affected bemusement at being pilloried for using what, after all, were the official returns, and they could take comfort from Giffen's warning that for many purposes these were exceedingly difficult to use.⁴ And Asquith and Harcourt both made mistakes similar to Chamberlain's in the technique of historical comparison, Asquith glibly changing the years under discussion from 1872-1902 to 1877-1902, and Harcourt deciding that 1892-1902 was quite sufficient.⁵

Though Free Traders did not, as far as an admittedly and inevitably incomplete survey of the debate has revealed, criticise Chamberlain's assertion that exports were stagnant on the grounds that exports valued at current prices would tend to conceal increases in real volumes, at least until 1896, they did criticise the Tariff Reformers' tendency to omit coal from the figures, perhaps highlighting a difference between the nationalist and the cosmopolitan outlook on the economic situation. And they did introduce, to a greater extent after Glasgow than before, the vexed question

1. Giffen to ed., Times, 29 October 1903, p. 6. Giffen had made this point as long before as 1877. See Essays in Finance, 1st Ser. (London, 1877), p. 145.
2. Rosebery, at Sheffield, 13 October 1903; reprinted in T.L. Gilmour (ed.), op. cit., p. 110. Asquith, at Cinderford, 8 October 1903, loc. cit.
3. Chamberlain, at Newcastle, 20 October 1903; reprinted in Times, 21 October 1903, p. 10.
4. Giffen to ed., Times, 29 October 1903, p. 6.
5. Morning Post (editorial), 2 November 1903, pp. 5-6. Austen Chamberlain, at Aberdeen, 3 November 1903; in Morning Post, 4 November 1903, p. 4.

of invisible exports, which the Morning Post rather unconstructively dismissed as a "kind of providence for the rescue of distressed Free Traders".¹ And the matter of paying for imports with the dividends on overseas capital was, as a particular aspect of this, spotlighting a basic difference in philosophy to confuse the public. "We should be glad" (again the Morning Post), "If Mr. ASQUITH would go carefully into the question of foreign investments, and explain in detail the advantage of the transference of British manufacturing enterprise to foreign countries."² But it is doubtful whether many of the public could have followed Felix Schuster, in a widely reported paper before the Institute of Bankers in December, when he pointed to the inherent tendency to exaggerate the visible import surplus through the valuation of exports as f.o.b. and of imports as c.i.f., and to the fact that an "undue" import surplus could not exist because of the strength of the exchanges and the stability of interest rates.³ Hidden in his analysis, however, was the assumption that Britain was not "living on her capital", an assumption which was, of course, substantiated some years later,⁴ but with which many Tariff Reformers would not have agreed at the time.

This is not to say that food taxes were forgotten. If Chamberlain's "compensation" argument had some plausibility, what better way to undermine it than to argue that the duties required on wheat and meat would be so much larger than the Tariff Reformers anticipated that a reduction of existing revenue duties could not possibly compensate for them? Thus Dilke argued that a preference, to achieve the imperial objective, would have to be much larger than the proposed 2s per quarter.⁵ Hicks Beach tried to damage the

1. Morning Post (editorial), 2 November 1903, pp. 5-6.

2. Ibid.

3. See, for example, "Bankers and the fiscal question", Morning Post, 17 December 1903, p. 4.

4. See G. Paish, "Great Britain's capital investments in other lands", Journal of the Royal Statistical Society, LXXII (1909), pp. 465-80, and discussion, pp. 481-95.

5. Dilke, at Normanton, 2 (?) November 1903; in Morning Post, 3 November 1903, p. 3.

neatness of Chamberlain's model by arguing that even though it might work in theory the price reductions would not filter down to the consumer because "middlemen are extremely astute individuals".¹ But he did admit that his experience as the architect of the corn registration duty had led him to believe that part of the tax was paid by "the great railway companies in the United States, who lowered their rates to a certain extent in order to relieve the flour producers in the Western States of America in order to place them on an equality with the home producer here".²

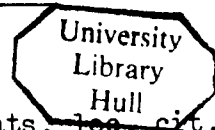
Thus the Glasgow speech, whilst an important stage in the progress of the campaign, had not produced any decisive victories for the Tariff Reformers in their great mission of educating the country. It did not clear up the unanswered questions that preceded it, and it provoked new criticisms to be answered. Many, especially those who adhered to some variant of "National Efficiency", thought with Chamberlain that the main cause of the uncertainty and obscurity that clouded each successive contribution was the party element. Pleas for objective, non-partisan discussion had been heard right from the beginning of the campaign. Chamberlain had asked for such a discussion at Birmingham.³ After this it took only two weeks for Vincent Caillard to write in exasperation to the Times that "one might as well discuss Euclid on party lines as this".⁴ In June Walter Long, then president of the Local Government Board, announced that the partisan way in which Chamberlain's proposals were being discussed was an indictment of the party system.⁵ And still, in December, Chamberlain, in a published exchange of correspondence, clung to his view that the fiscal question was one of "National and Imperial interest, which ought not to be discussed as a matter of party politics".⁶

1. Hicks Beach, at Manchester, 5 November 1903; in Morning Post, 6 November 1903, p. 7.
2. Ibid.
3. Chamberlain, at Birmingham, 15 May 1903; loc. cit.
4. Sir Vincent Caillard to ed., Times, 28 May 1903, p. 5.
5. Walter Long, in Lincolnshire, 3 June 1903; in Times, 4 June 1903, p. 4.
6. Chamberlain to Sir W. Treloar (of the City of London corporation), 4 December 1903; in Morning Post, 11 December 1903, p. 6.

Partly, of course, it was a propagandist stratagem that prompted some to raise the cry that the tariff should be taken out of politics - after all, the Tariff Reformers could only stand to gain in the unlikely event of this being achieved. Certainly it is true that the majority of those advocating this course were Tariff Reformers. But there were others who took a similar view. At Burnley, Rosebery had forecast that Tariff Reform would cut "diagonally" across party lines,¹ though he was subsequently to discover that, in the case of his own Liberal imperialists, this diagonalism was to be manifest in the defection of a small but significant minority to the Conservative camp.² The effort to remove the binding and blinkering party element was, however, in part the reflection of a sincere belief that the intricacies of the problem could be unravelled, that solutions and answers could be found, by objective enquiry along "scientific" lines. Thus it was that subsequent opponents of Tariff Reform - Devonshire, looking for a ray of light in his perplexity, Rosebery for a way of deciding his divided loyalties - had endorsed such attempts.

But Balfour's "inquiry by the Cabinet for the Cabinet",³ which resulted in the publication of the famous Board of Trade "Fiscal Blue Book",⁴ satisfied no one, and was commonly regarded as merely a collection of statistics with no attempt to draw conclusions.⁵ And nor would the appointment of a Royal Commission have been the answer. If the commission had been shunned by Free Traders it would have been criticised as having a protectionist bias. If it had been constituted according to party strength in the House of Commons it would have produced at least two alternative reports, each convincing no one who was not already convinced. There can be little doubt that Balfour, in resisting pressure from the

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1. Rosebery at Burnley, 19 May 1903; in Times, 20 May 1903, p. 12.
 2. Including the Duke of Sutherland, Sir Charles Tennant (Asquith's father-in-law) and Thomas Brassey. See H.C.G. Matthew, The Liberal Imperialists (London, 1973), p. 101.
 3. A.W. Coats, loc. cit., p. 200
 4. British and Foreign Trade and Industry ..., op. cit.
 5. See the remarks of Devonshire and Edwin Cannan in A.W. Coats, loc. cit., p. 206 n.



press and advice from the king downward, correctly divined the likely course of events should a Royal Commission have been appointed:

I have always had grave doubts about the value of a Commission to examine what I may call 'fundamentals' ... when the inquiry is finished, it probably produces a series of widely divergent Reports upon all the really important issues. The Labour Commission, for example, dealt with, on the whole, far simpler problems ... what degree of agreement has followed from its protracted labours?¹

III

Here, therefore, was a debate about a policy whose precise measures were still unclear, even after the Glasgow speech. It was a debate in which the effects of those measures would, quite naturally, depend on the measures themselves. And the effects even of given, assumed measures were not known, or were at least hotly disputed. It was a debate that raised fundamental questions about the use of statistics in proving causation: more than this, it raised serious doubts about the reliability of even the best British statistics extant. It was a debate which, however reluctant were the politicians to enter into the realities of a complex international economy, was pushing the public comprehension into areas well beyond all normally accepted limits. It was a debate which was apparently not amenable to examination by those traditionally regarded as expert in economic enquiry: the civil service was divided, the academic economists were not only divided, albeit unequally, but in many cases unwilling to participate, and the idea of a Royal Commission was passed over because of its probable inability to reach any firm and unanimous conclusions.

Furthermore, in the sense that by October–November 1903 neither side was obviously winning in the war of propaganda, things were going rather worse for the Tariff Reformers than appeared on the surface. In spite of a great volume of propaganda material organised and distributed by the Tariff Reform

1. Balfour, quoted in A.W. Coats, loc. cit., p. 204.

League and the Imperial Tariff Committee there were already indications that the Free Traders' belief in overwhelming working-class support was to be vindicated. Harmsworth's opinion poll of 2,000 people in August showed a great mass of hostility towards Chamberlain's scheme.¹ By late November similar indications were coming from organised labour. The writing on the wall was discounted by Chamberlainites, who preferred to use the recent works of Sidney and Beatrice Webb to argue that the TUC and its parliamentary committee did not represent the views of the rank and file.² It is doubtful whether they convinced even themselves. But, more than this, the Tariff Reformers were fighting against ideas and beliefs, reasoning and prejudice, established and entrenched for over half a century.

Fundamentally, what the Tariff Reformers had failed to do was to propose a policy that was unequivocally superior to the existing policy: not only that, but one which could be seen to be unequivocally superior by an audience that was rapidly losing its grip as the debate became more complex. In hindsight we might consider it absurd that they should have expected to be able to do so. Nevertheless this is precisely what they did expect to be able to do. Moreover the Tariff Reformers thought it axiomatic that such a policy existed. But to develop this policy a radical new approach was necessary; a continuation of the controversy along existing lines would eventually result in a stalemate which, combined with the inertia of the voting masses, would lead to defeat at the polls. It was as much with hope as with conviction that the Morning Post anticipated Chamberlain's forthcoming speech at Leeds with the words "We do not agree with the critics on either side who say that as far as the general aspects of the controversy are concerned there is nothing more to be said."³

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1. "Our walking inquirers", Daily Mail, 29 August 1903, p. 4. See also A. Gollin, Balfour's Burden (London, 1965), pp. 87-8.
 2. S. and B. Webb, Industrial Democracy (1st edn, London, 1897), especially vol. I, chapters 1 and 2; a new one-volume edition had been published in 1902. In this connection see Morning Post, 11 November 1903, p. 5; 12 November 1903, p. 5; 23 November 1903, p. 6; 25 November 1903, p. 3; 28 November 1903, p. 4; 30 November 1903, p. 4.
 3. Morning Post (editorial), 14 December 1903, p. 6.

The new thrust came in combining the need for a "scientific", impartial enquiry with the belief that "business principles" and the hard-headed pragmatism of the businessman could succeed where politicians and economists had failed. On 11 November the Tariff Reform League had issued a statement that they had received enquiries from all over the country asking how Chamberlain's proposals would affect particular trades and industries. Sutherland and Chamberlain¹ had replied that the duties put forward in the Glasgow speech:

... must not be treated as anything but tentative. It is an essential part of his [Chamberlain's] policy that whenever the principles he advocates are accepted the details should be submitted to a committee, which will take evidence and will carefully consider the conditions of each trade, only fixing a tariff after having heard all that was to be said.²

To the Tariff Reformer Chamberlain's Glasgow programme had been received as less than conclusive only because it had not been worked out in sufficient detail; because it had been presented in a way suitable for delivery from a platform rather than rigorously formulated in terms of a "scientific" tariff. (This is not to say that he did not regard the Glasgow proposals as infinitely more "scientific" than anything the Free Traders had yet had to say on the issue.³) The time had now come to move in the direction of a specific formulation through which everyone could see the bearing of the new proposals upon his own particular circumstances. In the speech at Leeds on 16 December Chamberlain announced his new departure:

Let us make a tariff, let us make a scientific tariff ...
 Let us make a tariff, if that be possible - and I think it is - which shall not add by one farthing to the burden of any taxpayer, but which by the transference of taxation from one shoulder to another ... may not only produce the same amount of revenue which will always be necessary for our home expenditure, but may incidentally do something to develop and extend our trade ... It is true we are told we cannot make a scientific tariff. We cannot distinguish between the raw material and manufactures, that we cannot

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1. President and vice-president of the League respectively.
 2. Morning Post, 11 November 1903, p. 5.
 3. See, for instance, the Morning Post editorial on Morley's speech at Nottingham on 3 November 1903; Morning Post, 4 November 1903, p. 4.

be fair all round, that if ... we prevent the dumping of iron below cost, we shall ruin the tinplate trade, that if we stop the excessive importation of cheap foreign labour we shall ruin the boot and shoe trade, that if we stop the excessive importation of foreign yarn there will be an end of the clothing industry ...

Why should we suppose that our scientific economists, that our manufacturers cannot do what every other country had been able to do without finding their way into exaggerated difficulties? Now we are going to try to do it ... We are going to form, nay, have gone a long way in the direction of forming, a Commission, not a political Commission, but a non-political Commission of experts ... to consider the conditions of our trade and the remedies which are to be found for it.¹

As the speech unwound, the public learned for the first time that the new commission would consist of "leading representatives" of all the principal industries of the UK and of representatives of India, the Crown colonies and the Dominions, and that it would:

... invite before it witnesses from every trade, and it will endeavour, after hearing all that can be said, not merely in regard to the special interests of any particular trade, but also in regard to the interests of all the other trades which may be in any sense related to it - it is going to frame a model tariff.²

Throughout the campaign the Tariff Reform press had ridiculed the body of orthodox economists, portraying them as "musty theorists", "evangelists of a fossilised doctrine", and so on.³ Thus when, soon after the Leeds speech, it was announced that the secretary of the new commission was to be from the ranks of what Tariff Reformers commonly called the "modern" or "younger"⁴ school of political economy there was perhaps little cause for surprise. Professor W.A.S. Hewins had been Director of the London School of Economics since its foundation in 1895, and had for some time been an active supporter of the imperial cause, though he had felt it expedient not to come to the forefront of the controversy. His largest contribution to the propaganda war up to December 1903 had been a series of sixteen articles

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1. Chamberlain, at Leeds, 16 December 1903; reprinted in Sheffield Daily Telegraph, 17 December 1903, pp. 7-8.
 2. Ibid.
 3. A.W. Coats, loc. cit., p. 210.
 4. Ibid., p. 211.

in the Times under the pseudonym "An Economist".¹ Now he was out in the open he was frequently applauded in the Tariff Reform press as an economist who had "always tried to base the study of economics on a study of industry and commerce" and had been in "close contact with business all his life".² At the same time, he had close relations with certain German scholars, particularly Von Halle of Berlin, and had published several articles in German academic journals, including Schmoller's Jahrbuch.³ He was thus very much influenced by the close relationship between industry and the State in Germany, and was aware of the close intercourse and elaborate discussion of detail between businessman and bureaucrat which went into the formulation of a tariff. Here, therefore, was an ideal link between the business approach to complex problems and the technical expertise required to draw up a scientific tariff.

In the weeks following the Leeds speech the Chamberlainite newspapers sought constantly to emphasise the virtue of direct action at a practical level. The Sheffield Daily Telegraph expressed contempt at the new outburst of cries that Chamberlain's announcement had provoked from Free Traders about the increased urgency of appointing a Royal Commission: "... that is not Mr. Chamberlain's way. He has no intention of having the great subject 'hung up' indefinitely. The question demands attention, and that without delay."⁴ Another Tariff Reform leader announced that:

Throughout the enquiry ... one sole object will be kept **steadily** before its [the Commission's] members. This is not to multiply difficulties and stifle action with academic objections, but to arrange a practicable scheme which can be carried into effect with the least possible delay.⁵

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1. All the articles bore the same title. "The fiscal policy of the Empire", and appeared in the Times at uneven intervals between 15 June and 19 September 1903.
 2. Morning Post (editorial), 18 December 1903, p. 4.
 3. Including one prophetic article on Britain's future trade policy, "Der Imperialismus und seine voraussichtliche Wirkung auf die Handelspolitik des Vereinigten Königreichs", Schriften des Vereins für Socialpolitik, XCI, 1900.
 4. Sheffield Daily Telegraph (editorial), 18 December 1903, p. 6.
 5. Morning Post (editorial), 18 December 1903, p. 4.

In this way the Tariff Reformers sought to stress that direct and immediate action was far divorced from the unhelpful, equivocating realm of theory. What they perhaps were really doing was hoping that progress would be achieved by removing controversy. The distaste for the theoretician in the public mind could be played upon by emphasising the "representative" quality, the common sense and the stature of the business members of the Commission.

Thus the early organisation of the Commission was carried on in what was apparently a wilful disregard of Free Trade hostility. Every few days Tariff Reform newspapers proudly carried the press release of the latest industrialists who had consented to serve, until by the middle of January 1904 the Commission was announced to be complete. This eulogising of the businessmen who had agreed to serve was brought to a peak by Chamberlain himself when, at the opening meeting of the Commission, he described them as:

'... these fifty-eight gentlemen, princes of commerce, who have grown grey and bald in the trade fight for success, have ever their feelings under perfect control, and allow only the doorway to reason to remain open'.¹

Though Tariff Reformers were trying to stand aloof from objections in order to try to push their movement ahead, Free Traders had, of course, not failed to provide those objections. Condemnation of the Commission was developing along two lines, which were not entirely compatible. The first, and rather more simple, criticism was of its composition. The fifty-eight members were represented as "a ring of vested interests ... of managing directors who have hundreds of thousands of pounds to gain by the imposition of a skilful tariff".² To this the Tariff Reformers answered that to whom should the task of formulating a tariff be given but to the most prominent industrialists in the land? These men were well known in all the countries of the commercial globe. Their political affiliations were not taken into account when the choice was made, only their ability to represent

1. Chamberlain at the first meeting of the Tariff Commission, 15 January 1904; reprinted in Sheffield Daily Telegraph, 16 January 1904, p. 9.
 2. "A committee of directors", Echo (editorial), 18 December 1903, unpaginated but p. 2.

authoritatively the trade or industry concerned.¹ A related Free Trade criticism was that the Commission was not representative of the whole sphere of British economic activity. It became almost a hobby to find gaps in the list - in the House of Commons it was asked "Why it was that not a single banker of repute sat on the Tariff Commission?" and Lloyd George asked why no workmen were represented.² At Halifax Winston Churchill pointed to the absence of the cotton trade, the professions and the Free Traders.³

But criticism along these lines ran the danger of establishing the principle that if the Commission was composed in a representative way, one which met such objections, then perhaps the whole exercise would be legitimatised. The second line of criticism was more fundamental. The opposition press was quick to deny that the Commission was in any way an answer to the agitation of previous months for a Royal Commission. The Echo noted that "it is certainly not an impartial inquiry. The question to be put before it is not whether Protection should be adopted or not, but how can the Protective Tariff be best framed in the interests of those who are advocating it".⁴ The Standard reminded its readers of its long-standing support for an impartial enquiry, but by this it had not meant "an 'ex parte' inquiry by a tribunal starting with preconceived opinions, and pledged, beforehand, to a particular conclusion".⁵

But of course the Tariff Reformers agreed that the intention of the Commission was to draft a tariff. That was what it had been set up to do. As for the idea of its having preconceived ideas, the only one held was that some kind of modification of policy was required, and as far as that was concerned Tariff Reformers usually assumed that everyone in the country felt

1. See, for example, Morning Post (editorial), 16 January 1904, p. 6.
2. Parliamentary Debates, 4th ser., CXXIX, 9 February 1904, col. 822; 10 February 1904, col. 954.
3. Churchill, at Halifax, 20 December 1903; in Sheffield Daily Telegraph, 21 December 1903, p. 9.
4. "A committee of directors", Echo (editorial), 18 December 1903, unpaginated but p. 2.
5. Standard (editorial), 17 December 1903, p. 6.

this.¹ It was the task of the Commission to find out what kind. As the Morning Post put it, much of the Free Trade criticism was irrelevant.

The Tariff Commission will do what must have been done either by Mr. CHAMBERLAIN individually or by the industrial and commercial classes on their own initiative, for obviously the details of a tariff must be worked out before, not after, the country expresses its final judgement.²

IV

What had happened here was a complete rift between the two sides, not about the substance of the controversy itself but about the way in which the controversy should continue. As the next two months went by, as details emerged in the press about the commission's increasing activity in collecting information and examining witnesses from the first industry to come under its scrutiny, iron and steel, the Free Traders watched the proceedings with incredulity.

In March 1904 there was a short exchange of letters in the Times between Hewins and L.T. Hobhouse, in which Hewins sought to prove that the methods of the Commission rested on a more scientific basis than did those of the Free Trade Union.³ This led to an exchange of letters between Hewins and Herbert Gladstone, which illustrates perhaps better than anything else the irreconcilable gulf over method which now lay between Tariff Reformers and Free Traders.

Gladstone took the Leeds speech as evidence that Chamberlain now considered his case proved, and that the next step was to set up a commission to work out a tariff. If this was the case Chamberlain's scheme must have been proved, to the satisfaction of the Tariff Reformers, by the propaganda that preceded the Leeds speech, and thus the methods of the Tariff Reformers

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1. Chamberlain at the first meeting of the Tariff Commission; loc. cit.
 2. Morning Post (editorial), 23 December 1903, p. 4.
 3. L.T. Hobhouse to ed., Times, 14 March 1904, p. 6; W.A.S. Hewins to ed., Times, 15 March 1904, p. 8; Hobhouse to ed., Times, 16 March 1904, p. 2.

were to be condemned on the same criterion - that of lack of a scientific method - as that on which Hewins had condemned the methods of the Free Trade Union. If this was not the case, and the Tariff Commission was reopening what Gladstone termed the "main issue", that of Free Trade versus protection, then, argued Gladstone, its composition militated against its ability to conduct an unbiased examination of the relative merits of each.¹

But Hewins's reply was to show that, in public at least, he did not consider Chamberlain's policy proved. Nor was the Commission to discuss the relative merits of Free Trade and protection. He argued that his opponents were inclined to make dogmatic statements as to the effects of any proposal for a tariff without justifying them. Such criticism assumed that the Free Traders had already constructed a tariff and found out that it would not work. If this was so, bantered Hewins, the nation should be told the results. It should be allowed to see whether this hypothetical Free Traders' tariff had been drawn up in the most beneficial way - for instance, what goods were to be put on the free list, how the Free Traders had decided between the merits of specific and ad valorem duties, and whether they had reached their conclusions after proper consultation with manufacturers.²

It is here that the Tariff Reform approach becomes understandable. Free Traders were attacking a policy that had still not been fully worked out in detail. Of course, to the Free Trade mind this was of no account, since Free Trade, even the most "one-sided" Free Trade, was inevitably superior in a welfare sense to any form of protection that could possibly have been devised. But to the Tariff Reformer, or to anyone occupying a mid-way position, anyone who did not accept the superiority of Free Trade as an axiomatic truth, the Free Trade case did indeed seem to be assuming a certain protective policy against which to measure the superior benefits of

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1. H.J. Gladstone to Hewins, three letters, 18 March 1904, 15 and 19 April 1904; reprinted in Times, 20 April 1904, p. 4.
 2. Hewins to Gladstone, two letters, 30 March 1904 and 15 April 1904; reprinted in Times, 20 April 1904, p. 4.

Free Trade. As Hewins remarked:

Mr. Chamberlain has described a practical situation, with regard to which it is desirable to take action. The figures on which that description is based have not, so far as I know, been disputed ... If we are to deal with the situation described by Mr. Chamberlain, you will, I feel sure, agree that we must have a policy. It is open to the Free Traders to sketch an economic and commercial policy, which will deal with actual problems, alternative to that suggested by Mr. Chamberlain. But they have not done so ...¹

Of course, Chamberlain's figures had been disputed. Hewins was accepting Chamberlain's assumption that something was wrong with British industry. His answer, therefore, would not have carried any conviction with a Free Trader who thought the economic situation was healthy. (Indeed, at this point, Hewins appears not to have been regarding Free Trade as a policy at all). But in defence of Hewins it should be remembered that by no means all Free Traders held the view that Britain's economic condition was so sound that no action would be required in the foreseeable future. Free Traders may have accused Chamberlain of gross exaggeration, but even Asquith had been prepared to admit that the situation was not perfect. As early as May he had counselled, "Until some better substitute [for Free Trade, than Chamberlain's policy] could be discovered, let us stick to our well-tryed policy of free markets and an open door."² There were many people who were not complacent, and not all of them were Tariff Reformers - most common among the others were supporters of one or another of the various forms of "National Efficiency", advocating here the remedy of improving technical education along Charlottenburg lines, advocating there the remedy of improving the consular service. To them, perhaps, Hewins's reasoning was understandable. Certainly it was at them, at the middle ground, that it was directed. The Tariff Commission was to examine how the industrial situation could best be remedied by means of a tariff: it was up to others to suggest alternative remedies to compare that tariff with.

1. Hewins to Gladstone, 30 March 1904; loc. cit.
 2. Asquith, at Doncaster, 21 May 1903; loc. cit.

The Tariff Reformers had conceded little to their opponents. One of their number admitted publicly that the appeal was to emotion rather than to reason.¹ This is too strong - it underestimates the case for Tariff Reform. But what the propaganda campaign had done was to leave a demanding legacy for the Tariff Commission. Chamberlain's proposals had been cast as utopian. He had refused to admit that any sector would not have its condition improved through his policy (though it is true that he seldom mentioned the financial sector in his campaign). Today we would consider as accepted the idea that protection may - indeed, usually will - raise the community welfare function overall. But, in effect, Chamberlain had promised that everyone within that community would be benefited. He had not been able to show how it was to be done. But, by definition, it could be done. That was the function, that was the meaning, of a "scientific tariff".

The principal model on which the "scientific tariff" was to be built was that of Germany. Just why the German tariff was regarded as "scientific" is not, in hindsight, particularly clear. Though Tariff Reformers were not very specific during the first campaign, they appear to have had in mind fairly superficial administrative and structural features - the grading of duties according to labour content, the choice between ad valorem and specific duties, the granting of drawbacks on exports. What they failed to consider was the importance of economic pressure groups in determining even Germany's "scientific" tariff, in spite of the fact that they sometimes castigated the "log rolling" tactics endemic to the formulation of the US tariff as a prime example of bad practice.

Precisely how the Tariff Commission was to accomplish its task Hewins left unsaid. Though the much-talked-about "scientific" tariff had not yet been rigorously defined, its objectives were clear. It had to devise a system of agricultural preference which, when combined with compensating

1. Weymss Reid, in Nineteenth Century, cited in A.W. Coats, loc. cit., p. 199 n.

reductions in British taxation, would not increase the cost of food. It had to grade the spectrum of duties on raw materials through semi-manufactured goods to finished manufactures so that the consequential changes in production levels at home would have little effect on the prices of industrial products, or would at least increase wages to compensate for that. It had to increase employment. And if it did increase employment and wages, it had to avoid damaging the export trade. It had to harmonise the interests of industry and agriculture. It had to do all this and still produce a scheme containing preferential terms acceptable to every single colony, no matter what its economic base. The project had to be carried out under the methodology of the day, without the sophisticated calculating equipment and statistical techniques of later generations. But this was the sublimely optimistic objective that the Tariff Commissioners had in mind as they embarked upon their eighteen years of labour.¹ If we think Chamberlain asked too much of them it is only fair to remember that they undertook the task willingly.

V

The following two chapters (chapters 2 and 3) examine the early moves which led to the establishment of Chamberlain's Tariff Commission, the protectionist-imperialist ideology of its secretary, the man who, more than any other, could claim primacy as the chief theoretician and ideologist of the Tariff Reform movement, and the composition of the Commission, with particular reference to the representation of industrial interests upon it.

Subsequent chapters examine the way in which the Commission attempted to achieve its utopian objectives. As it is hoped to show, simple conclusions of a nakedly self-interested propagandist group on the one hand, or of an objective and disinterested study group on the other, cannot be sustained. A curious blend of imperialist, Chamberlainite and

1. The commission was finally disbanded in 1921.

protectionist sentiments with a genuine desire for sound, respectable and non-partisan method made the Commission more than a mere Tariff Reform lobby and less than a scientific enquiry. Such mixed motives were frequently demonstrated by individual Commissioners: there were relatively few who could be classed as interested in outright propaganda or pure scientific objectivity.

Under the guidance of its secretary the Commission struggled to apply inductive methods to the vast question of Britain's fiscal policy. As it failed to do this, it found a constant need to apply its own theoretical and quasi-theoretical constructs to the mass of factual and proximate factual data which it collected. It also found that politics entered into its own particular world of science by influencing the nature of outside businessmen willing to participate, and by limiting its freedom in the publication of results and conclusions.

In addition to a general treatment of the Commission's activities (chapter 4), particular attention is given to three of its most important reports. Chapter 5 examines the Commission's handling of the iron and steel industry, where the protectionist case was strong and co-operation from businessmen good, and where the Commission, in spite of its own historical-inductive methods, came near to advancing some of the theoretical arguments of later generations of protectionist economists. Chapter 6 examines the cotton industry, where the protectionist case was weak and the response from businessmen poor, and where the Commission was forced to emphasise a retaliationist policy, though here as elsewhere in its publications it was unwilling to spell out its strategy on tariff negotiation in full detail. Chapter 7 examines the agricultural enquiry, where Agricultural Committee members, on the whole more protectionist than full Commission members, were guided into a more moderate posture for the sake of a consistent overall Tariff Reform policy, and yet they still managed to improve the provisions for the farmer in Chamberlain's overall plan, thus providing the clearest example of unadorned self-interest within the whole history of the Commission.

Chapter 8 charts the failure to produce an integrated "scientific" tariff and the degeneration of the Commission into a propagandist body of more normal type, albeit still cautious and moderate, but now actively supporting Tariff Reform MPs in parliament and subsequently becoming the vehicle for Hewins's own parliamentary career.

At this stage the purpose of this thesis should perhaps be made clear. Much is known of the politics of the Tariff Reform period, especially with regard to Balfour's "cabinet crisis" and the subsequent history of the Unionist party.¹ Recent studies have also extended our knowledge of what is generally described as "social imperialism", though most of them still concentrate heavily on the political manifestations of the phenomenon.²

What is still missing from the overall analysis of Tariff Reform is detailed examination in three distinct areas, and the present work seeks to go some way in each one. The first area is a close study of the actual operation of different pressure- and propaganda-groups active in the campaign, and here the present study seeks to recompense the student of Tariff Reform for the lack of information on the Tariff Reform League and the Free Trade Union.³ The second area is the role of businessmen in the campaign and their attitudes towards it, a surprising omission in view of the nature of the controversy. In this, the present work lays at the centre of the involvement of businessmen in the debate, though much more still needs to be uncovered before the picture is complete. The third area is a detailed examination of the economic arguments used by Tariff Reformers and the

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1. See, especially, J. Amery, op. cit., vols. 5 and 6; A.M. Gollin, op. cit.; R.A. Rempel, Unionists Divided: Arthur Balfour, Joseph Chamberlain and the Unionist Free Traders, (Newton Abbot, 1972); P. Fraser, "Unionism and Tariff Reform: The Crisis of 1906", Historical Journal, V, 1962, pp. 149-66; N. Blewett, "Free Fooders Balfourites, Whole Hoggers. Factionalism within the Unionist Party, 1906-10", Historical Journal, XI, 1968, pp. 95-124, etc.
 2. Especially B. Semmel, op. cit.; G.R. Searle, The Quest for National Efficiency, (Oxford, 1971); H.C.G. Matthew, op. cit.; R.J. Scally, The Origins of the Lloyd George Coalition, (Princeton, 1975).
 3. An exception is K.D. Brown's useful "The Trade Union Tariff Reform Association, 1904-1913", Journal of British Studies, IX, 1970, pp. 141-53. See also Semmel, op. cit., chs. 5 and 7.

economic-political thinking that lay behind them. Studies exist examining the economic thought underlying the campaign, but most concentrate on the reasoning of professional economists,¹ with the not entirely surprising result that if we wish to examine the popular level of economic argument in the campaign we still find that Halevy's treatment is one of the most rewarding.² More recent work by political historians frequently embodies outdated concepts of the "Great Depression" and late nineteenth century British industrial structure, whilst economic historians, with their natural affinity for the romance of mid-nineteenth century Manchesterism, have tended on the whole to dismiss Tariff Reform not only as inappropriate, but also, one feels, as being almost beneath notice. Whilst this thesis is in no way intended as an economic apologia for the Tariff Reform movement, it does seek to examine carefully, and on its own ground, the economic analysis put forward by a sizable group of businessmen as being applicable to the ill winds they perceived in the rapidly changing economic circumstances of the early twentieth century.

Finally, we should perhaps point to a directly practical reason for a study of the Tariff Commission. Its reports, used as sources by serious academics divorced from the controversy at the time,³ have been regularly used by economic historians since then, sometimes critically and sometimes less so.⁴ It would not be improper to assert that a historical source can be used to the full only when the ideology, objectives and methodology of its compilers is understood. The Tariff Commission's ideology and objectives, if not entirely misunderstood, are frequently simplified and distorted by modern scholars. Its methodology, though often highly suspect, remains almost completely unappreciated.

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1. Exceptionally good in this respect is A.W. Coats, loc. cit.; see also the studies of Ashley and Cunningham in Semmel, op. cit., chs. X-XI.
 2. E. Halevy, History of the English People in the Nineteenth Century, vol. 5, Imperialism and the Rise of Labour 1895-1905, (London, 1961 edn.), pp. 285-356.
 3. See, e.g., G.R. Carter, The Tendency Towards Industrial Combination, (London, 1913).
 4. See, e.g., E.M. Sigsworth, Black Dyke Mills: A History, (Liverpool, 1958); S.B. Saul, Studies in British Overseas Trade, 1870-1914, (Liverpool, 1960); D.H. Aldcroft (ed.), The Development of British Industry and Foreign Competition, 1875-1914, (London, 1968).

CHAPTER 2

The Protectionist-Imperialist Ideology of W.A.S. Hewins

Information on the actual formation of the Tariff Commission is relatively limited. But it is established that, by the autumn of 1903, Chamberlain was in close consultation with three men who were to be central figures in the Commission's operation - Sir Vincent Caillard, Sir Arthur Pearson and Henry Chaplin. Brief biographies are given elsewhere,¹ but it should be noted here that all three were well known as advocates of some kind of Tariff Reform. Caillard was the author of three articles in the National Review which advocated mutual preferential arrangements with the colonies as the best way of promoting imperial unity, and which were subsequently incorporated into a book of the same nature.² He was also well-known as a director of Vickers, the great armaments and engineering firm. But we should not on this account be too ready to make the obvious link between Caillard's economic interest and his imperialist-protectionist sympathies. The armaments industry was very much a special case; in its close relationship with the British government it received a certain amount of what might be termed "institutional protection" already. Furthermore, under pre-war conditions a considerable proportion of its business was with foreign governments, and frequently a similar special relationship obtained here also. Certainly Caillard's colleague, Douglas Vickers, considered the

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1. See below, pp. 543-4, 544-5.
 2. V.H.P. Caillard, "Foreign Trade and Home Markets", National Review, XXXIX, 1902, pp. 51-77; "Some Suggestions Toward an Imperial Tariff", National Review, XXXIX, 1902, pp. 209-27; "'The Dream of a British Zollverein': A Reply to Sir Robert Giffen", National Review, XXXIX, 1902, pp. 597-605; Imperial Fiscal Reform, (London, 1903). J. Shield Nicholson's review of Caillard's book considered it "one of the most interesting of the contributions to fiscal literature", in which "the most reasonable of the ideas of fiscal reformers [were] expressed with moderation and lucidity". See Economic Journal, XIV, 1904, p. 57.

Tariff Reform campaign as rather peripheral to his firm's interests, and one cannot help but feel that he might really have seen involvement not only as irrelevant but also as indelicate.¹

Sir Arthur Pearson, too, was well known for his support of Chamberlain. As proprietor of the Daily Express, and with the active support of Ralph Blumenfeld, he had run an energetic campaign which had centred around the higher level of employment to be gained from Tariff Reform.² Subsequently, early in 1904, he was to buy the ailing Standard and bring what had been a wavering but generally anti-Chamberlainite editorial policy solidly behind the Tariff Reform banner. He was also Chairman of the Executive Committee of the Tariff Reform League.

But perhaps the most ardent of these three passionate supporters of fiscal change was Henry (later Viscount) Chaplin. He represented a district and a class where there was perhaps little fundamental difference in opinion over the question of import duties. A Lincolnshire farmer and landowner, at times enjoying hectic bouts of conspicuous consumption and at others having a relatively severe stringency forced upon him, Chaplin remained throughout his colourful private life one of the leading spokesmen of the agricultural interest in the late nineteenth and early twentieth century parliament. As an economic interest group, agriculture must count as one of the strongest supporters of Chamberlain's campaign. But it is important to remember the diversity and complications of the agriculturalists' position. Firstly, there was a strong body of opinion within agriculture that Tariff Reform was not attainable for political reasons. By the 1890s, after twenty years of depression, many farmers thought, reluctantly, that "protection has practically sunk to the position of a 'pious opinion'".³

1. See below, pp. 141, 200.

2. B. Semmel, Imperialism and Social Reform, (London, 1960), p. 112; R.D. Blumenfeld, R.D.B.'s Diary, 1887-1914, (London, 1930), pp. 194-6.

3. This was the opinion of one of the members of the Royal Commission of the 1890s; see F.A. Channing, The Truth about Agricultural Depression, (London, 1897), p. 60.

And, in a different way again, it should also be borne in mind that, amongst those agriculturalists who did still feel a reform programme to be politically attainable, the Birmingham policy fell short of the ideal. To many of them, enthusiasm for imperial preference was as tepid as enthusiasm for Free Trade.¹

Though these three men were intimately concerned with the formation of the Commission, many of their conversations with Chamberlain passed undocumented. But fragments of evidence, mostly of a recollective nature, have been left to us. Speaking at a Tariff Commission dinner on the occasion of Hewins's acceptance of the post of Parliamentary Under-Secretary of State for the Colonies in November 1917, Caillard remembered "the little conferences that took place between Mr. Joseph Chamberlain and two or three more of us. I recollect one meeting in my rooms at 42 Half Moon Street, at which Sir Arthur Pearson and Mr. Hewins were present, a meeting which led to great things ..."² Not uncharacteristically, Pearson sought to stress his own role in the early work of organisation, reflecting that he had "had a great deal to do with the early days of the Tariff Commission. I hope I am not saying too much when I say that I was mainly instrumental in, or responsible for, its foundation. And in those early days our guest [Hewins] was of supreme assistance."³ Chaplin was also present to speak of his close involvement in the formative stage of the Commission, though, like Caillard, he did not stress the particular importance of his own role.⁴ Indeed, Pearson's claim to primacy as instigator is not supported by any other evidence. Nevertheless, it is perhaps true that Pearson was the closest to Chamberlain in the consideration of possible members of the Commission, in making arrangements and in acting as a go-between.⁵ He also played a critical role in early finance.⁶

1. See below, pp. 363-370.

2. Un-numbered blue file, "The Tariff Commission - Dinner to Mr. Hewins, MP, Savoy Hotel, Nov. 6th. 1917", T.C.P.

3. Ibid.

4. Ibid.

5. See below, pp. 82-90.

6. See below, pp. 169-170.

One of the most important tasks of the four architects of the new Commission was the selection of its Secretary. In fact, there appears to be no evidence that anyone other than Hewins was ever considered,¹ and that consultations between Caillard, Pearson and Hewins proceeded with this in mind.

I

At this point it will be useful to examine more deeply the background and beliefs of the man who, for the next eighteen years, was to be the driving force of the Commission. When he assumed the Secretaryship, W.A.S. Hewins was just under forty years of age, and had already made an impression on the academic world as a heterodox in economics. Born in 1865, the son of an anchor and chain merchant, Hewins himself recorded that, when he went to Oxford, he had already read several treatises on economics:

... but they did not help me. I disliked their materialism leavened with sentiment and their remoteness from real events as I saw them in South Staffordshire. The "economic man" made no appeal to me. There was little correspondence between the industrial system of the economic text-books and the industry that was being carried on around me and the men and women actually engaged in it.²

Thus it was that, whilst at Oxford, Hewins formed the Social Science Club, the object of which was "to find a way to the solutions of social

1. If the intention was to provide the Commission with a Secretary who had an established reputation as an academic economist, it must be remarked that several of those who had expressed disagreement with the "manifesto" of the fourteen orthodox economists in the Times (15 August 1903, p. 4) were better known than Hewins. Perhaps the most prestigious person to approach would have been Prof. W.J. Ashley of Birmingham. Indeed, in May 1903 Chamberlain had written to him suggesting the need for a "scientific review" of "some of the accepted positions of free trade", but it is doubtful that Chamberlain had considered in any detail the need for a Tariff Commission as early as May, and this cannot therefore be regarded as an oblique approach to Ashley with a view to involving him more directly in the campaign. In any case, Ashley considered his forthcoming book, The Tariff Problem (London, 1903), as likely in most respects to meet Chamberlain's requirements of a "scientific review". See Chamberlain to Ashley, 19 May 1903; Chamberlain to Ashley, 29 May 1903; JC 18/18/7 and JC 18/18/8, J.C.P.
2. W.A.S. Hewins, The Apologia of an Imperialist: Forty Years of Empire Policy, (London, 1929), I, pp. 14-15.

difficulties by practical investigations."¹ Nevertheless, Hewins still allowed himself to join the more orthodox Oxford Economic Society, where he found himself in the company of Ashley, Michael Sadler, Edwin Cannan, L.L. Price, L.T. Hobhouse and Hubert Llewellyn Smith.

Having completed a degree in mathematics, Hewins decided to take history and economics, and to develop his economic knowledge "in accordance with modern scientific and historical method", a path which Thorold Rogers had already warned him would evoke hostility from "securely established" vested interests in the field.² From 1888 to 1894 he gave University Extension lectures and organised the summer meetings of University Extension students at Oxford. During this period, he was able to formulate his ideas on economic policy in an historical context, and he wrote his English Trade and Finance, chiefly in the 17th Century (1892). Other research work in which he was engaged, writing biographies of early economists for the Dictionary of National Biography, served only to strengthen his rejection of the prevailing approach of political science:

... the periods covered by the lives led me to make a list as comprehensive as possible of all books and pamphlets on economics written in England before the time of Adam Smith. It included many thousands of titles and destroyed for ever in my mind the illusion that Adam Smith and his successors represented the only English economic tradition.³

In the winter of 1894-5 Sidney and Beatrice Webb, in receipt of the bequest of Henry Hutchinson, an eccentric provincial Fabian, were discussing with friends the possibility of establishing in London an institution similar to the Ecole Libre des Sciences Politiques of Paris, to remedy the inadequate facilities that Webb felt existed in the metropolis for tuition and research in economic subjects.⁴ As Director of the new London School

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1. Hewins gave two papers, prepared with his father's help, to the Club, one on the wrought nail industry of E. Worcestershire, the other on the effect of railway rates on the S. Staffordshire iron trade; see Hewins, Apologia ..., I, p. 16.
 2. Ibid., I, p. 16.
 3. Apologia ..., I, pp. 22-23.
 4. The full and curious story behind the Hutchinson bequest is told in Sidney Caine, The History of the Foundation of the London School of Economics and Political Science, (London, 1963), especially ch. 2.

of Economics, their choice fell upon Hewins, then only thirty, apparently on the basis of a chance meeting a year previously.¹ Hewins was formally offered the Directorship late in March 1895, at a salary commensurate with the shoestring budget of that fledgeling institution.²

Though the political outlook of the Webbs differed radically from that of Hewins,³ they nevertheless held "outrageously heterodox opinions in the very branch of knowledge that they were intent on promoting".⁴ And, amongst Hewins's eleven part-time colleagues, the dissent from establishment economics was maintained. Cunningham and Acworth, as Sidney Webb later explained, were chosen "to counteract Marshall",⁵ but other appointments, such as Foxwell, Graham Wallas and Halford Mackinder, hardly re-orientated the School towards the conventional wisdom. A tendency towards economic orthodoxy was present in the persons of Arthur Bowley and Edwin Cannan,⁶ but it was slight.

During the period of his connection with the LSE, Hewins found his belief in the growing inapplicability of Free Trade to present conditions to be strengthening. His own lectures were "the means by which I came to see clearly the scientific basis of economic policy",⁷ and, on being appointed to the Tooke Professorship of Economics and Statistics at King's College in 1897, he argued in his inaugural address that "the [current] distrust of economists was due to too close an alliance between economists and what were

1. Beatrice Webb, Our Partnership, (London, 1948), pp. 86-87.
2. S. Webb to Hewins, undated (but 28 May 1895); H.P.
3. Beatrice Webb found in Hewins "an instinctive sympathy with mediaevalism which led him spiritually, in the course of a few years, to join the Roman Catholic Church, and politically into a lifelong advocacy of a scientific tariff." See B. Webb, op. cit., p. 87.
4. Ibid., p. 86.
5. Cited in F.A. Hayek, "The London School of Economics, 1895-1945", Economica, N.S., XIII, 1946, p. 5. Hayek maintains that Wallas was first choice as Director. B. Webb, op. cit., makes no mention of this.
6. Cannan has been described as "in some respects an iconoclast and, with all his interest in economic theory, a severe critic of some of the classical positions" but "much closer to 'orthodox' economics than any of his colleagues and a convinced individualist". Hayek, op. cit., p. 6.
7. Apologia ..., I, p. 29; see also pp. 37-38.

after all political rather than economic views".¹ Shortly afterwards, slightly reluctant but persuaded by Schmoller and Von Halle, and impelled by Canada's unilateral preference and Britain's consequent revocation of her commercial treaties with Belgium and Germany, he wrote his first major work on the "expediency" of an Empire economic system.²

Though Hewins was to leave the Webbs and the LSE on an amicable basis, differences of opinion had been steadily developing for some years. Such differences probably had less to do with any intolerance on the part of the Webbs of Hewins's ideas than with their concern for the position of the School.³ Hewins felt a similar bond of loyalty to the School. His article for Schmoller's Jahrbuch had originated in three lectures given there in the summer of 1899, but he felt unable to carry out his initial intention to publish an enlarged version in English:

... on these Imperial questions the English atmosphere was becoming a little electric and I thought it was only fair to the School not to cause difficulty by publishing an article which would have been regarded as a repudiation of free trade, a slight on Lord Rosebery and other Governors of the School, and as definitely identifying me with Mr. Chamberlain.⁴

Though Hewins had initially hoped that Rosebery would be receptive to the new currents,⁵ it was becoming evident that the Governors would not have appreciated Hewins's open espousal of the growing imperialist movement, and it became "merely a question of time when I should break with this section and give full rein to my natural conservatism and imperialism."⁶

1. Ibid., p. 43.
2. Hewins reproduced extracts in Apologia ..., I, pp. 50-61.
3. This is the implication contained in Beatrice Webb, op. cit., p. 269.
4. W.A.S. Hewins, "My Connection with the Fiscal Controversy", (in an unmarked black diary, as yet uncatalogued, in the Hewins Papers. The essay is written in Hewins's hand, occupies pp. 23-38 of the diary, and is dated 31 January 1904), p. 27.
5. Ibid., p. 26.
6. Ibid., p. 25. Hewins's attitude to the Governors is contained in a cryptic but revealing passage: "The Governors of the School were a particularly tame breed of sheep. They counted for nothing, or rather they were a source of difficulty with the outside world because they included several people who had no business on such a body. The solution of every difficulty rested with Webb and myself. When therefore I realised that Webb had come to the end of his resources and

Nevertheless, the correspondence with Chamberlain in 1900, in which the Colonial Secretary was unprepared to endorse preference as a valid tool for Imperial aims, made "immediate co-operation impossible".¹ On this basis, it was only after Chamberlain's Birmingham speech that such co-operation became a possibility. But, as the Jahrbuch article showed, Hewins had the certainty of a prophet; having "formed my own opinion about Chamberlain's probable action", he sat back and waited upon events.²

Certainly, therefore, Hewins's career up to 1903 had already distinguished him as one of that minority of academic economists who were fitted by their opinions to be put in charge of the task of formulating a tariff. When the paths of Chamberlain and Hewins first crossed is not clear, but Hewins had been known to the great statesman for some years. As early as 1896-7 Chamberlain had subscribed to the British Library of Political Science, though probably without any detailed knowledge of its Director.³ Their earliest surviving correspondence dates from May 1899, and concerns Hewins's proposals for the reform of Civil Service education.⁴ In the

his resourcefulness this naturally forced me to bring into greater prominence the commercial and practical side of the School work. The Progressivism of Webb and the County Council appeared to me to be a very shallow, academic and unpractical thing, and I made up my mind to run the School with the view of winning the support of the business world. In this, however, Webb and the Fabian members of the Governing Body were a great difficulty. They were quite willing to let me do this because they had an idea that they would in a sense capture these business forces. The idea was wildly absurd. But the fact of their presence on the Governing Body brought my commercial negotiations to nought as soon as we reached the money point. Lord Rosebery liked the idea but he made a horrible muddle of the Mansion House meeting, which was rendered worse by Haldane's tactless hint that the whole thing was a political move. I had some discussion with the Webbs about this ... They were then full of Liberal Imperialism for which I had the greatest contempt ... I believed less and less in the value of any efforts spent on the forces represented by the Webbs, Haldane and (spasmodically) Lord Rosebery. It was very early obvious that I should not take the Webbs with me in my Imperialism. He was not really interested in the subject. Married to anyone else Mrs. Webb would have been very much on that side. But Webb himself is a born Little Englander."

1. Apologia ..., I, p. 49.

2. Ibid., p. 50.

3. Janet Beveridge, An Epic of Clare Market: Birth and Early Days of the London School of Economics, (London, 1960), p. 37.

4. J. Wilson (P.S. to Chamberlain) to Hewins, 17 May 1899; H.P.

following year Hewins sought information from the Colonial Secretary for his article on imperialism and UK economic policy that was to appear subsequently in Schmoller's Jahrbuch.¹ But there is no evidence to suggest that they had ever met, and Hewins himself felt that his ideas found little favour with Chamberlain before 1903.² Hewins wrote that they never met before the Birmingham speech, and his statement is corroborated by Fraser, who dates their first meeting in June 1903.³ Thus it is not improbable that the principal factor in bringing the two into close association was Hewins's series of articles in the Times, which by late June were appearing in rapid succession.

II

The most complete statement of Hewins's philosophy in the early years of the twentieth century occurs, in semi-popular form, in the series of pseudonymous articles written for the Times in the summer of 1903.⁴ These have the virtue of being a detailed portrait of Hewins's philosophy and methodology at a time immediately preceding the establishment of the Tariff Commission. Much of his time during this period was spent in the preparation of newspaper articles on the fiscal question.⁵

As a historical economist, Hewins's main academic work had lain in the study of mercantilism.⁶ And perhaps at the core of the Times' articles was

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1. Chamberlain to Hewins, 28 August 1900; H.P. On this occasion Hewins sought an interview, though apparently without result.
 2. Apologia ..., I, pp. 48-50.
 3. Ibid., I, pp. 6-7; Peter Fraser, Joseph Chamberlain: Radicalism and Empire, (London, 1966), p. 246. The Hewins Papers contain a telegram from Chamberlain, dated 30 June 1903, which informs Hewins that the sender would be glad to see him at the House of Commons on the following Wednesday at 3.30 p.m.
 4. Eventually sixteen articles, mostly between two and three full columns long, were published at weekly intervals or less. The original plan had been for six articles by Hewins and a similar number representing the Free Trade reply, at a time when the Times' editorial policy was still uncommitted. Such evidence as is left to us, however, suggests that the Times was unable to find an opponent willing to take on the task. See Hewins, Apologia ..., I, pp. 66-67.
 5. Ibid., p. 72.
 6. W.A.S. Hewins, English Trade and Finance, chiefly in the 17th Century, (1892); see also, D.C. Coleman, Revisions in Mercantilism, (London, 1969), p. 2.

the attempt to stress the continuity of the development of economic policy as a practical response to the "position and aims of each particular country".¹ But his analysis sought to accomplish more than to merely explain why two countries could synonymously, and yet rationally, pursue different economic policies. In common with many critics of establishment economics, both popular and academic, he felt he had to prove that the early apostles of the Free Trade doctrine had advocated policies on pragmatic grounds rather than seen their function as one of expounding natural laws and absolute truths. Thus, in stressing the logic of one country adopting different policies at different times, he saw little difference in outlook and motive between the "old English mercantilists [who] knew perfectly well what they were about with their restraints and encouragements to different trades",² and those early economists "who provided the theoretical basis of the free trade movement ... [and of whom] the vast majority ... were men of affairs and all, of any real eminence, interested in the promotion of the objects of public policy."³ Indeed, in touching upon the relationship between deductive theory and policy formulation in the writings of the early classical school, Hewins and other historical economists touched off a debate which still lives on today, though perhaps not entirely as a lineal descendant.⁴

Thus, early in the series, Hewins made much of the deviations of the early classical school from the unadorned Free Trade theory that they

1. "The Fiscal Policy of the Empire: VII", Times, 16 July 1903, p. 4.
2. Ibid., p. 5.
3. "The Fiscal Policy of the Empire: I", Times, 15 June 1903, p. 14.
4. The best-remembered historical economist in this debate has proved to be Cunningham. See the admirable summary of the debate in A.J. Taylor, Laissez-faire and State Intervention in Nineteenth-century Britain, (London, 1972), passim. Taylor points out that Cunningham saw the work of Huskisson, Peel and Gladstone as a "deliberate application of laissez-faire principles to our commercial system", (W. Cunningham, Growth of English Industry and Commerce in Modern Times, 3rd Edn., London, 1903, p. 839, cited in Taylor, op. cit., p. 39 n). Elsewhere Cunningham wrote that Adam Smith's "disciples seem ... to have gradually moved away altogether from the standpoint which he endeavoured to take." See Rise and Fall of the Free Trade Movement, (2nd Edn., London, 1905), p. 202.

developed and which fed the sermons of the popularizers.¹ Smith had defended the Navigation Acts, Ricardo had favoured the temporary restriction of corn imports to help the leaseholder, and Mill had argued strongly the case for "infant industry protection". "In skilled hands," remarked Hewins, "their works are always suggestive, and it is in fact remarkable ... how frequently they take account of qualifications to the generality of the principles they advocate."²

At the same time, Hewins had no wish to portray the early theorists as inconsistent, or to argue that policy after 1846 rested on an "insecure scientific basis".³ That he felt the need to re-integrate classical laissez-faire economics into a longer continuum of economic thought and policy is perhaps a reflection of the prejudices petrified into society that he felt he had to overcome. British society remained essentially Victorian until 1914. The society that was so stunned by the Queen's death was also a society which seemed to want constant reassurance that its actions would have been approved of by Cobden and Bright. Or so, at least, felt Hewins.

The critical factor in the choice of economic policy was expediency, maintained the historical economists. Cunningham came close to arguing that such expediency would have led Cobden to support intervention in 1903 just as he had urged economic liberalism in the days of the League.⁴ Perhaps less cautiously, Hewins argued that it would require heroic simplification to hold the view that Ricardo would have opposed Hicks Beach's Corn Registration Duty simply because he believed in the abolition of 1846. The situation had changed so completely that, given the ad hoc approach of the early economists to economic problems, their attitude to policy in the early 20th century would not necessarily have been in accord

1. A.J. Taylor, op. cit., pp. 27-31.
2. "The Fiscal Policy of the Empire: I", Times, 15 June 1903, p. 4.
3. Ibid.
4. See his paper, "The Real Richard Cobden", delivered to the Compatriot's Club in 1904 and subsequently incorporated into the second edition of The Rise and Decline of the Free Trade Movement, (Cambridge, 1905), pp. 169-189, especially p. 170.

with modern Free Traders:

The arguments of the classical economists, however general in form, were directed against a system which not only no one wishes to revive, but which is, in fact, incompatible with the Imperial system contemplated by Mr. Chamberlain ... the consolidation of the British Empire is a new problem for the solution of which English experience in the past and the experience of other countries cannot suggest the precise measures to be adopted. It is, in fact, a problem which has never been considered by a great English economist.¹

Though Hewins characterised the approach of the classical economists to economic policy as an ad hoc one, he did not see it as random. The period of the ascendancy of Free Trade was not unrelated to the periods which preceded and succeeded it. The historical economist saw the past as a structured process of development within which apparently conflicting phases of policy could be rationalised into a smooth progression. In a particularly clear statement of his philosophy of history, Hewins wrote:

English people as a rule know only of two possible policies, free trade and protection, whereas the actual history of civilised countries show that they pass through many stages of development, and that at the same stage the general features of the policy of different nations are much the same. We may now regard Russian policy as extremely reactionary. As a matter of fact, some of the best analogies of Russian measures can be found in the history of England ... various foreign countries are all pursuing their ends by means which, however mistaken they may be from time to time in detail, are in general accordance with the ascertained laws of national growth. England is the classical ground for the study of these laws, for no country has such a long, continuous and authentic history. Our free traders say we have reached the final goal of development ... they may be correct if we persist in a purely insular policy; ... [but] the Imperialist suggests that we can obtain a new lease of life in union with other parts of the Empire.²

Early in the Times' series, Hewins's support of an Imperial policy was generalised and flexible - he did not attempt to lay down any concrete economic formulae for British salvation. His most rigid conviction was that the United Kingdom had reached a stage in her development where Free Trade must be abandoned: to the accusation that Chamberlain's campaign was "wanton and premature", he answered that there was a strong desire in the country at

1. "The Fiscal Policy of the Empire: I", Times, 15 June 1903, p. 14.
 2. "The Fiscal Policy of the Empire: VI", Times, 11 July 1903, p. 6.

large for "a positive and constructive policy".¹ Nevertheless, he saw an Imperial policy, however it might be constructed, as being the only feasible long-term solution, the only possible way to progress to the next stage of development. Free Trade might be abandoned in the absence of an imperial policy, indeed it inevitably would be. But Britain still had a chance to achieve, through an enlightened process of Imperial consolidation, a level of development which would ensure her place among the front rank of economic and political powers:

The Imperialist movement may fail [at the next General Election], though all the signs point to its success, but no possible combination can prevent a change in economic policy. The mere attitude of inquiry is fatal to the old belief, and the national faith in free trade as ordinarily understood has gone for ever. The really important question is whether the change of policy, which is now certain in the near future, shall be made an instrument of Empire. Whether this is to be the case or we avoid the great issue because we are afraid of food taxes, the probability of some protection of British manufactures has to be considered.²

As far as they come over in the Times' articles, Hewins's horizons were limited by the achievement of an imperial system. We can therefore regard this as his ultimate stage of Britain's development, with the period of Free Trade as his penultimate stage. Both were logical, both were rational, above all both were expedient.

The boundaries between stages were determined by changes in conditions. Free Trade, though insolubly linked with British development in the mid-Victorian years of prosperity, was not to be given any prime causal importance:

... the adoption of the policy of free trade was the result rather than the cause of British development, which was really due in the main to our overwhelming superiority of mechanical power and the fact that we had a long start over other countries. If England was to make the most of her natural resources and her manufacturing skill, dependence on foreign food supplies was inevitable, because it was quite impossible for the country to be "self-sufficient" in the Continental sense, as the industrial population grew in numbers. Given the food supply, England, with its admirable

1. "The Fiscal Policy of the Empire: I", Times, 15 June 1903, p. 14.
 2. "The Fiscal Policy of the Empire: VIII", Times, 27 July 1903, p. 8.

distribution of raw materials, and its other advantages, would rise to a great height of prosperity. That this forecast has been fulfilled every one will readily admit.¹

Essentially, the argument for a change in policy devolved upon economies of scale. Here was the fundamental level at which successful policy manipulation took place. The foundations for the success of Free Trade Victorian Britain had been laid in the achievements of the mercantilist period in extending the sphere of economic activity:

Free trade in the larger sense, of breaking down restrictions of all kinds on freedom of enterprise ... was the continuation of that development of national policy of which the mercantile system itself was the initial stage, and was the result rather than the cause of the growing industrial and commercial power of the United Kingdom. The actual policy adopted from the close of the Napoleonic Wars until recent years - a policy which was justified by its results and which cannot seriously be called into question - was a contributory cause of great importance of the more rapid growth of the commercial supremacy already secured under the older regime, and enabled British manufacturers to make the most of their temporary monopoly.²

Hewins's analysis of the qualifications to theory that the early classical economists noted was not, therefore, intended to suggest that Free Trade was a mistaken policy. Rather it was meant to show that Free Trade theory, or more particularly policy, was time-specific, and had evolved in a period when it had utility. In the conditions of the early 1840s it had been quite proper to give "a fundamental importance" to the "fact" that England had reached a position of diminishing returns, and to argue from that the necessity of abolishing the Corn Laws.³

Perhaps one of the most potent arguments that seeks to vindicate the British decision to retain Free Trade until 1914 is that protection, by its effect on import volumes, would have reduced foreign holdings of sterling balances and thus the effective demand for British exports, at a time when Britain's trade:income ratio was unusually high for a mature industrial economy. The most complete formulation of this argument has been left to

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1. "The Fiscal Policy of the Empire: V", Times, 4 July 1903, p. 14.
 2. "The Fiscal Policy of the Empire: I", Times, 15 June 1903, p. 14.
 3. "The Fiscal Policy of the Empire: VII", Times, 16 July 1903, p. 4.

historians, its lengthiest and most compelling exposition being undertaken by Saul in 1960.¹ A surprising feature of the contemporary Tariff Reform debate is the slight extent to which this was touched upon by either side. Perhaps the issue was seen as too complicated for the popular digestion. At Cinderford, Asquith applauded the rise in imports between the years 1873-1882 and 1893-1902, whilst admitting that the rise in exports over the same period, some £20-30 millions, was less impressive. Of Chamberlain's concentration on exports he said, "It would be just as reasonable to determine a man's wealth by the amount of the man's expenditure without looking to his income, as to compare the profitableness [sic] of the foreign trade of a country by looking only at the exports."² Though Asquith sought to lay more emphasis on shipping earnings and invisibles than Chamberlain had done, he had not made the Free Trade case more cohesive in this critical area of the interdependence of visible exports and visible imports. It is, I think, true that Asquith's speeches, though more competent than many, were typical of the approach of Free Trade public speakers - indeed, they were not infrequently used as a model by others, and Rosebery warmly applauded the Cinderford performance as a "crushing and convincing" example of the state of the art.³

In the Times' articles, Hewins did show an appreciation of this argument and its implications, and his treatment of it is more central to his analysis than appears from a casual reading, since the ordering and purpose of the series is not always clear, perhaps partly because it was decided to extend the number of articles when Hewins was in the midst of writing them.

The maximisation of exports by a policy which led to maximum, but uncontrolled, imports was, by the logic of the argument of specialisation

1. S.B. Saul, Studies in British Overseas Trade, 1870-1914, (Liverpool, 1960), passim. See also, League of Nations, (Economic Intelligence Service), The Network of World Trade, (Geneva, 1942), pp. 81-87, for an implicit support of the argument.
2. Asquith at Cinderford, 8 October 1903; in T.L. Gilmour, (ed.), All Sides of the Fiscal Question, (London, 1903), pp. 65-66.
3. Rosebery at Sheffield, 13 October 1903; in T.L. Gilmour, (ed.), op. cit., p. 109.

under international trade, a maximisation which left uncontrolled the type of exports. Here Hewins invoked a distinction between private and social¹ costs and benefits similar in concept to that familiar in the twentieth century:

Under modern conditions of international competition we may, with free importation, ultimately obtain all the textiles and all the iron and steel and other metal manufactures we require more cheaply from Germany and the United States than we can produce them at home. The free trader maintains that we should be extremely foolish if we did not avail ourselves of the opportunity; ... that if imports increase exports must also increase; and that we should all be much better off. But ... the free trade argument is full of fallacies. The trades a country carries on are not a matter of indifference. Leaving out of account the political argument, which is, however, of great importance in this connexion, efficiency depends on the preservation of a certain balance between the different branches of national activity. If the iron and steel trades and the textiles were destroyed, or declined in any considerable degree, the young men of brains and ambition, the skilled artisans we now employ, would not find an alternative career in the ready-made clothing trade. They would follow the great industries, as, in fact, they are doing now, and would find an outlet for their energies in the United States, the Colonies, or even foreign countries. Thus the decline of the great staple industries would be followed by the dwindling of the population and the decline of its efficiency."²

Thus, the results of a Free Trade policy had to be assessed using far wider criteria than the simple one of "cheapness to the consumer",³ criteria which, unlike the Free Trade model as perceived by Hewins, took the long-run into account and gave it more weight than the short-run. As examples, Hewins dealt especially with agriculture⁴ and the iron and steel industry.⁵ With iron and steel, the "dumping" of foreign exporters and the transport policies pursued by foreign railway companies and governments would maximise short-run British interests. But they would endanger the long-run health of the industry by reducing its scale, and therefore eroding the internal and external economies that it enjoyed, perhaps even resulting in

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1. Hewins used the word "national" rather than "social".
 2. "The Fiscal Policy of the Empire: IX", Times, 3 August 1903, p. 12. (my emphasis).
 3. Ibid.
 4. "The Fiscal Policy of the Empire: X", Times, 8 August 1903 p. 8.
 5. "The Fiscal Policy of the Empire: IX", Times, 3 August 1903, p. 12.

the destruction of the "old economic unity" that accompanied the "gradual transformation of the raw material into every description of iron and steel products, implements, edge tools, machinery, and innumerable kinds of hardware" within one industrial area.¹

This was the negative side of the argument, the attempt to show that low short-run purchase prices could be detrimental to the national welfare in the long-run. It held the implication that, in such a process, exports would suffer too. The converse, the positive side of the argument, was the demonstration that higher short-run prices were not necessarily detrimental, nor were they likely to be permanent. The securing of a home market, especially if it were possible to extend it to include the colonial populations, would help to obviate the problem that "our iron and steel trades rarely work at their full capacity".² To obtain continuous running would require a tariff which, Hewins admitted, would raise prices for a time, but whether in the longer term prices would remain higher than the Free Trade price was "another question".³

This argument of "economies of scale" in a particular industry had its counterpart in a broader sense. Here is more clearly defined evidence of Hewins's conception of a superficially restrictive policy on Britain's overseas trade volumes. He specified a division between the static and dynamic effects of a change from Free Trade to an imperial system, and was not prepared to give much weight to the former. Under the classical model the volume of Britain's foreign trade would be greater under Free Trade, even unilateral Free Trade, than it would be under an imperial system. But the Tariff Reformers' horizons were ones of hope, of possibility and, in the way they sought to popularise them, even of probability. Hewins expressed contempt for the predictive usefulness of a ceteris paribus approach when he wrote:

1. Ibid.
 2. Ibid.
 3. Ibid.

If, other things being equal, a given factor would produce certain results, but, owing to the existence of other factors the operation of the first factor is reduced to a "tendency" the exact measure of which cannot be ascertained, it is obviously rather difficult to make any progress with the argument as to its effects ... it is not permissible to transfer wholesale into the sphere of practical affairs these scientific generalities, give them arithmetical expression with the aid of figures culled from official returns, and without investigation of the business structure, productive power, and other economic and political conditions, pass judgement on a great Imperial scheme.¹

To Hewins, the immediate advantages of the static Free Trade model in maximising exports by supplying the world with foreign exchange paled into insignificance when related to the problem of foreign development which was daily eroding Britain's previous monopoly and limiting her overseas markets. This overseas development, encouraged often by high tariffs and government assistance to export industries, would, if unchecked, result in an eventual decline in Britain's exports. He saw this as operating in two ways - in the closing of export markets and in the absorption by foreign countries of a larger and larger proportion of their own output of raw materials.²

Forsaking the world of "abstract theory",³ was, then, for Hewins, to move from a static model to a dynamic one. He felt that history had shown that a confederation of states did not lead to a decline in the volume of trade with unconfederated countries. In particular, the trade of the German Zollverein, both internal and external, had grown rapidly in the years following its establishment, as Porter had noticed as early as 1847.⁴ Essentially, his belief was that the "trade-creation" effect of a common market was so much larger than the "trade-diversion" effect that trade with

1. "The Fiscal Policy of the Empire: VII", Times, 16 July 1903, p. 4.
2. In particular, he feared for the security of Britain's future cotton supply, not only in view of increased internal consumption by the US, but also in view of the growth of consumption in Germany, Austria-Hungary, Belgium, Italy, Holland, Switzerland, Greece, Sweden and Spain; see "The Fiscal Policy of the Empire: VI", Times, 11 July 1903, p. 6.
3. Ibid.
4. G.R. Porter, The Progress of the Nation, (London, 1847 edn.), p. 424 cited in "The Fiscal Policy of the Empire: V", Times, 4 July 1903, p. 14.

the outside world would still increase.¹ British trade would expand mostly with the colonies, but there would still be expansion to spare for trade with the rest of the world. It was presumably for this reason that he suggested that an Imperial policy, if properly conceived and constructed, might well operate to the benefit of foreign countries.²

To hold this view, it was necessary to consider that the cost-reducing factors involved in the establishment of an Imperial Zollverein outweighed the cost-increasing factors resulting from the accompanying implementation of a tariff. In the short-run, Hewins felt there was some room for doubt over the likely incidence of the duties which would have to be implemented under a feasible imperial scheme: he admitted that it was very difficult to gauge the effects, even the incidence, of a tariff.³ His brief study of the effect of German duties on grains was inconclusive,⁴ and he was certainly unwilling to hazard a guess as to the effects of a preferential wheat duty in June 1903 when the proposed rate of duty was still unknown.⁵ But he did feel that the likely effects would be unimportant when compared with the fluctuations in annual average prices of wheat over the previous thirty years. Understandably, Hewins was reluctant, in view of the hostility to the proposals to tax corn, to admit the inevitability of a short-term increase in its price, but the implications of his remarks were that some short-term increase could be expected. In his conclusion to an article on wheat supplies he commented:

10. That the temporary effect of the tariff cannot be foreseen, but that in no circumstances likely to occur is it likely to be more violent or prejudicial than the fluctuations to which the present generation is accustomed.⁶

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1. The terminology is explained in H.G. Johnson, Money, Trade and Economic Growth, (London, 1962), ch. 3.
 2. "The Fiscal Policy of the Empire: VI", Times, 11 July 1903, p. 6.
 3. "The Fiscal Policy of the Empire: VII", Times, 16 July 1903, p. 4.
 4. Ibid. The analysis still, however, managed to infuriate Alfred Marshall. See Marshall to L. Brentano, 20 July 1903, reprinted in H.W. McCready, "Alfred Marshall and Tariff Reform, 1903: Some Unpublished Letters", Journal of Political Economy, LXIII, 1955, p. 262.
 5. "The Fiscal Policy of the Empire: IV", Times, 29 June 1903, p. 9.
 6. Ibid.

But in the longer run, Hewins's doubts dropped away. His concept of a Chamberlainite imperial policy was that a shift towards imperial wheat supplies would benefit the UK. He urged his readers to remember that "The questions what would take place now and what would be the position of affairs after a few years are quite distinct."¹ In particular, he saw a long-term danger in the reliance on American wheat when that country too was coming to the end of one of its stages of development, in the agricultural sector at least. "Without artificial aids [to encourage Empire wheat growing]," he warned, "we must wait for the diminishing productiveness of the United States and a rise of prices which would be prejudicial to British industry and commerce."²

The salvation that an Empire-wide economic unit held for Britain was that many colonies, especially the white dominions, had not reached this critical stage of diminishing returns. Here was an area "which no one would ever dream of suggesting had reached the stage of diminishing returns."³

Perhaps the Tariff Reform vision of increasing returns in an Empire economic unit is shown at its clearest when dealing with agricultural expansion. Was it not true, argued Hewins, that a US Government report had estimated that only two per cent of the land suitable for wheat in Manitoba, the North West Territories and western Ontario was as yet under cultivation?⁴ But the argument had a wider applicability than in agriculture alone, especially in respect of increased market demand and imperial exploitation of natural resources and industrial raw materials.

Hewins saw growth as primarily related to factor inputs. The importance of shifts in input-output ratios, through greater technological and managerial efficiency, were not excluded from his "model", but there is

1. Ibid.

2. Ibid.

3. "The Fiscal Policy of the Empire: VII", Times, 16 July 1903, p. 4.

4. Commercial Relations of the United States with Foreign Countries during the year 1901, (Washington, 1902), vol. I, p. 340, cited in "The Fiscal Policy of the Empire: IV", Times, 29 June 1903, p. 9. Sir Vincent Caillard used a similar argument.

a definite suggestion that these either took second place to factor inputs in importance, or else were positively correlated (in a subordinate role) to a growth situation in which increased factor inputs were the primary influence:

... the progressive development of the United Kingdom must obviously depend in the long run on the physical facts of the situation, and, except in so far as disadvantages under this head may be counter-balanced by cheap freights, it is impossible for a limited area and a limited population like that of the United Kingdom to maintain the lead over great continents with far greater resources, with manufacturing skill and organizing capacity certainly not inferior, and in some respects superior, to ours. Hence the relative slackening of British progress is a perfectly natural phenomenon, which most economists have long foreseen.¹

Development in the twentieth century was to follow along lines that Hewins had noticed emerging strongly in the nineteenth, along a path leading to "the gradual consolidation of ever larger areas, the growth of the means of communication between and within those areas, and the development of their resources."² Indeed, there had been a time when the UK and France had experienced such development. But recently the prime beneficiaries of an expansionist-consolidationist movement had been the USA, Germany and Austria-Hungary.³ And, in such expansion, the growing strength of such economies was reflected not only in an expansion of internal commercial transactions, but also in a rapid increase in external trade, consequent upon the "increasing productive power, the larger population and natural resources, and the better territorial division of labour which were the result of consolidation."⁴ Hewins anticipated the argument that the Zollverein and the USA were examples of "contiguous expansion", and that an Empire union would not enjoy this advantage. The difference would always be that between a customs union built on sea power and one built on continental resources.

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1. "The Fiscal Policy of the Empire: V", Times, 4 July 1903, p. 14.
 2. Ibid.
 3. Hewins held rather optimistic views on the future economic development of Austria-Hungary; see "The Fiscal Policy of the Empire: V", Times, 4 July 1903, p. 14.
 4. Ibid.

But such a disadvantage could be overcome: in his words, "The remoteness of the Colonies is a very important question, but it is a question not of geographical position, but of freights, means of communication, the mobility of capital and labour."¹ And against this were to be set the advantage that the political difficulties engendered by jealousies among German states in the formation of the Zollverein had no parallel in the British proposal.²

The protectionist movement of the pre-1914 years can very easily be associated with sensationalism, with an exaggerated pessimism over Britain's economic situation. The writings of Ernest E. Williams, and Chamberlain's speech at Greenock, are good examples of the "yellow press" fringe of the semi-popular economic debate.³ Hewins's approach was rather more enlightened. He never sought, for instance, to claim that exports had ceased to grow, though he can be accused, in common with both Free Traders and his fellow Tariff Reformers alike, of underestimating the rise in export volumes by concentrating on export values. He did suggest that it was "not unduly pessimistic to suppose that our export trade is very near its maximum",⁴ but he did admit that relative decline did not imply absolute decline, at least for a long time. He agreed with Adam Smith, too, that there was "a good deal of ruin in a nation":⁵

Under a well-directed and continuous policy of Little Englandism we can no doubt sink quite comfortably to the rank of a fifth-rate Power. The process might involve several great wars, as other Powers struggled for the spoils of the British Empire, but we should have no ambitions and recognise no obligations to our Colonies and dependencies; and could therefore, perhaps, stand aside. Whether the numerous small States which might be absorbed by their neighbour but for the power of England would benefit, would

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1. "The Fiscal Policy of the Empire: VII", 16 July 1903, p. 4.
 2. Ibid. Undoubtedly, Hewins overestimated the willingness of Colonial populations to sacrifice autonomy for an Imperial system.
 3. Ernest E. Williams, Made in Germany, (London, 1896), passim; "Made in Germany - Five Years later", National Review, XXXVIII, 1901, pp. 130-144; Chamberlain at Greenock, 7 October 1903, reprinted in J.M. Robertson, The Collapse of 'Tariff Reform': Mr. Chamberlain's Case Exposed, (London, 1911), pp. 68-116.
 4. "The Fiscal Policy of the Empire: V", Times, 4 July 1903, p. 14. (Hewins's emphasis).
 5. Adam Smith, quoted in D. Winch, Economics and Policy, (London, 1972 edn.), p. 20.

be an interesting subject for inquiry. The only way in which we can avoid the fate of a small country is by the development of the industrial and commercial resources of the Empire, to balance those of the great Continental Powers.¹

In spite of his view that the process of Britain's industrial degeneration would be a lengthy one, Hewins felt that the situation was of considerable urgency. His expectations of the remedial benefits of an imperial system were dependent upon a fairly immediate enactment of policy.

Free Traders had questioned the wisdom of embarking upon closer economic co-operation with a group of countries which only accounted for the minor part of Britain's overseas trade. In pressing the urgency of a positive policy, Hewins turned this argument on its head. The colonies, perhaps hampered by the lack of an imperial policy in the first three-quarters of the nineteenth century, had in the recent past "reached a stage of development at which a continuous growth of trade and commerce may reasonably be expected."² In elaborating on this, Hewins gave a description not dissimilar to Rostow's process of "take-off into self-sustained growth".³ Commercial alliance was, in Hewins's schema, to be courted not on the strength of present relationships but on that of future potential. This was made more necessary by the fact that Britain's share of colonial trade was declining. In 1872-1876 the mother country had taken 54.3 per cent of the exports of her Colonies, excluding India. A quinquennial analysis showed this to have dropped, albeit with fluctuations, to 47.6 per cent in 1897-1901.⁴ Hewins felt that "if present tendencies continue unchecked the Empire must unquestionably break up".⁵

But the weakening of economic ties within the Empire would be accompanied by a strengthening of colonial ties with foreign countries.

1. "The Fiscal Policy of the Empire: V", Times, 4 July 1903, p. 14.
2. "The Fiscal Policy of the Empire: XI", 17 August 1903, p. 6.
3. W.W. Rostow, The Stages of Economic Growth: A Non-Communist Manifesto, (London, 1960), Cf. "The Fiscal Policy of the Empire: XI", Times, 17 August 1903, p. 6.
4. "The Fiscal Policy of the Empire: XI", Times, 17 August 1903, p. 6.
5. Ibid.

In particular, that jewel of the Chamberlainite crown, Canada, would, in spite of exhibiting less of a decline in economic ties with Britain than the rest of the Empire, be drawn inexorably into closer union with the United States. Hewins speculated on the possibility of a "new island Empire in a United America", capable of realisation by perhaps as early as 1930.¹ But Canadian-US reciprocity was only the main danger - there were others. Though trade between the colonies was more stable than that between Britain and the colonies, and in spite of the fact that since "the British Empire has not yet broken up, it is, of course, impossible to show by the inductive method what trade-percentage is necessary to maintain it",² it was inevitable that the other colonies, too, would eventually seek reciprocity treaties with Germany, the USA and other foreign countries.

This inevitability was not, in essence, mere speculation; it was the result of Hewins's stage theory of national development.³ As separate economies, the colonial pattern of development would follow a broadly similar path to that of nations which had developed earlier, albeit with considerable deviations:

Our Colonies appear to pass through perfectly well-defined stages of development. At first mere scattered settlements, with an inconsiderable trade, nearly all in British hands, and no great common interests, they gradually, by their energy and courage, overcome the main difficulties in the way of development, and discover their common economic and political interests, by means of which they are drawn closer together, generally to the point of actual consolidation. The struggle to achieve this progress must necessarily call into existence a strong "national" sentiment; the precarious nature of their young industries inevitably leads to protection against powerful and highly-organized rivals. There is nothing extraordinary in all this. It is a course of development which has become one of the stock generalizations of economic history. No nation in the world has ever pursued a policy of "natural liberty" in the earlier stages of its growth; our policy virtually made the Colonies into separate States for economic purposes, and no other line of development than they have actually adopted was open to them.⁴

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1. "The Fiscal Policy of the Empire: XII", Times, 20 August 1903, p. 10.
 2. Ibid.
 3. See above, pp. 52-54; also, "The Fiscal Policy of the Empire: I", Times, 15 June 1903, p. 14.
 4. "The Fiscal Policy of the Empire: XII", Times, 20 August 1903, p. 10.

The achievement of the "nationalist" stage was, to Hewins, not the final stage. Again, as in the cases of Germany, Austria-Hungary, and so on, the whole array of issues in avoiding diminishing returns and obtaining new economies of scale would have to be faced:

... it is quite impossible for the Colonies to achieve in isolation the economic progress they desire, and one after another will necessarily arrange treaties of reciprocity with the United States, Germany, and other foreign countries which have no free trade principles to abandon.¹

The inevitable path lay in progress via reciprocity rather than progress via Empire-wide free trade. The latter was a distant ideal, its unreality lying in the inability of the colonies to achieve their desired level of industrial development in the nationalist stage. They would press for closer economic ties with receptive countries, but would not be prepared to risk the destruction of national manufacturing under a free trade relationship. Hewins was undoubtedly correct in regarding the time as "not ripe for so large a scheme".²

It is our purpose here to examine Hewins's broad protectionist-imperialist philosophy, as revealed in a series of semi-popular articles thought by one scholar to be "tariff reform's most attractive and influential support" in the summer of 1903,³ rather than to assess with precision his place in the history of economic thought. But it should be noted that there was much in his analysis that was not new. The German Historical Economists, as well as List, had written on stage theories since the 1840s, and the origin of such concepts can be traced back even further. Nevertheless, their theories usually sought to present a broader world picture than did that of Hewins, frequently going back to antiquity and examining several pre-industrial stages. Furthermore, they usually failed to "present explicit statements on the forms of, and factors involved in, transitions

1. Ibid.

2. Ibid.

3. H.W. McCready, "Alfred Marshall and Tariff Reform, 1903: Some Unpublished Letters", Journal of Political Economy, LXIII, 1955, p. 259.

from one stage to another".¹ It is worth noting that Hoselitz, in partial defence of Hildebrand, specifies the "possibility for specialization and the division of labor" that are latent in the dynamics of Hildebrand's theory.²

It may be that Hewins, in his stage analysis of movement from one level of scale to another, with the consequent need to move from one set of markets to another, came nearer to providing a mechanism. But, even so, Hewins's process of national development is couched more in terms of needs than mechanisms. In his concern with commercial policy, his emphasis was on removing the constraints to development rather than illuminating the underlying causes of development. This may well have been because he saw appropriate commercial policy as one of the main underlying causes of, and inappropriate commercial policy as a severe constraint on, that national development. In this he was close to the neo-mercantilism of which he was accused.

There is much similarity between Hewins's treatment and the earlier writings of List: though Hewins was rather more cautious than List on the effect of protection in reducing prices of manufactures,³ he clearly saw List's analysis as quite feasible. But, whereas List favoured only protection of infant industries,⁴ Hewins was soon to advocate an all-round tariff. In a sense, in his accent on cost reductions through greater output and economies of scale, he built a rickety bridge back towards marginalist economics.⁵ Alfred Marshall was well aware of, and embarrassed by, the

1. B.F. Hoselitz, "Theories of Stages of Economic Growth", in Hoselitz, et al., Theories of Economic Growth, (Illinois, 1960), p. 194. A similar criticism has been levelled at Rostow. See A.K. Cairncross's remarks in W.W. Rostow (ed.), The Economics of Take-off into Sustained Growth, (London, 1963), p. 315.
2. B.F. Hoselitz, loc. cit., pp. 209-10.
3. See List's opinion of the Zollverein's effect on prices of manufactures. F. List, The National System of Political Economy, (2nd English edn., London, 1904), p. 313.
4. B.F. Hoselitz, loc. cit., p. 196. It should be noticed, however, that it takes a careful reading of List's National System ... to agree with Hoselitz's balanced judgement. Essentially, the problem is to bear in mind constantly that List's arguments assume the existence of a markedly superior manufacturing power.
5. As will be shown in the Tariff Commission's treatment of the iron and steel industry. See below, ch. 5.

uses to which his concept of increasing returns would be put by protectionists,¹ and telling points were later made by C.F. Bickerdike, using Marshallian analysis to prove that the infant industry argument was but "a particular aspect of the general case for bringing the law of increasing returns into operation".² But, though Hewins talked on occasion of the opportunities for increasing returns in individual industries, much of his argument in the Times articles was cast in terms of the whole economy. Whether an imperial scheme could thrust the whole British and imperial economy into a new era of increasing returns was an issue scarcely susceptible to analysis in terms of Marshallian cost curves.

What we might term the "neo-Marshallian" controversy over the theoretical validity of a general case for tariffs developed after 1906, eventually to be the intellectual forebear of the theory of optimum tariffs. In Jha's words, it "came a little too late for the tariff reform movement".³ But within that controversy, one of the assumptions of international trade theory, perfect competition and perfect markets, underwent a "significant" change, whilst the equation of private and social costs and benefits was increasingly questioned.⁴ And in this, the Times articles again show that Hewins was near the frontier, or at least in contact with those who were.

Hewins accepted free trade during a period when Britain was experiencing what he termed "increasing returns", and rejected it as unsuitable during the subsequent period of "diminishing returns".⁵ Or, rather, he was willing to countenance any policy that prolonged a period of increasing returns, or encouraged an economy to pass over a threshold that led from decreasing to increasing returns. But here, in terms of

1. A.C. Pigou (ed.), Memorials of Alfred Marshall, (London, 1925), p. 449.
2. N. Jha, The Age of Marshall: Aspects of British Economic Thought, 1890-1914, (2nd edn., London, 1973) pp. 46, 51. See also C.F. Bickerdike, "The Theory of Incipient Taxes", Economic Journal, XVI, 1906, pp.
3. N. Jha, op. cit., p. 49. Jha's is, as far as I know, the only treatment of this controversy.
4. Ibid., p. 52.
5. See above, pp.

marginalist theory, his thought became cloudy. Both these situations were applicable to conditions of perfect competition. But now he was arguing that perfect competition itself was no longer relevant. In one of his frequently oblique attacks on the conventional position, he attempted the dual task of fostering in his readers a belief in "scientific method" and of undermining the assumptions on which free trade theory rested. In his lengthy reply to the "manifesto" of the fourteen professors, he thought that:

A unanimous report by Professors Bastable, Edgeworth, Marshall, and Nicholson, on the modifications of the doctrine of international trade made necessary by the development of trusts and changes in the transport system would be a most important and useful contribution to the present controversy.¹

Though perhaps obscure for public assimilation, this provides the key to the incessant use of vague blanket terms like "conditions" by Hewins. Whether cause or effect, market imperfections,² principally the growth of trusts, pools and syndicates in production and distribution, were seen by Tariff Reformers as a principal feature of US and European economic progress after 1860.³

If perfect competition was essential to free trade economics, so too, argued Hewins, was one of its assumptions, that of perfect mobility of capital and labour.⁴ But he avoided any sound demonstration of this by dealing with this issue in a propagandist rather than a soundly reasoned way. In criticising the assumption he gave an intentionally obvious caricature, heavy with sarcasm, of the effects of American competition on British agriculture, which left the reader wondering whether he really believed in the incorrectness of the assumption of perfect mobility, or whether he believed it correct but undesirable:

1. Hewins to Ed. Times, 20 August 1903, p. 10.
2. The theory of "imperfect competition", of course, came much later; hence the tendency of Tariff Reformers to talk incorrectly in terms of "monopoly".
3. Apart from the obvious fact that nominal tariff levels themselves were lower, at least in the 1860s, than subsequently, it is conjectural to suppose that the degree of imperfection in the post-1870 international economy was any greater than in that before 1850.
4. "The Fiscal Policy of the Empire: VII", Times, 16 July 1903, p. 4.

The submerged '12 millions' get cheaper bread, our young farmers emigrate, and our best agricultural labourers become policemen - an occupation which the older economists thought distinctly 'unproductive', and have children and grandchildren who make slop-clothing, for which we have a differential advantage in our unrivalled sweating system.¹

In his questioning of assumptions, Hewins was perhaps at the door of a breakthrough. But he seemed unable to take the theory further: indeed, he frequently implied that, his task accomplished, it was now for Free Traders to disprove his case. The onus was upon Chamberlain's opponents to reformulate free trade doctrine in terms relevant to the altered conditions of foreign trade. Hewins urged that they should "bring into close touch with the actual organisation of modern business the assumptions underlying the older economics, and consider carefully how much is left of the free trade doctrine."²

Hewins's failure, in the theoretical sense, lay in his inability to demonstrate that market imperfections rendered invalid the case for free trade. In the popular tongue, he could not prove that "one-sided free trade"³ was, in a welfare sense, less beneficial to Britain than no free trade, or its common euphemism, "true free trade". The corollary of his view that market imperfections rendered free trade theory invalid was that they, at the same time, strengthened the case for an Imperial or protectionist scheme. But here again he failed in theoretical demonstration, and this time he seemed to know it. His historical method, he admitted in an unguarded moment, could find no analogy close enough to Chamberlain's projected policy to gauge its effects. All that could be done was to take one experience from Germany, one from the US, and so on, and in doing so build up a case which rested upon "reasonable grounds".⁴ But that case could not with certainty be proved, still less could it be demonstrated. Chamberlain's opponents, thought Hewins, "ask for what, in the nature of

1. Ibid.

2. "The Fiscal Policy of the Empire: VIII", Times, 27 July 1903, p. 8.

3. The reader may care to substitute the word "competition" for "trade".

4. "The Fiscal Policy of the Empire: VII", Times, 16 July 1903, p. 4.

things, cannot be given."¹ But, in the same way, the theoretical economists had failed to come up with a demonstration against Chamberlain's policy:

We are not in a 'theological stage of development' at which economists discharge the functions of a priestly caste. What we understand by general economics has, in fact, little if anything to do with an Imperial policy or free trade or any other policy. It is not constructed with special reference to the conditions of the British Empire, and takes no special cognisance of those conditions. It is invaluable as an index of the factors which have to be considered in the problems to which the organization of the Empire gives rise; but from its very nature it can never correspond strictly to the life and movement of the Empire.²

The proof that Hewins was unable to furnish was a proof theoretically elegant enough to revolutionise the outlook of a whole profession. Instead, Hewins furnished a mass of statistical information and descriptive economics, presented with the intention of formulating general laws of progress and providing object lessons as to how that progress had been achieved and therefore could again be achieved, object lessons whose conclusions would have to be modified by new conditions. Whether this information made a telling and plausible case, whether it rested on Hewins's "reasonable grounds",³ is of little importance. There was a qualitative difference between building up a case on questionable assumptions, and providing a deductive proof using accepted assumptions.

Tariff Reform was really the first and last bid for supremacy by the English historical economists. Hewins wrote several letters to Marshall in the summer of 1903, trying to establish an area of agreement between them, but failed.⁴ Thereafter, and even more so after the "manifesto" of 15 August, it became obvious that the bulk of the profession would not follow the new departure, and marginalism was in the long run to remain unchallenged. Historical economics developed into several separate but

1. Ibid.

2. "The Fiscal Policy of the Empire: XIII", Times, 28 August 1903, p. 10.

3. See above, p. 69.

4. Marshall to Hewins, 14 July 1903; H.P. See also, more generally, H.W. McCready, loc. cit., pp. 259-67.

related disciplines,¹ the one bearing the closest relationship to it being economic history. And perhaps its greatest weakness it passed on to its offspring: the problem of causation.

To describe a situation was to Hewins straightforward. But, even apart from a tendency towards exaggeration and a paucity of reliable statistics that was to affect both sides of the controversy indiscriminately, he neglected the awkward truth that behind every description of an economic situation, behind the ordering and presentation of "facts", lie assumption and analysis. It was as impossible to be an unbiased historical economist as it is today to be an unbiased historian.

If this is too fine a point, the subsequent stage of the historical method contained a more serious flaw. This lay in the belief that description revealed causation. In practical terms, if not conceptually, description might approach impartiality, but the search for causes would be unlikely to do so. Causation became obvious only to the scholar whose outlook, conditioned by countless subjective experiences, observations and prejudices, already told him where to look. But what was causation to the believer was co-incidence to the dissenter. Even the pure scientist may question the methodological philosophy behind his controlled experiments. Unfortunately, no one lives in the ceteris paribus world which Hewins described. But the theoretical economists could invent one, not empirical, but plausible and possessing its own consistency and inner logic. Hewins, under his own terms of reference, could not.

Donald Macrae has recently remarked that the German Historical School was "intellectually feeble, for all its weight of learning",² and, in this critical area of causation, the criticism is perhaps equally applicable to the English school. But, though specifically correct, the remark is to a certain extent irrelevant. Intellectualism is a concept that Hewins

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1. P. Temin, The New Economic History, (Harmondsworth, 1973), p. 7.
 2. Donald Macrae, "The Sociologist of Money", Times Literary Supplement, 25 July 1975, p. 825. (Review of two books on Thorstein Veblen).

abhorred. He would have seen greater virtue in Sir John Clapham's appraisal of the Fair Trade mind of the 1880s, which to the present writer is equally applicable to Tariff Reform ideology as a whole. Clapham wrote that "its strength lay less in its economics, though they were not negligible, than in its sense of a changing world and in its nationalism."¹

It is difficult to assess Hewins's success in his inductive analysis of conditions in 1903 and their origins in the previous fifty years. Certainly he was selective in emphasising areas of decline, and most would agree that he exaggerated British retardation. His analysis of causation, whilst not completely monocausal, was heroic in its proportion. Perhaps he gave too much weight to resource endowment and market size as determinants of growth, and insufficient weight to technology and entrepreneurship, though these too could have been integrated into his model as a function of security in the home market.² But with his concentration on market imperfections, his separation of private and social costs and benefits, and his use of the division between short- and long-term results of policy, he went no small distance in promoting an understanding of economic realities at the turn of the century.

But the defining of a situation, however accurately, gave little indication of how the problems revealed by that definition and posed by that situation could be overcome. Even if overseas tariffs had caused Britain's predicament, this was no indication that a British tariff would cure it. Here, at least, Hewins could agree to an extent with the Free Traders. The failure to provide a theoretical proof of the efficacy of Tariff Reform would have been devastating to a deductive economist intent on such a

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1. J.H. Clapham, An Economic History of Modern Britain, (Cambridge, 1932), Vol. II, p. 251.
 2. There is some suggestion of this in "The Fiscal Policy of the Empire: X", Times, 8 August 1903, p. 8. Hewins wrote, "People will not invest in railways which do not pay or industrial undertakings which may be irreparably injured before they are well started ... It would be very bad business to spend large sums on education, better transport facilities and the other objects I have mentioned, unless there were a reasonably probability that we or our children would get an adequate return."

project. But, to the believer in the inductive method, such a proof could not exist.¹ One could demonstrate the future trend of the international economy by extrapolation of the past.² But one could only achieve an approximation. The world that was too complicated, too fluid, for the application of theory to a future situation was, in all but the broadest sense, too large and varying for a close application of the inductive method. Britain's future commercial policy had to be investigated in the specific, and not decided upon by recourse to imperfect, generalised "laws".

But the inductive approach did provide Hewins with indications that an Imperial policy would provide the anticipated benefits. This seemed to be proved by a consideration of the effects of Canada's unilateral preference, which had "during the [few] years in which it has been in operation ... probably been as 'successful' as could be reasonably expected".³ Furthermore, it was in the interest of the Colonies to receive reciprocity overtures from Britain with favour.⁴ This did not mean that Canada, for instance, would wish to "play the part of a colony under the mercantile system", but that a "prohibitive national system is impracticable and out of harmony with the views and interests of the Canadians themselves."⁵ Hewins did not see a close relationship between an agricultural Canada and an industrial Britain as the object of an imperial policy. Rather, he saw the result of reciprocity being a large expansion of Canada's agricultural exports to the UK, which in turn would lead to a development of the Canadian home market to the benefit of Canadian manufacturers. Indeed, Canadian manufacturing

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1. Thus it was that Hewins taunted the economists to do the reverse - if they could not prove that Free Trade was beneficial under modern conditions they should withdraw and leave the field open to those attempting to find a constructive policy. See "The Fiscal Policy of the Empire: VIII", 27 July 1903, Times, p. 8.
 2. See above, pp. 58, 60; see also, "The Fiscal Policy of the Empire: V", Times, 4 July 1903, p. 14.
 3. "The Fiscal Policy of the Empire: XIV", Times, 4 September 1903, p. 6.
 4. Hewins thought it of little importance that Australia's conception of reciprocity would be that of raising duties to foreigners rather than lowering them for British exporters. See "The Fiscal Policy of the Empire: XV", Times, 14 September 1903, p. 6.
 5. "The Fiscal Policy of the Empire: XIV", Times, 4 September 1903, p. 6.

industry stood far more chance of development on a home-market basis than it did on an export basis. Though Hewins admitted that Canadian cotton and woollen manufacturers had voiced complaint at unilateral preference, it is evident that he did not regard any substantial degree of industrial polarisation as a drawback to the scheme, either in the short- or the long-run:

The relative stage of development of the Colonies and the mother country is one of the safeguards of an Imperial scheme. In the early years of a preferential scheme, and, to a certain extent, permanently, there would be direct competition between some Canadian and some British manufacturers; but such competition would on the whole diminish, and Canadians would have a permanent advantage for the commodities they can manufacture in their nearness to the market and the more rapid and detailed knowledge they can always obtain of the needs of consumers. The English manufacturer would find his opportunity in the supply of commodities which now, and for a long period, Canada must import, and the demand for which will rapidly increase under a preferential system. The object of such a system is not to substitute one trade for another, but to initiate a movement which, as it proceeds, will acquire a rapidly increasing momentum, and benefit both Canada and the United Kingdom with the new life it generates. What is true of the relations of Canada and the United Kingdom is true of the relations of the other Colonies to ourselves and to one another.¹

Beatrice Webb, writing in her diary in 1906, characterised Hewins as having built and inhabited "grand castles in the air" since his involvement in Tariff Reform.² Certainly his view of a united Empire operating at a peak of efficiency was idealistic. It is perhaps well to remember that, in all probability, Hewins would have settled for an imperial system far short of perfect. But, in the Times' articles at least, he had defined his own Utopia: a harmony of sentiment, economic interest and economic co-operation between very different peoples which combined the nineteenth century belief in progress with a stability and a diminution of the competitive urge that was almost medieval in spirit.

The means of achieving this perfectionist objective had still to be worked out. That the tariff had to be used to grant a preference was

1. Ibid.

2. Beatrice Webb, Our Partnership, (London, 1948), p. 329.

obvious; the experience of other nations showed that the only way to promote economic co-operation was by reciprocity, whether complete or partial. But only examination could show how the great harmony was to be achieved:

It is, of course, impossible to show in detail how Mr. Chamberlain's policy will work out until a scheme has been drafted in consultation with the Colonies and representatives of British interests. But the problems we have to solve are known, the conditions which the policy must satisfy are known, and the main features of the policy have been sketched with sufficient clearness to enable us to form an opinion as to the general character of the results which are likely to follow if we adopt that policy.¹

On this account much of the Free Trade criticism of Chamberlain was misplaced. Chamberlain was under "no obligation to discover definitions of 'food', 'raw materials', and 'manufactures' which will completely differentiate one from another, and then devise 'a policy which will satisfy the definitions.'"² Such a task should be left to experts, who would, in drawing up a tariff, select the commodities to be dutiable and the rates of duty to be applied, "not to satisfy a definition but to increase the productive power of the Empire, with the least possible temporary sacrifice."³

Hewins knew that there existed in Britain a great fund of sentiment in favour of the Empire, a fund that was only contained by the fear that economic sacrifice would be too great a price for Imperial unity. In a sense this was definitionally true: if an imperial policy could be shown to be costless, few could have plausibly rejected it on the basis of the old economics. It was now up to the professionals to develop a tariff as near as possible to the ideal of "unity without cost":

Having reached these conclusions as to the desirability of an Imperial policy and its necessary features, we cannot turn round and reject the whole scheme because we do not like food taxes and think there is no general case for protection. We have, in fact, reached the stage of the controversy at which practical alternatives can be

1. "The Fiscal Policy of the Empire: XIV", Times, 4 September 1903, p. 6.
 2. "The Fiscal Policy of the Empire: XV", Times, 14 September 1903, p. 6.
 3. Ibid.

considered. There are many ways of dealing with the proposed duties, some of which might, in the words of the professors' manifesto 'involve an immense and permanent sacrifice,' while others involve, on the balance, either no sacrifice at all or a sacrifice which, at worst, will be temporary and inconsiderable.¹

Thus, the Times' series ended giving little indication of how this beneficial tariff might be structured. The articles did not even go as far into specific proposals as did Chamberlain's Glasgow programme. Detailed industrial studies were necessary before a definite policy could be produced. But, in private at least, Hewins had other reasons for avoiding any clear statement of what he then thought that a "scientific" tariff might eventually involve. "I could not go into detail for fear of creating a false impression of Mr. Chamberlain's policy," he wrote early in 1904. "It would have damaged his case if he had been obliged to express his dissent from a view I might have popularised."²

III

There was some speculation in both the London and the provincial press over the authorship of the Times' articles, most of it not far from the mark.³ Hewins's backstage role was probably common knowledge; certainly Beatrice Webb thought he had endangered the relations of the LSE and LCC by "letting out" the identity of "An Economist".⁴ In June 1903 Chamberlain wrote to Hewins in what was probably the letter that marked the beginning of their actual working relationship:

I am delighted to hear that you have undertaken the task of writing articles on the subject which interests me so much at the present time. I shall be only too

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1. "The Fiscal Policy of the Empire: XVI", Times, 19 September 1903, p. 8.
 2. W.A.S. Hewins, "My Connection with the Fiscal Controversy", loc cit., pp. 32-33.
 3. See, for example, Western Mercury, (Plymouth) 19 November 1903. Rather less perceptively this paper also ascribed other articles in the Times, by "Tariff Reformer", to Hewins. These were in fact written by Leo Amery. See L.S. Amery, My Political Life, (London, 1953), vol. I, England Before the Storm, 1896-1914, p. 246.
 4. Beatrice Webb, op. cit., p. 269.

happy to give you any assistance in my power, and discuss with you the general question or details if you desire.¹

After the Birmingham speech, Chamberlain was marshalling his forces for the campaign in the country. By July he was already corresponding with Hewins on his own initiative, on the fiscal question. Writing from the Colonial Office, he asked whether it was desirable that imports should be paid for by the interest and dividends on overseas investment, and whether it was not true that such a method of financing imports would have a bad effect on employment.² There is no record of Hewins's reply, but the reply was acknowledged by Chamberlain three days later, together with a request for further information.³

Little more than a fortnight later, Hewins's role as a passive respondent to requests for information had developed into the more active one of submitting unsolicited material, but Chamberlain's opinion of his leaflet for trades unionists was not favourable. He feared that "working men will not pay attention to many figures or to abstract economics. These must be addressed to the more limited class of educated people and then they filter down into a more popular form."⁴

By October collaboration had progressed further, and Hewins was being used to reply to one of Chamberlain's critics in the press debate.⁵ Already, Chamberlain saw Hewins as the "scientist", the "expert", who when summoned could descend to the level of the correspondence columns and pronounce, efficiently, discursively and definitively on their naive, untutored contents:

What ... I do ask from you is that, whenever possible, you should take up these and other criticisms and deal with them from an expert point of view ... Anonymous

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1. Chamberlain to Hewins, 10 June 1903; H.P.
 2. Chamberlain to Hewins, 14 July 1903; H.P.
 3. Chamberlain to Hewins, 17 July 1903 and Chamberlain to Hewins, 21 July 1903; H.P. The further information was sought for use in an unnamed propaganda leaflet.
 4. Chamberlain to Hewins, 24 September 1903; H.P.
 5. I have been unable to trace the press exchange concerned.

letters in small print are of little value, but an article or letter from a recognised authority [on the front page of a newspaper] ... is of the utmost advantage in such a controversy.¹

Thus, throughout the summer and early autumn of 1903, Chamberlain allowed the relationship with Hewins to develop. Probably he was testing the scholar with a definite, though perhaps yet unformed, intention of using him more directly in the campaign at a later date. The period from June to September might well be regarded as that of Hewins's probation. Hewins's desire for closer involvement was obvious both in his prompt replies to Chamberlain's requests for information and in his writing propaganda material for the Tariff Reform League on his own volition. Hewins may have subsequently expressed a mild contempt for Chamberlain's comprehension of economic reasoning,² but there can be little doubt that the prospect of a working association with the country's most dynamic, colourful and provocative politician attracted him.

Apart from providing the Liberal Unionist leader with "a weekly resume of the arguments used against him and the replies thereto",³ Hewins was becoming deeply involved elsewhere in the press controversy. It had been Leo Amery, one of the only two Co-efficients who in January 1903 had supported Hewins's views on preferential tariffs,⁴ who had persuaded him to "enter the lists" in the campaign and write the Times' articles.⁵

1. Chamberlain to Hewins, 12 October 1903; H.P. As useful as Hewins might have been in the press debate, his material for public speeches had its limitations. Chamberlain's Private Secretary wrote that "he [Chamberlain] has to keep in mind the nature of the audiences he addresses. A meeting of 5 thousand cannot digest many figures and is not impressed by any but the simplest argument ... Many of your answers seem to Mr. Chamberlain admirable but he thinks the Press and not the platform is the better place for them." J. Wilson to Hewins, 26 October 1903; H.P.
2. Apologia ..., I, pp. 68, 163.
3. Ibid., p. 72.
4. The other was Maxse of the National Review; see Hewins, "My Connection with the Fiscal Controversy", loc. cit., p. 28.
5. Indeed, Amery probably played a large part in determining the loyalties of George Buckle and Moberly Bell in the Tariff Reform movement; see Moberly Bell to Hewins, 5 June 1903; 46/15-16, H.P. Harcourt Kitchin maintained that, as editor of the "Financial and Commercial Supplement" of the Times, his "serenely cold articles ... made nonsense of

Moberly Bell regretted Hewins's desire for anonymity but appreciated his awkward position at the LSE.¹ After seeking advice, or perhaps confirmation of his inclinations, from C.H. Firth, his former tutor at Oxford, Hewins agreed to the proposition.² Hard worked at the LSE, he wrote the Times' series, unaided but for the provision of some diagrams by Arthur Bowley, in his little spare time. But, in addition, he was soon writing an article for the Fortnightly Review, writing regularly for the Saturday Review, and, at the request of Dunn and Borthwick, writing all the relevant leaders for the Morning Post.³ In January 1904, with Tariff Commission organisation well under way, Hewins wrote that the "result of all my [press] activities is that I cannot easily get out of them."⁴

Hewins did not see Chamberlain between July and December 1903.⁵ The origins of the Tariff Commission lay in a meeting with Caillard on 22 October. They had known each other for at least several years,⁶ and the meeting was at Hewins's instigation.⁷ Both were agreed on the need to prevent the possible train of events that:

... even if Mr. Chamberlain won over the country to his views and came into power with a strong majority, his policy would be stifled by the inquiry which would necessarily take place before it could reach the House of Commons stage. Differences would develop. The enthusiasm of Chamberlain's supporters would die down and even if he succeeded in getting a suitable scheme worked out, it would not at that stage be possible to carry it through the House of Commons.⁸

Thereafter, on 2 November, Caillard introduced Hewins to Pearson, who was to act as carrier of information between Caillard and Hewins on the one

Mr. Chamberlain's arguments and of the arguments in support of him written under instructions from the editor's room." See F. Harcourt Kitchin, Moberly Bell and His Times, (London, 1925), pp. 55-56. He undoubtedly exaggerated the value of his "cold blasts of weekly fact" in altering the complexion of the newspaper.

1. Moberly Bell to Hewins, 5 June 1903; 46/15-16, H.P.
2. C.H. Firth to Hewins, 15 June 1903; 46/23-24, H.P.
3. Hewins, "My Connection with the Fiscal Controversy", loc. cit., pp. 32-3. He was still writing Morning Post leaders in March 1904.
4. Ibid., p. 34.
5. Apologia ..., I, p. 69.
6. Hewins, "My Connection with the Fiscal Controversy", loc. cit., p. 27.
7. Caillard to Hewins, 19 October 1903; 46/71-72, H.P.
8. Apologia ..., I, pp. 73-74.

hand, and Chamberlain on the other, in the next few weeks. After the Bingley Hall speech Pearson communicated Hewins's views about the need to draw up a detailed tariff to Chamberlain.¹ They probably decided to invite Hewins to administer the proposed Commission on or about the 4 or 5 November, since on the 5th Pearson twice telegraphed Hewins stressing the urgency of a meeting that evening.² It is unremarkable that by the 7 November Chamberlain had received Hewins's acceptance:

I ... greatly appreciate your readiness to undertake the heavy task I have suggested. I do not know what is the state of the finances of the Tariff Reform League, but subject to there being sufficient I should think there would be no difficulty in regard to remuneration. But I must confess that I am a little concerned to find that you think it necessary to break your connection with the school which is really your creation and which has done so much good work.³

But Chamberlain expressed his doubts about Hewins giving up a permanent position for one "which, by the necessity of the case can only be temporary."⁴ He probably hoped that Hewins would retain his position at the LSE and thus could not have envisaged the magnitude of the Tariff Commission's task as contemplated by Hewins. There followed meetings in London with Caillard, Pearson and Leverton Harris, in which Hewins sought to stress the size and length of the operation involved, and the result was a long and detailed modus operandi that Pearson carried to Chamberlain on 12 November.⁵ Chamberlain agreed to the plan.

Thereupon, Pearson wrote to Hewins on Tariff Reform League notepaper saying that he personally would guarantee a salary of £1200 per annum for four years if Hewins would accept the position of Secretary of the proposed Commission. This, then, was how long they thought the task would take.⁶ Chamberlain was already writing to several people whom Hewins, Caillard and

1. Hewins, "My Connection with the Fiscal Controversy", loc. cit., p. 34.
2. Pearson to Hewins (two telegrams), 5 November 1903; H.P.
3. Chamberlain to Hewins, 7 November 1903; H.P.
4. Ibid.
5. Hewins, "My Connection with the Fiscal Controversy", loc. cit., p. 34; Apologia ..., I, pp. 75-76, gives a shortened version of this document.
6. Pearson to Hewins, 14 November 1903; H.P.

Pearson had discussed as possible Commissioners, and Pearson was arranging for further discussions between the three organisers and Leverton Harris on the subject. But there remained the question of the relationship between Chamberlain and the Commission. Chamberlain was well aware that the Commission would meet with criticism from the Free Traders, and was prepared for that. But, as Pearson remarked, there was a more subtle problem, a consideration which suggested that the Commission would possess complete autonomy in its examination of a tariff structure:

The main difficulty is going to be the association of Mr. Chamberlain's name with the Commission. He is willing, and indeed anxious, that it should be connected with him as closely as possible, but he foresees difficulties which we did not consider the other day, the main one being that if he really connects himself with the Commission in such a capacity as president, he feels he would be more or less bound by the conclusions arrived at.¹

Two days later Chamberlain himself wrote to Hewins, incidentally adding himself to the list of those who claimed to have made the original suggestion of establishing a Tariff Commission, and stressing:

... that a private commission should at once be formed consisting entirely of practical men - experts in Agriculture, Commerce, and Manufacture - who would examine into the conditions and needs of our industries with a view of shaping the reforms in our fiscal system which will be necessary if our Tariff is to be placed on a scientific basis, so as to secure the greatest advantage to our Home Trade and a closer commercial union with our colonies ... The work will be onerous and responsible ... The secretaryship will be especially important, and I am glad to hear that you have expressed yourself as willing to undertake the duties ... I hope that you will accept the offer which the Tariff Reform League so earnestly press upon you.²

Hewins had, in fact, already informed Sidney Webb that he would probably be resigning his position as Director of the LSE.³ On receipt of Pearson's letter of the 14th he unofficially confirmed this. On the 18th, on receipt of the letter from Chamberlain, he tendered his resignation.⁴

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1. Ibid.
 2. Chamberlain to Hewins, 16 November 1903; H.P.
 3. Apologia ..., I, p. 77.
 4. Ibid.

CHAPTER 3

Economic Interest and the Tariff Commission

In his Leeds speech on 16 December, Chamberlain had announced that his "non-political Commission of experts" would be constituted to "comprise leading representatives of every principal industry, and of every group of industries representative of the trade of India, the Crown Colonies, and the great self-governing Colonies".¹ By this time much exploratory work had gone into the selection of members, though strict secrecy had been observed.² It is apparent that the unrecorded discussions between Hewins, Caillard, Leverton Harris and Pearson in London, and between Chamberlain and Pearson at Highbury, had touched on possible members of the Commission. Membership was a prominent matter of discussion in the "successive dinners at Pearson's" that followed Hewins's formal resignation from the LSE on 18 December.³

I

As early as 19 November the early conversations were bearing fruit. Then Pearson sent Hewins three lists of names.⁴ Though bearing no legend, the first list obviously contained the names of people whose opinions were well enough known to the architects of the Commission to make it unlikely that they would refuse the appointment if it were offered. In addition to Caillard, Chaplin and Leverton Harris, this list comprised Sir Andrew Noble of Armstrong, Whitworth & Co. Ltd., A.W. Maconochie of Maconochie Bros. Ltd., Sir W.T. Lewis, the famous coal-owner, Sir Alfred Jones of Elder, Dempster & Co., Sir Charles Tennant of the United Alkali Co., and Sir Alexander

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1. Chamberlain at Leeds, 16 December 1903; in Sheffield Daily Telegraph, 17 December 1903, pp. 7-8.
 2. The present writer has found no leakage of information to the press on the preparations for the Commission, not even in Pearson's own Daily Express.
 3. W.A.S. Hewins, "My Connection with the Fiscal Controversy", loc. cit.
 4. Pearson to Hewins. 19 November 1903: C-176, T.C.P.

Henderson MP. All were subsequently to accept the invitation to serve on the Commission,¹ and this group had presumably already been discussed by the organisers.

The second list was Pearson's own - a list of possibles to whom he would suggest to Chamberlain that invitations should be sent. This included four who were subsequently to join the Commission; Richard Burbidge of Harrod's Stores, Alfred Mosely, who had just returned from the USA where he had headed a privately financed committee of investigation into American educational methods,² John Corah, a Leicester hosiery manufacturer, and Sir Alfred Hickman MP, a prominent ironmaster.³ It also included Cosmo Bonsor, who, whilst not to join the Commission himself, was chairman of a brewing concern which was eventually to provide another Commissioner in the person of his deputy chairman, C.J. Phillips.⁴ Several of those mentioned in the second list were not destined to join the ranks of the Commission. They included Willie Coats⁵ of J. and P. Coats, the sewing-thread amalgamation which "gave so great an impetus to the combination movement in the textile industries",⁶

1. Their biographies are given below, Appendix 1.
2. Sheffield Daily Telegraph, 19 December 1903, p. 10; 22 December 1903, p. 6.
3. Biographies are given below, Appendix 1.
4. Hensy Cosmo Orme Bonsor, MP for the Wimbledon Division of Surrey, 1885-1900, was chairman of Watney, Combe, Reid and Co. His other economic activities included directorships of the Bank of England and the Northern Assurance Co., and chairmanship of the South Eastern Railway. See H.H. Bassett (ed.), Business Men at Home and Abroad, (1912-1913 Edn., London, 1913?), p. 45.
5. William Hodge Coats. See list of directors in "Annual Report of J. & P. Coats Ltd., November 1906", reprinted in M. Blair, The Paisley Thread Industry, (Paisley, 1907), p. 69. I am indebted to A.J. Robertson for this reference. Coats was not a major director in the firm, and may, like other members of the family, have had larger interests in other spheres, such as shipping, silk and calico printing.
6. H.W. Macrosty, The Trust Movement in British Industry, (London, 1907), p. 125. It is not clear, even rather unlikely, that the firm as a whole would have been in favour of Tariff Reform. Sir Thomas Glen Coats was later to be Liberal MP for West Renfrewshire (1906-10). The profit record of the combine was good: the dividend on deferred ordinary shares, whilst lower than in 1899-1900, was in 1901-1903 still running at 20 per cent. It is true, however, that the performance of the English Sewing Cotton Co., with which Coats had close working arrangements, and in which they held £100,000 of preferred shares, was experiencing serious difficulties. See H.W. Macrosty, op. cit., pp. 128, 131-136; H.H. Bassett (ed.), op. cit., p. 82.

Rider Haggard, the well-known novelist and agriculturalist who was in cautious sympathy with Chamberlain's policy,¹ in his field the equally well-known Inglis Palgrave,² Sir Charles Cayzer,³ Sir Ernest Cassel,⁴ Lord Duncannon, and a Mr. Berry.⁵

Pearson's third list contained "People whose views I wish you [Hewins] would endeavour to discover".⁶ Only three of those mentioned were to become Commissioners - S.J. Waring, the furniture manufacturer, Charles Parsons, inventor of the steam turbine, and J.J. Keswick, a retired China merchant.⁷ But the list reveals a further ten names which were under consideration as possible Tariff Commissioners - Mr. Callard, "the big Banking Man",⁸ Mr. Trollope, the builder, Sir Frederick Cook, Sir George Mackenzie,⁹ the

1. See below, pp. 363, 367.
2. R.H. Inglis Palgrave, the well-known banker and writer on financial and economic matters. Editor of the Economist (1877-1883) and the Dictionary of Political Economy. See H.H. Bassett (ed.) op. cit., p. 312.
3. Sir Charles W. Cayzer. Conservative MP for Barrow-in-Furness, 1892-1906. Head of steam shipping line of Cayzer, Irvine and Co. of Glasgow, Liverpool, Manchester and London; chairman and founder of the Clan Line, trading with South and East Africa, the Persian Gulf and India. See H.H. Bassett (ed.), op. cit., p. 72.
4. Sir Ernest Cassel. A banker of German extraction and a close friend and associate of Caillard in founding the National Bank of Egypt and promoting construction of the Aswan Dam. In June 1903 he contributed £5,000 to the Tariff Reform campaign. See Who was Who, vol. 2, 1916-1928, and J. Amery, The Life of Joseph Chamberlain, vol. 5, Joseph Chamberlain and the Tariff Reform Campaign, (London, 1969), pp. 288, 301. Much later he contributed heavily to the Commission.
5. Probably Albert Graham Berry, who had embarked upon a business career with the Royal Niger Company Ltd. in 1884 and had followed this with a succession of posts in the Australian administration: in 1884 made PS to the Agent-General of Victoria; in 1899 acted as secretary to the Australian Delegation to the Philadelphia Commercial Congress; PS to the Premier of Victoria at the 1897 Colonial Conference; in 1900 secretary of the Australian Delegation to England to assist in passing the Australian Federation Bill. See H.H. Bassett (ed.), op. cit., p. 37. Albert Berry had a career typical of those colonial representatives subsequently to sit upon the Commission.
6. Pearson to Hewins, 19 November 1903; C-176, T.C.P.
7. Biographies are given below, Appendix 1.
8. Pearson to Hewins, 19 November 1903; C-176, T.C.P.
9. Sir George Sutherland Mackenzie (1844-1910), explorer and administrator. In business he rose to the position of partner in Gray, Dawes and Co., East India merchants, and Director of the British India Steam Navigation Co. By the late 1880s he was a director, then managing director, of the Imperial British East Africa Co. He returned to England in 1890, after what was considered a considerable contribution to the development of East Africa. Vice-President of the Royal Geographical Society, 1901-1905. DNB.

Rt. Hon. W.J. Pirrie,¹ Lord Iveagh,² Mr. Pullar, Lord Iddesleigh, Mr. Livesey,³ and Mr. Metcalfe, "who has just retired from the Customs".⁴

It was left to Chamberlain to send out the invitations,⁵ doubtless because of the added authority that his signature would carry. But a letter from Chamberlain to Pearson, which reached him whilst he was drafting his own letter to Hewins on 19 November, shows that Chamberlain did not accept blindly the suggestions sent to Highbury by the conspirators in London. Chamberlain had now written to Bonsor (whom Pearson had already ascertained was "quite favourable"⁶ to Chamberlain's policy), Burbidge, and Keswick. He had also sent invitations to two previously unmentioned possibles, Charles Booth and Sir Walter Peace.⁷ But he was still "a little doubtful" about the inclusion of Inglis Palgrave, and thought that there should be further discussion before deciding to approach Colonel Charles Allen, the Sheffield steelmaker.⁸

By the end of November the situation had become clearer in some places, but remained confused in others. Chamberlain had informed Pearson by letter

1. Pirrie is mis-spelt in Pearson to Hewins, 19 November 1903, but William James (later Viscount) Pirrie (1847-1924) would seem the most likely subject of Pearson's remarks. Pirrie was chairman of Harland and Wolff, shipbuilders and engineers, of Belfast; chairman of the African Oil Mills Co. Ltd., the African Steam Ship Co., the Ocean Transport Co.; director of several important shipping and other concerns including Elder, Dempster and Co.; Lord Mayor of Belfast, 1896-1897. See H.H. Bassett (ed.), *op. cit.*, p. 325; DNB.
2. Edward Cecil Guinness, First Earl of Iveagh (1847-1927), inherited a share of the Dublin brewery when his father, the sole proprietor, died in 1868. In 1889, three years after the firm had been incorporated as Arthur Guinness, Son, and Co. Ltd., he retired from active management of the concern, though retained the chairmanship. Prominent in the municipal life of Dublin, he had equipped and maintained a field hospital during the South African War, and was a Unionist in politics. DNB.
3. Sir George Thomas Livesey (1834-1908) succeeded his father as secretary of the South Metropolitan Gas Co. in 1871, and attempted various "progressive" programmes with a view to improving industrial relations, including a system of profit sharing instituted after the unrest of 1889. This was not well received by the workmen, but their resistance lessened. DNB.
4. Pearson to Hewins, 19 November 1903; C-176, T.C.P.
5. Hewins, "My Connection with the Fiscal Controversy", *loc. cit.*, pp. 34-35.
6. Pearson to Hewins, 19 November 1903; C-176, T.C.P.
7. Their biographies are given below, Appendix 1.
8. Allen's biography is given below, Appendix 1.

that Maconochie and Alfred Jones had agreed to serve, but Sir Andrew Noble, a fellow stalwart from Pearson's first list, had not yet replied to the invitation. Nor had Coats, and Chamberlain proposed writing to him again. Whilst Henry Chaplin had accepted quickly, Lord Strathcona had not yet come to a decision, because he "had not yet heard from his folk".¹

For someone of Pearson's temperament, the uncertainties that were appearing on every side were exasperating. In one testy part of his letter he wrote:

I suppose you have not found out about Lord Iveagh. Mr. Chamberlain is very keen upon him. He is writing to Mr. Burbidge. He says that he has been told that Cosmo Bonsor is doubtful. Didn't you say he was all right? He thinks Ernest Cassel better left out. He is writing to Palgrave, Keswick, Mosely and Sir Walter Peace.²

By the end of November overtures had already been made to Charles Booth. Booth had already written an article in support of Tariff Reform in the National Review,³ and Hewins later remembered he found Booth of the belief that food taxes would not "do a ha'p'worth of mischief to anyone".⁴ It is probable that Booth and Hewins had been close acquaintances for many years. Booth had sympathised with Hewins's motives for leaving the LSE to aid Chamberlain in his policy, and it was because of his favourable attitude that Hewins had taken the initiative in asking him to join the Commission on 26 November.⁵ On the 27th, Pearson had urged Chamberlain to

1. Pearson to Hewins, 28 November 1903; C-176, T.C.P. This is the first mention of Strathcona (Donald Alexander Smith, First Baron Strathcona and Mount Royal, 1820-1914), who had become by 1871 the chief shareholder of the Hudson Bay Co. After a career in fur trading, railway promotion and politics, he took the position of High Commissioner for Canada, settling in Britain and becoming "something of an imperial figure". He raised a regiment of rough riders at his own expense during the Boer War. Many thought him a corrupting figure in Canadian public life and, after 1896, he "clung to his position when the Canadian Government would not have regretted his resignation". DNB.
2. Ibid. It was apparently Pearson, not Hewins, who originally selected Bonsor as a possible member. See above, p. 83.
3. Charles Booth, "Fiscal Reform", National Review, XLII, 1903-4, pp. 686-701.
4. Apologia ..., I, p. 78.
5. Hewins, "My Connection with the Fiscal Controversy", loc. cit., p. 35. Perhaps Chamberlain's letter to Booth earlier was merely exploratory.

strengthen Hewins's arm by writing to Booth himself.¹ Booth took little time in making his decision. Hewins had been informed on the 28th;² Pearson may or may not have heard this news when he remarked on the same day that the situation with regard to Booth "all looks very nice".³ Pearson was delighted. He immediately sent the news to Chamberlain, and wrote to Hewins requesting him to give Fletcher Robinson, editor of the Daily Express, a letter of introduction to Booth so that he could obtain a statement for publication.⁴

Pearson's delight in Booth's acceptance was shared by his associates in the enterprise. Indeed, Chamberlain considered Booth of such value that he requested a statement from the social investigator for use in his forthcoming Leeds speech, though when he received it he thought Booth's explanation of his espousal of Tariff Reform "not suitable for a big popular audience",⁵ and the version he finally used on the platform was diluted, being confined to the assertion that the welfare of the poor was better served by conditions of prosperous trade than by cheap food.⁶

Though Booth's path onto the Commission was smooth, the selection of other Commissioners could often be a lengthy task. Eventually, all of Pearson's first list were to be appointed, the delay in Noble's reply presumably being of no significance. But, of the second and third lists, only seven out of twenty-five men under consideration were recruited. There were even difficulties in the choice of a chairman, where a man of prestige was especially important. It was unrealistic that Chamberlain should give up the time to such a position, and probably undesirable from a political aspect too. Indeed, initially Chamberlain entertained some doubts about what his precise relationship with the Commission should be.⁷

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1. Pearson to Hewins, 28 November 1903; C-176, T.C.P.
 2. Hewins, "My Connection with the Fiscal Controversy", loc. cit., p. 35.
 3. Pearson to Hewins, 28 November 1903; C-176, T.C.P.
 4. Pearson to Hewins, two letters, both 30 November 1903; C-176, T.C.P.
 5. Hewins, "My Connection with the Fiscal Controversy", loc. cit., p. 35.
 6. Chamberlain at Leeds, 16 December 1903; Sheffield Daily Telegraph, 17 December 1903, pp. 7-8.
 7. See p. 81; also Pearson to Hewins, 14 November 1903; H.P.

Chamberlain being ruled out, Hewins and Pearson were, late in November, considering Lord Cawdor.¹ But Chamberlain was less certain about Cawdor's sympathies, and on 2 December Pearson wrote to Hewins:

So far as Lord Cawdor is concerned, I think you had better wait. Mr. Chamberlain is particularly anxious not to write to anyone unless it is quite certain that they are favourable to his policy, and I gather from your letter that you are not absolutely certain with regard to Lord Cawdor.²

There were perhaps many reasons why the task of selection was difficult. One may well have been that some remained undecided on a complicated issue that had been at the forefront of the public mind for only six months. Heterodox Liberals of the Unionist and Imperialist factions, whose conversion Chamberlain publicised loudly in his claim that Tariff Reform transcended party boundaries,³ might well have felt their allegiance torn between Chamberlain and Rosebery. Businessmen might have considered it inexpedient to mix politics with business - certainly some Tariff Commissioners, notably those from the Free Trade citadel of Manchester, had initial doubts about joining a quasi-official body whose objectives ran counter to the opinions which prevailed in their own local business environments, or even within their own firms.⁴ And some would feel reluctant to spend the time required, even though in sympathy with the Commission's aims, firstly because of their commitment to their own firm and secondly because the inquiry was the child of a faction within the Unionist Party, and not of official Unionist policy. Thus it was that even those who did know their own minds were not always prepared to reveal their views, especially to a quick-acting, impulsive newspaperman like Pearson:

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1. Pearson to Hewins, 28 November 1903; C-176, T.C.P.
 2. Pearson to Hewins, 2 December 1903; C-176, T.C.P.
 3. See, for example, the Chamberlainite press's remarks about Commissioner J.J. Candlish, who had "announced himself in favour of Tariff Reform, but still holds to his Liberal principles"; Sheffield Daily Telegraph, 18 December 1903, p. 8.
 4. Especially Levinstein and Eckersley. See below, pp. 299-300.

In the choice of the right people to serve on the Commission, Pearson was continually annoyed by the difficulty of finding out whether this man or that was really a Protectionist or a Free Trader. He himself always knew what he believed and what he did not believe, and he never had any patience with the Laodicean. In this connection the following characteristic little outburst occurs in one of his letters to Mr. Chamberlain: "Really the difficulty of getting accurate information about how people think is appalling."¹

The process by which it was left to Chamberlain to issue invitations after a final scrutiny was intended to reduce the number who would, by their rejection, weaken the credibility and authority of the Commission.² But mistakes were inevitable: Bonsor, Coats, Lord Strathcona and Inglis Palgrave were all invited, but declined to serve. Sir E. Clarke of the Royal Agricultural Society also refused to serve because he thought the Commission "too political".³ There is also an inference in one of Hewins's letters to Pearson that Sir William Houldsworth declined a position.⁴ There also remain fourteen people on Pearson's three lists about whom the position is unclear. Sometimes Chamberlain's vetting probably saved embarrassment, but we cannot know how many were ruled out and how many were approached but refused. Nor can we know of those who were considered or invited but who are not mentioned in the surviving correspondence of the period: since only 19 out of the initial total of 59 Tariff Commissioners are mentioned in the Pearson-Hewins letters it would be unrealistic to regard those who were not approached after consideration and those who

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1. S. Dark, Life of Sir Arthur Pearson, (London, 1922?), p. 108.
 2. Pearson to Hewins, 2 December 1903; C-176, T.C.P.
 3. Chamberlain to Lord Granby, 27 December 1903; JC/18/18/69, J.C.P. Sir Ernest Clarke was secretary of the Royal Agricultural Society, 1887-1905. His other interests included directorships of Schweppes Ltd., the Rhymney Iron Co. and Tampico-Panuco Oil Fields Ltd. See H.H. Bassett (ed.), op. cit., p. 79.
 4. Hewins to Pearson, 24 December 1903; C-176, T.C.P. Houldsworth was chairman of the Fine Cotton Spinners' and Doublers' Association Ltd., and had previously been proprietor of a number of the largest of the firms which were involved in the amalgamation of 1898. He was a vice-president of the British Cotton Growing Association and had sat on several Royal Commissions, including that on the Depression of Trade and Industry and the Gold and Silver Commission. See H.H. Bassett (ed.), op. cit., p. 208.

refused an invitation as anything but the tip of the iceberg. But again it must be stressed that refusal did not necessarily indicate lack of sympathy with Tariff Reform. Houldsworth, for instance, not only was to give evidence before the Commission at a later date, but also was president of the Manchester Division of the Tariff Reform League,¹ whilst Clarke represented an industry where dissent from Chamberlain's policy was more on the grounds of method than of fundamental disagreement.²

After the Leeds speech secrecy was less important and, by late December, Chamberlain was prepared to relax his tight control over the selection procedure, in order to save time in a period when the problems of securing adequate representation of banking, cotton manufacturing and the agricultural sector were asserting their intractability. But he still continued to use his wide net of political and industrial acquaintances to continue his part in the search for additional members. At this time he was still corresponding with Pearson rather than with Hewins direct.³ Though the Commission was still far from complete, it is perhaps true to say that the bulk of the best-known industrial appointments had already been made,⁴ and the founders were less embarrassed by the refusal of lesser businessmen.

Meanwhile, the establishment of the Commission was creating problems of selection of a different sort. Overall there was certainly no shortage of aspirant Tariff Commissioners, and one major problem was to thin the number down. Those who knew individual Tariff Commissioners took the opportunity to grind their own axes: thus it was that Sir Robert Herbert was urged to

1. Letter heading of J.R. Campbell to Hewins, 15 December 1904; 47/64, H.P.
2. Clarke's refusal probably reflected more the division in agriculture over the precise nature of the Commission, and the desire for a Royal Commission, than it did any significant Free Trade sentiment amongst British agriculturalists. See below, pp. 362-370.
3. Pearson to Hewins, 26 December 1903; C-176, T.C.P.
4. This is a very impressionistic statement, comparing the lists of new members published in the Sheffield Daily Telegraph on 18, 19, 20 and 30 December 1903 and 13 January 1904 in turn. There were, of course, exceptions: Gallaher, Gilbey, Lyle and Rank did not appear until 30 December 1903 and Levinstein not until 13 January 1904.

press for the inclusion of a member of the printing trade, perhaps in the person of William Knight Clowes, on the Commission.¹ Those who moved in less elevated circles did not hesitate to use the more direct method of writing straight to the secretary..

The architects of the Commission always saw trades rather than classes as being the framework upon which the body was to be constructed.² But they knew that there were some 600 or 800 distinct trades within the United Kingdom, and, as Chamberlain said at the inaugural meeting on 15 January, it was a practical impossibility to have a functioning committee upon which all were directly represented.³ It was here that an attendant usefulness of the concept of "representative men" was found. Many Commissioners could be regarded as representing whole trade groups, in the way that large industrialists have of varying their business interests. Late in December Hewins and Pearson were still attempting to settle the Commission's coverage of the huge engineering sector by the inclusion of two or three thoroughly "representative" men. It is worth while to quote Hewins at length:

Aveling and Porter of Rochester are keen Radicals, and no use for our purpose. Of the rest on the list, Davey, Paxman & Co., Robey & Co., Henry Gwynne; R. & W. Hawthorne; Thwaites Bros.; are all thoroughly represented by Henry Marshall. Dick, Kerr & Co., with George Flett as their representative, would clear satisfactorily the whole of the electrical department ... With regard to the agricultural [machinery side] ... Mr. W. Harrison, the President of the Agricultural Engineers' Association, and head of the firm of Harrison, MacGregor & Co., of Leigh, Lancs., has been down today specially to see me on the situation. I think he has made out a completely satisfactory case for representation on the Commission; ... all the firms [in agricultural engineering] are keenly desirous that somebody should be on the Commission to represent them ... there is unanimous desire that Henry Marshall or, failing him, Ransome, should be on, and also Harrison himself. There are several reasons why this should be granted. First of all, the Trade is a large trade which is heavily hit by foreign competition; secondly, Harrison, MacGregor & Co. are household words throughout the agricultural districts ... the inclusion of Mr. Harrison would beyond all question, be

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1. Hewins to Pearson, 1 January 1904 (misdated 1903); C-176, T.C.P.
 2. This assertion concealed a hypocrisy, revealed most clearly in the search for a representative of organised labour. See below, pp. 94-6.
 3. Chamberlain, at the first meeting of the Tariff Commission, 15 January 1904; in Sheffield Daily Telegraph, 16 January 1904, p. 9.

regarded as adding to the agricultural representation on the Commission to a very considerable extent. This is of course important from a political point of view. I feel very much inclined to press the claims of Mr. Harrison to be included. I told him that Marshall had already been invited, and I further told him that the points he had put before me this afternoon should be laid before Mr. Chamberlain.

With regard to the Textile machinery and other specialised branches, I scarcely think it is necessary to do anything. The makers of textile machinery of course do a considerable export trade with foreign countries. They may have something to gain by the lowering of foreign tariffs, but I gather that they are not likely to make any move at present for representation on the Commission on their own initiative. Agricultural machinery really stands apart and deserves special consideration.¹

Hewins's remarks illustrate clearly the way in which it was attempted to maximise the representation of trades and industries whilst at the same time keeping the size of the Commission down to a minimum. But they also reveal a variety of other problems which beset the organisers at this early stage.

One fundamental question raised by Hewins's description of the process of selection of engineering representatives is that of the balance between the different branches of the mechanical engineering industry. The "log-rolling" pressures being exerted on Hewins by Harrison were working towards the inclusion of two agricultural engineers on the list of members. Pearson still clung to the opinion that Marshall was sufficient, and that he and George Flett would satisfactorily complete the representation of the engineering industries on the Commission.² As events turned out Hewins, or rather Harrison, got his way. But even had he not done so, the textile machinery manufacturers were to remain unrepresented, apparently at their own wish.

The case of the engineering industries is one example of a general bias in the approach of the Commission. Such bias is easy to document. But it would not be out of place to assert that in part the bias was not of the Commission's making. As an unofficial body, it had to rely on information

1. Hewins to Pearson, 24 December 1903; C-176, T.C.P.
 2. Pearson to Hewins, 24 December 1903; C-176, T.C.P.

supplied voluntarily. Frequently it was the Free Traders who remained aloof, rather than the Tariff Reformers who ignored their views. However, the Free Traders too were caught in circumstances of an almost institutional rigidity. Given that the brief of the Commission was to construct a scientific tariff along the lines of the Birmingham policy, it could hardly be expected that Free Traders would willingly assist it in its labours, even though their co-operation might have led to the recommended tariff levels being lower than they otherwise would have been. Such participation would increase the respectability of the very policy to which they were opposed, and of the policy-forming Commission which they despised.

Another significant part of the letter is that in which Hewins remarks that Harrison's inclusion on the list would "be regarded as adding to the agricultural representation on the Commission to a very considerable extent".¹ That political expediency was a factor entering into the selection of some of the members, whose function it was to conduct an industrial and commercial inquiry, is immediately obvious. This was especially so in this example since, although agricultural engineering was in danger of becoming over-represented on the Commission, agriculture itself was at this time in scarcely such a fortunate position.

Henry Chaplin had accepted his position quickly. Many would have argued that no better, certainly no more enthusiastic, representative of agriculture could have been found. But Chaplin's connections lay with the large Lincolnshire farmers, and the East Midlands were just one of several major farming regions, the agriculture of none of which was really representative of any of the others. Furthermore, Chaplin's nearness to the landowning aristocracy might itself not have been considered a representative quality by the small breeder of the North-West or the market-gardener of the Home Counties. It was not that there was a dearth of possible recruits: again, the problem was one of keeping numbers down.

1. Hewins to Pearson, 24 December 1903; C-176, T.C.P.

At the end of December Chaplin was still the only agriculturalist on the Commission, and Pearson and Hewins were attempting to make no more than two additional appointments, and preferably only one, to secure an adequate representation of agriculture:

As to Agriculture Mr. Chamberlain says he thinks that if we have Spier we should have to have a South of England man and an Irishman, and we cannot possibly have three farmers on the Commission. So I am telling him he had better let me close up with the Covent Garden man.¹

The "Covent Garden man",² John W. Dennis, belonged to an important family firm of farmers, potato growers and potato merchants which also did a brokerage business in English and foreign fruit and vegetables. He was also a member of a Lincolnshire farming partnership. Though Chamberlain may have been correct in feeling that his inclusion in the body of the Commission was less overtly regional than would have been the choice of John Spier, it would not be valid to suggest that Dennis, along with Chaplin, adequately represented the whole spectrum of British farming, even if the indirect representation of Harrison was included.

Hewins and his companions were, however, aware of this. In the course of time agriculture was one of several industries for which a sub-committee was established, thus enabling a wider coverage of agriculture whilst keeping the size of the main body down to manageable proportions.³ If, in a complex industry, the concept of "representative men" had its limits, then the creation of satellite committees could be used as a safety valve.

There was one way, however, in which the founders of the Commission would have been only too pleased to have been able to increase the number of members. Though "The constitution of the Commission was a very difficult job chiefly because so many people wanted to come on",⁴ the Tariff Reformers

1. Pearson to Hewins, 26 December 1903; C-176, T.C.P. John Spier was a farmer, market gardener and dairyman from the Glasgow district who subsequently gave evidence before the Commission. See the Agricultural Report, Witness No. 130, paras. 677-690.
2. Pearson to Hewins, ibid.
3. See below, pp. 370-382.
4. W.A.S. Hewins, Apologia ..., I, p. 79.

felt keenly the criticism, made, for instance, by Lloyd George,¹ that unionised labour was not represented on it.

As early as August Chaplin had had an interview with Thomas Ashton, chairman of the Amalgamated Association of Cotton Operatives, but if he hoped to recruit Ashton to active support of the Tariff Reform cause he had to be content with the rather vague expressions of sympathy and support which the Lancashire workers felt for the architect of workmen's compensation, and the promise that Ashton's membership would receive Chamberlain's proposals with an "open mind".² Certainly there is no evidence that, when the organisers of the Commission turned to the possibility of recruiting a union representative, they considered approaching Ashton again. One labour representative, Macdonald, Secretary of the London Trades Council, was invited onto the Commission by Chamberlain himself, but after consulting his executive he decided to decline the position, a decision which the Commission managed to keep secret.³ The maintenance of secrecy was to prove fortunate. Being unable to secure a workingmen's representative to sit on the Commission, Chamberlain argued, in public, that Free Trade criticism on these grounds was misplaced:

... another great complaint has been made, that labour as such is not represented on the Commission. I think this is partly due to a misapprehension. On this Commission trades are represented, but not classes, and as I have pointed out, I deny absolutely any distinction between classes in reference to the interests of trade.
(Hear, hear).⁴

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1. Parliamentary Debates, Fourth Series, CXXIX, 10 February 1904, col. 954.
 2. Memo of conversation between Thomas Ashton and Henry Chaplin, dated 30 August [1903]; JC 18/18/25, J.C.P.
 3. It appears that Macdonald's appointment might have created tensions within the Commission that would have turned the fruits of victory a trifle bitter. Hewins confided to his diary that "Mosely was appalled when he heard that Macdonald had been invited. Luckily he [Macdonald] decided to consult his executive. Pearson asked him round to the Daily Express. He went there dead drunk and when Pearson asked him to hand over his correspondence with Chamberlain he did so without a word". See Hewins, "My Connection with the Fiscal Controversy", loc. cit., p. 35. Rather surprisingly, Hewins included this piece, in modified form, in his autobiography. See Apologia ..., I, p. 79.
 4. Chamberlain at the first meeting of the Tariff Commission, 15 January 1904; reprinted in Sheffield Daily Telegraph, 16 January 1904, p. 9.

Hewins, too, sought to popularise this hypocrisy in one of his frequent anonymous contributions to the editorial columns of the Morning Post. He remarked contemptuously that "It might no doubt have been well from the electioneering standpoint to include some prominent 'Labour leader' in the Commission", but pointed out that in his desire to formulate a scientific tariff for the benefit of the country Chamberlain "does not care in the least where the evidence comes from":¹

As a matter of fact it would have been perfectly easy to include any number of labour representatives [on the Commission] ... Mr. CHAMBERLAIN'S commission has not been constructed on the basis of class representation or the idea of currying favour with any group of "interests." If any working man has figures at his command which will guide the commission in formulating a fair tariff his evidence will be welcomed. Whatever decisions are reached by the commission must obviously be referred to working men for their approval, and no tariff can ever be adopted which does not win their support ... The criticisms of the Free Traders are based on the idea that the "Labour interest" should be represented as such. If that idea is accepted we must have employers' associations, railway interests, middle-class interests, investors' interests, and so on represented. Mr. CHAMBERLAIN will not accept this view of the constitution of his commission. He rightly insists on the solidarity of the British community, and wants the men who can give the data he requires because they are recorded in the accounts of which they have custody ...²

II

Chamberlain regarded the Tariff Commission as "the most wonderful representation of British industry that has ever been brought together".³ Bearing in mind the evident hyperbole in such a remark, and remembering that it would have been in practice impossible to secure a body of men which contained the most important members of each industrial group, even if those men of prime importance could have been unequivocally agreed to by the different factions in the fiscal controversy, we can certainly concede that

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1. Morning Post (editorial), 16 January 1904.
 2. Ibid.
 3. Chamberlain to Lady Jeune, cited in J. Amery, Life of Joseph Chamberlain, vol. VI, (London, 1969), p. 532.

the Commission was a large and imposing collection of leading industrial figures. Even some Free Traders were not unwilling to endorse such a view; it suited the purposes of the Leeds Mercury to observe that the Commission was composed of "many able businessmen ... the majority of them the heads of great industrial concerns".¹

Of the initial 59 members of the Commission,² 46 can be classified as having direct commercial or industrial interests. For most of them this meant a fairly direct involvement with their business concern. The average age of Commissioners was quite high, but if this meant that they were already occupying positions of prominence in their different forms of enterprise, it also meant that one or two had passed the peak of their business activities. Charles Tennant and Charles Eckersley had perhaps retired from day-to-day administration, but it was not until Tennant's death in 1906 that active control of Charles Tennant, Sons and Co. left the family,³ whilst Eckersley remained a director of the Fine Cotton Spinners' and Doublers' Association.⁴ Robert Littlejohn's directorship of the African Banking Corporation had been preceded by the managing directorship, so that he also may well have been in semi-retirement.⁵

In addition to Eckersley and Littlejohn, four Commissioners are revealed to the historical record as directors only. Doubtless the extent of involvement in a firm's affairs that a directorship brought with it varied as greatly around the turn of the century as it does today. The historical obscurity of Henry Bostock in itself suggests a lifetime of service in the family firm. Sir Vincent Caillard's seat on the board of Vickers, Sons and Maxim, a position he had occupied since 1898, was also an active one. In

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1. Leeds Mercury, 18 December 1903, p. 4.
 2. Excluding secretary, assistant secretary and paid staff.
 3. N. Crathorne, Tennant's Stalk, (London, 1973), pp. 145-147.
 4. "Members of the Commission", Iron and Steel Report, para. 1. J.J. Keswick had been a member of Jardine, Matheson and Co., China merchants, but his retirement, and his previous position on the Legislative Council of Hong Kong, has persuaded me to include him as an "Imperial" Commissioner.
 5. Littlejohn's date of birth is not given in his entry in Who was Who, II, 1916-1928, though he did not die until 1920.

spite of, indeed because of, his long career in international financial diplomacy, Caillard was used by Vickers in their overseas operations, and in 1906 he was to assume financial directorship of the company.¹ It is a fair supposition that Henry Mitchell's interest in politics, an interest that stretched back into the 1880s but at a local level only, would not have excluded close contact with the family firm.² It is perhaps doubtful, however, that the same can be said of Leverton Harris. He had already developed interests wider than those of Harris and Dixon, the family shipping firm. In 1900, still only in his mid-thirties, he had entered Parliament as Conservative member for Tynemouth,³ and, though he still kept in touch with the firm's affairs, it seems probably that its running was left mainly in the hands of others.⁴ Three other Commissioners, Sir Alexander Henderson, Sir Alfred Hickman and A.W. Maconochie, all held seats in the Commons during Balfour's ministry. But bearing in mind the active role played by Charles Booth in the management of his shipping interests in Liverpool,⁵ we cannot too easily assume that a position in national politics severely handicapped their ability to keep in close contact with the administration of their own enterprises.⁶

Of the 46 industrial-commercial members, therefore, we must be content with labelling six merely as directors of the concerns in which their

1. DNB.
2. See below, pp. 569-70.
3. DNB.
4. This is the impression gleaned from Leverton Harris's thin file of correspondence with the Commission. See C-295, T.C.P.
5. Booth collapsed from "the double strain of business and social work" in 1905. See A.H. John, A Liverpool Merchant House, (London, 1959), p. 81. It should be remembered, however, that Henderson's stock-broking business probably conflicted far less with a political career than did Hickman's provincial ironmaking or Maconochie's distant food-processing activities.
6. Henry Birchenough's career progressed from that of silk manufacturer to that of publicist and international traveller and commentator. If we were to argue, however, that this meant less contact with Macclesfield business, it can scarcely be denied that in his connections with international companies and in his close advisory relationship with the Board of Trade, Birchenough was in intimate contact with many spheres of industrial and commercial life.

principal economic interest lay.¹ A further group of eight leaves room for uncertainty. Henry Birchenough, John Corah and Alfred Gilbey were all connected with family firms, but whether as principals, directors or partners is unknown.² It is also unknown whether Vicary Gibbs' partnership in the family firm of merchants and bankers or Bridges Webb's in the grain importing firm of Dewar and Webbs, were active or silent. John Dennis was partner, and head of the London branch, of the family business of fruit and vegetable merchants and brokers, though it is not certain that a separate partnership in farming may not have constituted his major economic interest.³ William Cooper was a meat salesman at Smithfield market, presumably operating a one-man business small by comparison with most of the other Commissioners.⁴ Francis Tonsley, president of the National Association of Master Bakers and Confectioners, was presumably in business in a similar way.

We can be much clearer about the remaining 32 industrial-commercial members. These comprised one general manager⁵ and 31 who were chairmen, managing directors or outright proprietors of their companies. Outright proprietorship was probably the case for only a small minority - Arthur Pearson owned the Daily Express and other newspaper concerns,⁶ Frederick Baynes was the "controller" of his father's business after his death until it became a limited company in 1905,⁷ and Charles Parsons owned C.A. Parsons and Co.⁸ But the changes that had been seen in the organisational structure

1. Bostock, Caillard, Eckersley, Leverton Harris, Littlejohn and Mitchell. The difficulty of defining "principal" economic interest is discussed below, pp.
2. Gilbey was either a director or a principal partner.
3. Outside the family firm Dennis farmed, in partnership, 4,000 acres. See Agricultural Report, paras. 548-549.
4. Ibid., para. 1093. There are obviously arguments for excluding Dennis and Cooper from the list of industrial-commercial members, and confining the classification of their representation to agriculture.
5. Lewis Evans of John Dickinson and Co. Ltd. In fact, Evans had been a partner in the firm before it became a limited company in 1886. As General Manager he was also a director, so would have been more usually termed a managing director. In 1912 he succeeded F.P. Barlow to the chairmanship. See J. Evans, The Endless Web, (London, 1955), pp. 134, 166.
6. DNB.
7. G.C. Miller, Blackburn Worthies of Yesterday, (Blackburn, 1959), p. 33.
8. H.H. Bassett (ed.), Men of Business at Home and Abroad, (London, n.d. but 1913), p. 315.

of British business in the previous 20 years should not mislead us over the degree of authority that many Commissioners enjoyed. Amongst the twenty industrial-commercial members who were chairmen of their company boards,¹ some had seen a family firm develop into a public limited company, whilst others had seen a family firm thinly disguised in the opaque mantle of a private limited company. Thomas Gallaher was principal shareholder in the Belfast firm which bore his name,² Tennant's autocratic control as "Head" of his many enterprises scarcely needs any reiteration here,³ whilst paternalist Arthur Rank rejoiced in the informal company titles of "Governing Director" and "Founder" even in the new limited company of 1899.⁴ Sir William Lewis, too, was an extreme autocrat, and there was probably little difference in his influence as felt in those colliery companies which he owned and in those of which he was chairman. Equally, a managing directorship might well disguise the same reluctant response of the family firm to the increasing professionalisation of business organisation - we might cite here A.W. Maconochie, J.M. Harris and especially Ivan Levinstein.⁵

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1. Included in this number is C.J. Phillips, who was deputy chairman of Watney, Combe, Reid and Co. Commissioners who were chairmen of their companies were:- Charles Allen (Sir Henry Bessemer and Co. Ltd.), Charles Booth (Booth Steamship Co.), S.B. Boulton (Burt, Boulton and Heywood Ltd., chemical manufacturers and timber importers), J.J. Candlish (Robert Candlish and Son Ltd., glass bottle manufacturers), Howard Colls (Colls and Sons, builders and contractors), Thomas Gallaher (Gallaher Ltd.), Sir William Goulding (W. and H.M. Goulding, chemical manure manufacturers), William Harrison (Harrison, McGregor and Co. Ltd., agricultural engineers), Sir Alfred Hickman (Alfred Hickman Ltd.), Sir Alfred Jones (Elder, Dempster and Co.), Arthur Keen (G.K.N. Ltd.), Sir William Lewis (of various colliery companies), Charles Lyle (Abraham Lyle and Sons Ltd.), Sir Andrew Noble (Sir W.G. Armstrong, Whitworth and Co. Ltd.), C.J. Phillips (as above), Joseph Rank ("Governing Director", earlier chairman, of Joseph Rank Ltd.), R.H. Reade (York St. Flax Milling Co. Ltd., Belfast), Charles Tennant (Charles Tennant, Sons and Co., and president of the United Alkali Co.), Sir John Turney (Turney Bros. Ltd., leather manufacturers), and S.J. Waring (Waring and Gillow).
 2. H.H. Bassett (ed.), op. cit., p. 151.
 3. Who Was Who, I, 1897-1915. See also N. Crathorne, op. cit., pp. 145-7.
 4. H. Janes, The Master Millers, (London, 1955), p. 40.
 5. Seven of the Commissioners were managing directors (excluding those chairmen who doubled as managing directors). They were:- Richard

In specifying economic interest, the majority (31) of the industrial-commercial Commissioners present little problem, since they appear to have been occupied in one form of economic activity only. These single-interest Commissioners are listed in Table 1.

TABLE 1

Tariff Commission: Single-Interest Industrial-Commercial
Representatives

<u>Primary</u>	<u>Food Processing</u>	<u>Secondary</u>	<u>Tertiary</u>
-	J.M. Harris	<u>(Textiles):</u>	<u>(Distribution):</u>
	Lyle	Corah	Cooper
	Maconochie	Eckersley	Burbidge
	Phillips	Mitchell	Gilbey
	Tonsley	Reade	<u>(Other):</u>
	Rank	<u>(Chemicals):</u>	Henderson
	Gallaher	Levinstein	Littlejohn
		Goulding	F.L. Harris
		<u>(Engineering):</u>	Jones
		Elgar	Webb
		Flett	Colls
		Harrison	Pearson
		Marshall	
		<u>(Other):</u>	
		Bostock	
		Candlish	
		Evans	
		Waring	

Sources: "Members of the Commission", Iron and Steel Report, para. 1, coupled with lack of discovery of additional information proving wider economic interests, subject to qualification in text.

It should be remembered that there are inevitable simplifications in this classification. We might mention, for instance, S.J. Waring, whose classification under secondary industry should not obscure the fact that he carried on a large home and foreign business in interior decorating.¹ Since this trade seems to have been a vehicle for selling the furniture produced by the firm's English factories the division of interest has been

Burbidge (Harrod's Stores), Francis Elgar (Fairfield Shipbuilding and Engineering Co.), George Flett (Dick, Kerr and Co. Ltd.), Mitchell Harris (Charles and Thomas Harris and Co., bacon curers), Ivan Levinstein (Levinstein Ltd.), A.W. Maconochie (Maconochie Bros. Ltd., meat preservers and packers), and Henry Marshall (Marshall, Sons and Co., agricultural engineers).

1. "Waring and Gillow Ltd. [A.G.M.]", Economist, 4 April 1903, p. 617.

ignored. George Flett held 1,000 shares in the Electric Railway and Tram Carriage Works, which, although a coachworks, was closely involved with his own electrical engineering firm, Dick, Kerr and Co., in producing a package of tram body and electric traction mechanism. The two were amalgamated in 1917, and it has been felt unnecessary to credit Flett with dual interests.¹

Perhaps more serious is that we cannot account for the shareholdings that single-interest Commissioners may have had in other types of business. Maconochie had small interests in tin can production, and the possibility that several other of the food processing group might have had interests either in agriculture or in packaging must not be forgotten. Similarly, secondary manufacturers might have held shares in other firms within their trade or within trades allied to it, or even within their locality or their circle of friends. We can merely point out the inevitable imprecision of such a classification when it cannot be based on the direct source of individual income.

Whilst the difficulties posed by imperfect knowledge are relatively unimportant when considering the single-interest Commissioners, they become more acute when we consider the remaining group, the 15 multi-interest Commissioners, the interests of many of whom have a breadth which makes any simple generalisation impossible.

The issues raised by some dual interests are too small to detain us. Four industrial-commercial members of the Commission² held railway directorships, whilst Gallaher was chairman of the Belfast Steamship Co. Four others³ held positions with various banks. It might be argued that such activities represent a cosmopolitan, free-trade bloc of the type envisaged by Schumpeter,⁴ and would thus need to be measured in the balance against those Commissioners' protectionist-industrialist interests. This

1. See below, pp. 551-552.
2. Three (otherwise) single-interest Commissioners, Goulding, Henderson and Reade, and one (otherwise) multi-interest Commissioner, Baynes.
3. Allen, Caillard, Keen and Tennant, all (otherwise) multi-interest members of the Commission.
4. J.A. Schumpeter, Imperialism and Social Classes, (London, 1951).

is unrealistic. It was common for businessmen to become involved with local and even national transport undertakings, frequently in the form of a directorship which imparted prestige to both sides of the compact. For industrialists of the stature to ensure selection for the Tariff Commission, however, railway directorships would have been unlikely to constitute a significant economic interest.¹ Gallaher's shipping interests may be disregarded for similar reasons. The banking interests were in three cases local, and it is a fair assumption that these were seen as complementary to, and not in conflict with, the members' industrial interests.² Only Sir Vincent Caillard remains a problem. His chairmanship of the Daira Sanieh Co. and of the London Committee of the National Bank of Egypt represented a connection with Egyptian finance that long antedated his involvement with Vickers. It must be remembered, however, that national interest in international diplomacy was perhaps just as strong a part of these activities as was the motive of private profit.³

Potentially more serious in discussing multi-interest Commissioners is the possibility that their interests were split between different activities which lay on opposite sides of the widely accepted division between "free trade" and "protectionist" interests. The inclusion of Frederick Baynes in this list is probably needless - it is made since there is evidence that he was a cotton merchant as well as a manufacturer,⁴ but it is unlikely that his cotton manufacturing establishments manufactured for the home trade only, whilst he sold the products of others overseas, a situation which could have given rise to divided loyalties.⁵

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1. For a generalised support of this statement see M. Robbins, The Railway Age, (Harmondsworth, 1965), pp. 76-79.
 2. Charles Allen was vice-president of the Sheffield and Hallamshire Bank, Arthur Keen was chairman of the London, City and Midland, and Charles Tennant was chairman of the Union Bank of Scotland.
 3. H. Feis, Europe: The World's Banker, 1870-1914, (New York, 1965 edn.), pp. 385-386, 390-397.
 4. Cotton Report, para. 317. Baynes and Dixon of Manchester, mentioned in "Members of the Commission", Iron and Steel Report, para. 1, might well have been a shipping firm.
 5. In general, Baynes' evidence before the Commission (Cotton Report, paras. 307-349) is not helpful in this respect, it being difficult to

Charles Allen and Alfred Hickman both had considerable reputations in ferrous metal production, the one for the production of high quality steels, especially for armaments and other demanding uses, the other as a prominent midlands ironmaster. We can assume that their interests in coal mining were subsidiary to these activities. But if we conform to the commonly-held view that an industry with a high degree of export orientation is likely to be sympathetic to the continuance of free trade, Sir William Lewis's interests create surprise. British coal exports experienced a long secular boom after 1870, a boom that in value terms really took off after 1896. In 1900 export values hit the unprecedented peak of £38.6 m.,¹ a figure far surpassing imports. Furthermore, Lewis had extensive colliery proprietorships in South Wales, and was on this account probably the premier UK producer of steam coal for shipping purposes. We cannot seriously maintain that Lewis, founder of the Monmouthshire and South Wales Coal Owners' Association which as early as 1888 embraced 200 collieries producing twelve million tons per year, and originator of the sliding scale of wages instituted by that Association in 1880, the man who to favourable eyes at least had been identified "with every progressive movement in the coal world for the last quarter of a century, and has graven his name deeply in its annals",² had greater economic interests in iron and tin-plate than in coal, but it might be that his increasing involvement in revitalising the South Wales iron and steel industry³ was sufficiently important in his own mind to warrant an outlook on Tariff Reform at variance to that which we might expect from members of his trade.

We might argue in an intuitive way that Charles Booth's economic

separate the general experience of the industry, as he saw it, from his own individual experience. Of course, with the exception of R. Spencer, The Home Trade of Manchester, (London, 1890), little is known of the trade in the 20 per cent of Lancashire's goods which were not exported.

1. B.R. Mitchell and P. Deane, Abstract of British Historical Statistics, (London, 1962), p. 305.
2. C. Wilkins, The South Wales Coal Trade and its Allied Industries, (Cardiff, 1888), pp. 292-293, 296.
3. DNB.

interests were primarily based in steam shipping rather than in leather merchanting and manufacturing, though it would be unwise to assert that Booth's political and social concerns were in any way based on such mundane considerations as these. Charles Tennant's activities in mineral extraction were certainly minor in comparison to his ownership of capital-intensive chemical plant. Likewise, Boulton's interest in the importing of timber was almost certainly ancilliary to his business in chemical manufacturing: certainly the two activities were carried on within the same firm. Charles Parsons's activities in electrical supply can be seen as attendant upon his production of generating equipment, but whether he saw marine propulsion or land-based power generating as his principal interest is difficult to say. In both, of course, there was intense international rivalry, but marine engineering was closely allied to a shipping and ship-building sector usually associated closely with free trade. Sir Andrew Noble had manifold interests in mineral extraction, chemicals companies and even a water utility. Even his main interest, Sir W.G. Armstrong Whitworth and Co. Ltd., carried on a bewildering range of engineering activities, both for defence and peaceful uses,¹ which make it difficult to even start assessing the competing claims that free trade and protection held on his business loyalties.²

There remain a small group of Commissioners for whom the task of deciding between primary and secondary interests remains difficult even at an intuitive level, some of them doubly difficult because the competing claims lie on opposite sides of the divide between free trade and protection. We assume, for convenience, that Dennis's farming partnership was secondary to the family brokerage business though the two are not necessarily compatible from the point of view of fiscal alignment. Whether it is correct to ascribe to Turney a principal interest in the family firm

1. See below, pp. 570-572.

2. It should be remembered that Vickers, in a generally similar line of business, did not see the fiscal issue as very relevant to his company. See below, pp. 141, 200.

of leather manufacturers when he was chairman of two light engineering firms, Raleigh and Burrough's, is just as problematical.¹ We know that Arthur Keen's principal connection, Guest, Keen and Co., integrated with the engineering activities of Nettlefolds at the turn of the century,² but it has been felt reasonable to class him primarily as a steelmaker.³

TABLE 2

Tariff Commission: Primary and Secondary Interests of
Multi-Interest Industrial-Commercial Representatives

	<u>Primary</u>	<u>Secondary</u>
Allen	steel	iron and coal
Baynes	cotton manufacturing	cotton shipping (?)
Birchenough	Silk manufacturing	gas utilities misc. colonial enterprise
Booth	shipping	leather merchandising leather production
Boulton	chemical production	timber importing
Caillard	armaments engineering	international finance
Dennis	produce merchandising	farming
Gibbs	merchandising	banking
Hickman	iron	coal
Keen	steel	engineering and coal
Lewis	coal	iron and steel tinplate
Noble	armaments engineering	shipbuilding
Parsons	marine engineering electricity generating equipment	electricity supply
Tennant	chemicals	mineral extraction
Turney	leather production	light engineering

Source: See text, pp. 103-107, and Appendix 1. It must be emphasised that this table is based on information from a wide variety of sources, some of them very imprecise and not very suitable for the purposes in hand, so that there is inevitably an impressionistic element in its compilation.

Little is known of Birchenough's silk concern in Macclesfield, and his

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1. Turney did not, however, give evidence before the Commission in its inquiry into the engineering industry.
 2. D. Burn, Economic History of Steelmaking 1867-1939, (Cambridge, 1940), p. 224.
 3. Burn considers G.K.N. to have been one of the three biggest British steel producers in 1904, with an estimated output of over 450,000 tons per year. See ibid., p. 229.

interests had no doubt already wandered far from it,¹ but he was still president of Macclesfield Chamber of Commerce.² It has been decided, for no very good reason, to assume that Birchenough's probably declining interest in silk manufacture was still strong enough in 1903-4 to be regarded as his primary interest. The inclusion of Caillard under engineering is likewise very arbitrary: it seems likely that Vickers, Sons and Maxim occupied much of his time but it is also probable that he would have regarded the conditions of the early twentieth century as much with the outlook of an international financier, and he continued to hold the chairmanships of the Daira Sanieh Co. and the London Committee of the National Bank of Egypt. We do not know whether the activities of Vicary Gibbs' family firm, Antony Gibbs and Sons, pointed consistently in the direction of free trade or protection, or whether, as seems more likely, the description of "Merchants and Bankers"³ given by Gibbs to the Commission covered a multiplicity of merchant banking activities.

III

We are now able, using the rather loose and sometimes imprecise determination of "economic interest" arrived at above, to provide an overall view of the structure of industry representation on the Commission. This is shown in Table 3. Henry Chaplin has been added to the list as a representative of agriculture, thus giving 47 commercial-industrial members. Though it is thought that, by 1903, Chaplin was not actively engaged in agriculture even in the capacity of landlord,⁴ there can be no doubt from

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1. It is significant that G.R. Searle, whilst stressing Birchenough's interest in South African affairs and his activity on government committees, does not mention Birchenough's manufacturing connections. See The Quest for National Efficiency, (Oxford, 1971), p. 264.
 2. "Members of the Commission", Iron and Steel Report, para. 1.
 3. Iron and Steel Report, para. 1.
 4. Chaplin's biographer is less than completely rigorous in filling in the details of his life. But it is known that his 25,000 acres at Blankney in Lincolnshire fell deeper into mortgage until they came under the control of Lord Londesborough in 1897, and that "When Blankney was stripped from their father's too open hands, it was at

his lifelong services as an agricultural spokesman in Parliament that his omission from the list of industrial-commercial members on strictly deterministic grounds would be mistaken.

TABLE 3

Tariff Commission: Industrial-Commercial Representatives

<u>Primary</u>	<u>Food Processing</u>	<u>Secondary</u>	<u>Tertiary</u>
Lewis	J.M. Harris	(Textiles):	(Distribution):
Chaplin	Maconochie	Eckersley	Dennis
	Lyle	Baynes	Cooper
	Tonsley	Mitchell	Gilbey
	Phillips	Birchenough	Burbidge
	Rank	Corah	(Shipping):
	Gallaher	Reade	Booth
		(Iron & Steel):	Jones
		Allen	F.L. Harris
		Hickman	(Other):
		Keen	Gibbs
		(Engineering):	Henderson
		Caillard	Littlejohn
		Noble	Webb
		Parsons	Pearson
		Elgar	Colls
		Harrison	
		Marshall	
		Flett	
		(Chemicals):	
		Levinstein	
		Goulding	
		Tennant	
		Boulton	
		(Other):	
		Bostock	
		Candlish	
		Evans	
		Waring	
		Turney	

Sources: As for Tables 1 and 2.

It can be seen from Table 3 that industry representation on the Commission was quite heavily weighted towards manufacturing industry, though those representing primary production, food processing¹ and the tertiary sector did comprise 22 out of the total of 47. The biggest industry blocs

Stafford House ... that Mr. Chaplin and his children made their home." See Marchioness of Londonderry, Henry Chaplin: A Memoir, (London, 1926), pp. 111, 115.

1. Including tobacco processing.

were engineering and food processing (7 Commissioners each) and textiles (6 Commissioners). Chemicals production and distribution could count 4 members each, and iron and steel and shipping 3 each.¹ It is to be remembered, however, that the industry blocs had differing degrees of cohesion. That of iron and steel was perhaps quite a solid one, whereas the six textile manufacturers represented five distinct branches of a trade similar in some technological and marketing aspects but different in others. To discern a grouping of distributive trades which includes two produce merchants, a wine and spirits merchant and the managing director of Harrod's Stores may well be considered completely illusory.

Indeed, reasons can be found for regarding all the industry blocs as having less unity than might be thought at first. In chemicals, Tennant's interests largely centred around the heavy sector, alkali production using the obsolescent Leblanc process, whilst Levinstein concentrated on synthetic dyestuffs. Though they may have experienced different fortunes in the course of trade in the 1880s and 1890s, both were dependent on secondary industry as the main market for their products. On the other hand, Sir William Goulding's prosperity as an artificial fertilizer producer was more dependent on the fortunes of agriculture than of manufacturing industry. In the engineering sector, too, Marshall and Harrison were tied, through their markets, more to agriculture than to manufacturing. Caillard and Noble, however, were perhaps not greatly concerned with such market influences at all. Certainly Douglas Vickers saw Tariff Reform as having little direct relevance to his concern.² In the food processing category, we might expect a difference between those members, Lyle and Gallaher, who processed products subject to existing revenue duties that might possibly be repealed under Chamberlain's scheme, those such as Phillips and Rank who

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1. It is to be remembered that secondary representation, or indirect knowledge of a trade gained whilst practising a related one, would effectively enlarge representation of a particular bloc; e.g., for iron and steel we would have to add Lewis (secondary representation) and perhaps Caillard, Noble and other engineers (indirect knowledge).
 2. D. Vickers to Hewins, 1 March and 4 July 1904; C-286, T.C.P.

dealt in produce upon which taxation was likely to be introduced, and those such as Mitchell Harris who concerned themselves with commodities such as bacon, the position of which in Chamberlain's plans could hardly be regarded as certain. Even the three shipping representatives cannot be regarded as a unified body. Much of Booth's business was conducted in the transatlantic trade with countries which were not a part of Britain's formal Empire, whilst Jones' main channels of commerce lay with the new Empire in West Africa.

Looked at in this way, we can see the dangers inherent in any attempt to stamp a rigid framework of economic determinism on the analysis of Commission membership. Yet the temptation to do this remains. Indeed, to the economic historian, who probably believes more than most other historians in the persuasiveness of hard cash, it is almost irresistible.

That particular critical approach towards the Commission employed by such contemporary publications as the Echo and the (London) Star¹ is still in evidence today. Bernard Semmel, in his recent analysis of the whole field of social imperialism, has devoted two pages to an examination of the economic interests of several of the Tariff Commissioners, making his work the most exhaustive examination of the subject that has appeared.² Here is the "interest-orientated" model in its most direct form: the implicit assumption is that the source of a man's income, the prospect of increasing it or preventing its decline, combine with occupation and business environment to determine completely political ideology and attitude towards economic thought and economic issues. Yet Semmel's analysis of the Commission is carried out in a rather peremptory manner. He particularly mentions Allen, Hickman, Keen and Lewis as representing iron, steel and coal. Then he emphasises the representation of meat-preserving and -packing,

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1. "A Committee of Directors", Echo (editorial) 18 December 1903, unpaginated but p. 2, quoted above, p. 32; the Star's remarks were, as ever, more colourful, "How can we take these gentry with fish to fry and axes to grind as seriously as they take themselves?" See Star, 18 December 1903, p. 1.
 2. B. Semmel, Imperialism and Social Reform, (London, 1960), ch. 5, especially pp. 101-104.

armaments, glass manufacturing, electrical engineering, building and contracting, and chemicals manufacturing.¹ This list of manufacturing interests, taken, one feels, largely at random, leads Professor Semmel to conclude that:

Iron and steel, tin, building materials, glass, and chemicals, all midlands products hard hit by German and American competition. These interests constituted the heart of the Commission and of the [Tariff Reform] League itself.²

Professor Semmel's analysis is not very rigorous.³ Tin appears to have been given undue importance in his appraisal. Though the tinsplate trade had close relations with the iron and steel industry, only two Commissioners, Lewis and Maconochie had discovered interests in it, and those were only secondary interests.⁴ But so too do Semmel's other named industries: Table 4 shows the number of Commissioners who represented the industries which constituted the "heart" of the Commission. These thirteen separate industry representations were held by eleven individual Commissioners. Since no one held primary interests in tin, and since we have no evidence that Colls produced building materials even though he handled them in the contracting side of his business, there is a prima facie case for reducing the number of Commissioners who represented these trades to ten or even nine.

1. A.W. Maconochie, Sir Vincent Caillard, J.J. Candlish, Charles Parsons, J. Howard Colls, and Sir Charles Tennant respectively.
2. B. Semmel, op. cit., p. 102. The present writer prefers not to take issue with Semmel over a similar analysis of the importance of iron and steel and the South African connection in the interests of the Tariff Reform League's leading members. That the Duke of Sutherland should be singled out as a director of the Florence Coal and Iron Co. Ltd. and the Stafford Coal and Iron Co. might be regarded as a curious comment on a man who owned "about 1,358,000 acres" (Who Was Who, I, 1897-1916). It is true that Sutherland, Sir Joseph Lawrence, Pike Pease and Sir J. Randles all had interests in iron and steel, but in the absence of any surviving collected papers so little is known of the internal affairs of the Tariff Reform League that we are bound to work with an imperfect sample of its membership.
3. It is appreciated that Semmel's examination of the Commission is a small part only of an impressive work of scholarship. Nevertheless, in a thesis on the Tariff Commission, it would be a scarcely defensible courtesy to leave his remarks unexamined.
4. See pp. 101-2, 106, Semmel points out that Maconochie was chairman of the Solderless Tin Co. Ltd. (op. cit., p. 102 n); Lewis was chairman of the Mellingriffith Tinsplate Works.

TABLE 4

Representation of Iron and Steel, Coal, Tin, Building Materials,
Glass and Chemicals on the Tariff Commission

	<u>Primary Interest</u>	<u>Secondary Interest</u>	
Iron and Steel	4		{ <u>Allen</u> , <u>Hickman</u> , <u>Keen</u>
Coal			
Tin or Timplate		2	Lewis, Maconochie
Building Materials	1	1	<u>Colls</u> , Boulton
Glass	1		<u>Candlish</u>
Chemicals	4		{ <u>Tennant</u> , <u>Levinstein</u> , <u>Goulding</u> , <u>Boulton</u>
	10	3	
	13		

- Notes:
- (i) The names of those holding primary interests are underlined, subject to the undermentioned limitations.
 - (ii) Colls has been ascribed a primary interest in building materials merely for the purpose of discussion. As he was a builder and contractor, he would probably have had a buyer's rather than a seller's interest in such goods.
 - (iii) Boulton has been included, in building materials, as a timber importer. It is unknown, however, whether any of the timber he imported was used in the construction industry.

Sources: "Members of the Commission", Iron and Steel Report, para. 1, and B. Semmel, op. cit., p. 101, for Maconochie's interest in tin.

It is to be conceded that the heart is a relatively small part of the body, but if it is Semmel's supposition that this group of eleven exercised a functional importance within the Commission greater than its size would indicate, there is no basis for such a supposition. Indeed, Lewis was a poor attender of the Commission, Keen informally severed his connection with it at an early date, and Sir Charles Tennant achieved the singular record of more or less complete absenteeism.¹

Professor Semmel's stress on the regional element in support for Tariff Reform, his specific mention of the midlands, is presumably meant to imply that midlands industrialists fell within Chamberlain's sphere of political control, through personal acquaintance and the influence of the Birmingham

1. See below, pp. 588-9.

Liberal Unionist Association which he dominated. Such an interpretation would seem well-founded with regard to Alfred Hickman and Arthur Keen, and perhaps with J.J. Candlish, who, although from Co. Durham, broke with the predominant (non-Birmingham) Liberal Unionism over the fiscal issue. It scarcely fits the rest of his list, however. To regard iron and steel as a "midlands industry"¹ is to deny the great variety of the ten or so main producing regions in the UK,² whilst, if one were forced to regionalise chemicals, then surely the north-west would be a more adequate generalisation than the midlands. Even that, however, would hardly fit the geographical variety of even the Tariff Commission's small representation of the industry.

To look for any deep, underlying features of representation on the Commission is, in fact, misleading. As was Chamberlain's intention, representation of manufacturing interests was wider than that which would allow us to postulate a conspiracy originating in a narrow group of distinct trades which were unique in experiencing the blast of foreign competition. Foreign competition was felt more widely than this,³ and it was felt unevenly, not only within different branches of the same industry, but also within different firms in the same branch. Nor must we forget the representation of miscellaneous trades on the Commission, trades such as boots and shoes (surely here was a midlands industry experiencing, and in the long run fending off, severe American competition?),⁴ paper making, leather manufacture and furniture production, in addition to the blocs of representatives of food processing, textiles, iron and steel, engineering, chemicals, shipping, etc., that we have already had cause to mention.

The most careful analysis, to date, of economic interest in the Tariff

1. B. Semmel, op. cit., p. 102.
2. It is to be admitted, however, that certain parts of the midlands iron and steel industry, notably the antiquated works of South Staffordshire, were among those in the industry worst hit by foreign competition.
3. This is not to say that it was not frequently exaggerated by those who felt it.
4. R.A. Church, "The Effect of the American Export Invasion on the British Boot and Shoe Industry, 1885-1914", Journal of Economic History, XXVIII, 1968, pp. 223-254.

Reform campaign is that by Richard A. Rempel. His principal attention is focused on the Unionist Free Traders, but in passing he throws light on the protectionist camp as well.

Rempel starts in orthodox fashion, classifying free trade economic interests into two types. Firstly, there are the financial or "City" interests, "the society of bankers, bill and stockbrokers, and insurance agents [who] were dependent upon London's position as a major clearing house of world trade".¹ Rempel is able to deny any large scale co-incidence of interest between this group and the industrial community by accepting the analysis of Schumpeter and Semmel that the "fundamental" conflict between capitalists and entrepreneurs persisted down to 1914 in Britain, longer than in other advanced industrial countries.² This is to say that investment banking and the participation of finance-capitalists in domestic industry was less a feature of British economic development than it was of German, American and French. In Britain, banking and industry remained separate: they had different interests and objectives.

Secondly, Rempel compiles a short list of free-trade-orientated industries along similar lines of determinist analysis. Cotton manufacture, of course, and coal, shipping and shipbuilding, which "profited from cheap steel with which to build ships and from freights and insurance revenues gained from the carrying trade", and engineering, a "kindred" industry of shipping and shipbuilding.³

In this, Rempel's work seeks to establish a clear cut division of interests. He accepts Semmel's analysis of the economic base of the Tariff Commission and the Tariff Reform League without comment,⁴ and thus loses the opportunity of any direct criticism of this straightforward and oversimple

1. R.A. Rempel, Unionists Divided: Arthur Balfour, Joseph Chamberlain and the Unionist Free Traders, (Newton Abbot, 1972), p. 98.
2. R.A. Rempel, op. cit., pp. 98-99, citing J.A. Schumpeter, Imperialism and Social Classes, (New York, 1951), p. 81, and B. Semmel, op. cit., p. 145.
3. R.A. Rempel, op. cit., p. 101.
4. Ibid., p. 103.

picture.¹ But at the same time, however, Rempel attempts to relax the formal rigidity of the "interest-orientated" model, and it is here that the chief value of his work on economic interest lies. He notes that whilst the shipping interest was primarily in favour of Free Trade, there were nevertheless MPs with shipping interests who supported fiscal reform.² The percentage of financial interests among Unionist Free Trade MPs was the same as in the Party as a whole (about 45 per cent) though rather higher than the percentage amongst Tariff Reformers.³ Rempel highlights the presence, in both Free Trade and protectionist camps, of a heterogeneous collection of "military men, lawyers, journalists and men of letters",⁴ and notes that certain prominent Free Traders, such as Churchill, had no personal axe to grind. Though admitting the validity of "broad economic biases", such as the gravitation of heavy industrial interests⁵ to the Tariff Reform cause, he concludes that "no clear cut divisions exist between the Unionist Free Traders and Tariff Reformers. The split in the party over Chamberlain's programme cannot be explained principally on economic grounds".⁶

This attempt to reduce the strength of the attractively simple industry-based explanation of Free Trade and protectionist alignments

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1. P.F. Clarke shares the present writer's view, regarding Rempel's work as "perhaps, unduly deferential in its citation of the authority of other historians; and in at least one passage, on the financial interests of the [Unionist Free Trade] group ... this makes it rather difficult to assess the main thrust of the argument". See his review of Unionists Divided, in English Historical Review, vol. 89, 1974, pp. 688-689.
 2. R.A. Rempel, op. cit., p. 101, mentions David McIver, MP for Liverpool Kirkdale, a South America shipper. McIver was, of course, a veteran of the Fair Trade movement of the 1880s. See B.H. Brown, The Tariff Reform Movement in Great Britain, 1881-1895, (New York, 1943), pp. 19, 23.
 3. Given that the Unionists were split three ways over Tariff Reform, it is to be inferred from Rempel's material that financial interests were therefore more prevalent amongst the Balfourite faction, those advocating "reciprocity", than amongst the Unionist Free Traders. It may readily be seen that this casts further doubt on too strict an application of the simple interest-orientated model.
 4. R.A. Rempel, op. cit., pp. 103-104.
 5. At times one suspects that Rempel's definition of heavy industry is restricted to the iron and steel trade. He himself excludes coal, shipbuilding (partially) and engineering.
 6. R.A. Rempel, op. cit., p. 104.

receives indirect support from Thomas's study of the effect of the three elections of 1906 and 1910 on the economic and social character of the House of Commons. Of course, the division between Liberal and Unionist was perhaps not simply a division between Free Trader and protectionist at any time. But it was more so in 1906 than it was in 1910, since the only issue of outstanding importance in the first of the three elections was Tariff Reform. Yet Thomas finds "no significant difference in economic character between the House elected in 1906 and in 1910".¹ His "Finance" group² numbered 229 after the 1906 election, but was virtually unchanged at 226 after the January election of 1910, when the Liberals had lost 98 seats and the Unionists had gained 116.³

In his discussion of economic interest as a divisor between parties in the House, Thomas's findings give even less comfort to the strict determinist analysis.⁴ Apart from the predictable tendency of landholding to figure strongly in the Unionist ranks, "the parties did not differ markedly in economic composition", there being no "observable tendency for any broad category of industrial and commercial interests decisively to favour either of the larger parties":⁵ representation of heavy industry, transport and mining was more or less equally split between the two major parties.

There were differences of course. Textiles remained a Liberal stronghold, though it is not clear from Thomas's study whether this effectively meant a heavy representation of cotton and a lighter representation of other branches in the House, and food, drink and catering remained a Unionist one. But if the strong orientation of the mercantile interest towards the

1. J.A. Thomas, The House of Commons, 1906-1911: An Analysis of Its Economic and Social Character, (Cardiff, 1958), pp. 13-15.
2. MPs who had interests in insurance, finance and banking.
3. J.A. Thomas, op. cit., pp. 16-17, and H. Pelling, A Social Geography of British Elections, 1885-1910, (London, 1967), pp. 20-21.
4. Here Thomas restricts his analysis to the 1910 elections, because of the difficulties of comparison owing to the large difference in size of the parties after the 1906 election: op. cit., p. 26.
5. Ibid., p. 27.

Liberals is taken as evidence for the determinist model,¹ the apparent attraction of the financial interest tells strongly against it. In January 1910 the Unionists could count 126 with interests in banking, finance and insurance in the House, the Liberals only 91.²

It would be unwise to deny completely the validity of determinist analysis in documenting overall alignments in the Tariff Reform debate. What we must remember, however, are the complexities of industrial structure that must be incorporated into the model, and the many exceptions and qualifications that an empirical examination furnishes.

Some general industry-wide biases are discernible. Cotton, for instance, remained predominantly Free Trade. But there were supporters of Tariff Reform in Lancashire: Manchester was the home of a branch of the Tariff Reform League and the headquarters of the Cotton Trade Tariff Reform Association.³ The cotton industry provided two Tariff Commission members. But it was not necessarily the case that support for fiscal change came from a particularly sorely depressed sector of the industry, or from firms doing badly. Indeed, in cotton as elsewhere, the boards of single firms were sometimes divided over the issue.⁴ Shipping, too, may exhibit an overall

1. Liberal merchants exceeded Unionist by two to one in both elections of 1910, and by more than that in the election of 1906: ibid., p. 33.
2. Ibid.
3. The Manchester branch of the Tariff Reform League was in existence until at least 1912. Little is known of the longevity of the Cotton Trade Tariff Reform Association, established early in 1910. The prime mover in its establishment was Percy Glass, a Stockport manufacturer. See C. 1941 and C. 197; T.C.P.
4. One such example is provided in P. Glass to Hewins, 3 September 1904; C. 197, T.C.P. Thus, even in the cotton industry, it may be dangerous to assume the simple determinist model of motivation. P.F. Clarke has noted that "while the Liberals could continue to count on the cotton industry's preference for Free Trade to rally the operatives, it was later far from sure of the employers. There had always been a strong Conservative element among the cotton bosses; and by 1910 many of them were prepared to swallow Tariff Reform, or at least accept the Conservative party, Tariff Reform and all"; see P.F. Clarke, Lancashire and the New Liberalism, (London, 1971), p. 25. Elsewhere, (p. 99), in pointing to the lesser degree to which Charles Macara was accepted, in 1910, as the unanimous voice of the cotton industry than he was in 1906, Clarke writes, "most of the cotton bosses would have preferred Free Trade to Tariff Reform; but many of them were not prepared to take this preference as far as supporting the Liberals". (Clarke's emphasis).

Free Trade posture. But there were exceptions: Alfred Jones, Leverton Harris and Charles Booth all served actively and enthusiastically on the Tariff Commission, and only in the case of Jones is it known that the bulk of his trade was with the Empire. But the presence in this industrial grouping of the Empire shipper in itself shows the need to make more complex the simple industry-alignment approach. On the other side of the issue, iron and steel, commonly thought a protectionist industry pure and simple, probably fits the determinist mould more easily if it split up into regional centres of production - Staffordshire must be contrasted with the more progressive Cleveland district. But these are the extremes. The West of Scotland possessed both antiquated and progressive firms, and even in Cleveland there was not complete unanimity of fiscal opinion between directors of even the same firms.¹ The difficult question, that of just how many exceptions and qualifications the interest-orientated approach can absorb and still retain its integrity, is one which we cannot answer here.

Whatever the advantages and disadvantages of a determinist approach when considering large populations, the advantages recede and the disadvantages intensify when discussing smaller groups. This is particularly so with the Tariff Commission. Rempel's list of free-trade-orientated industries (cotton, coal, shipping, shipbuilding and engineering)² would not be controversial to the strict economic determinist. It is worth noting that, out of thirty Tariff Commissioners representing primary production, secondary industry and shipping, thirteen were primarily interested in those supposedly monolithic free-trade-orientated industries.³ Perhaps the presence on the Commission of two cotton producers requires special explanation, but it is painfully evident that the simple categorisation of engineering is a gross simplification. It is significant that there were

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1. Keen to Ponsonby, 27 February 1904; C-512, T.C.P.
 2. R.A. Rempel, *op. cit.*, p. 101.
 3. Baynes and Eckersley in cotton; Lewis in coal; Booth, Leverton Harris and Jones in shipping; Elgar in shipbuilding; Caillard, Noble, Parsons, Flett, Harrison and Marshall in engineering.

no textile engineers on the Commission,¹ but the issues raised by the presence of two agricultural engineers are less simple: in some branches of the trade world markets were dominated by the United States whilst in others British firms supplies healthy, though highly protective, continental markets.²

What makes the Tariff Reform movement even more difficult to assess on industrial-determinist lines is the presence of an imperial aspect to Chamberlain's scheme. This particularly concerns the Commission. It had eight members who, whether they had business interests abroad or not, we have classified as "imperial" representatives.³ Originally there was some confusion over the Commission's brief with regard to the imperial aspects of Chamberlain's scheme,⁴ but it seems likely that these members were chosen to assist in consideration of the details of a preferential tariff, and also, incidentally, to increase the respectability of the Commission in the eyes of colonial politicians.

Some of the imperial Commissioners did have business interests, though in more than half the cases they had retired from them. J.G. Colmer had taken a position with Coates, Son and Co., a London stockbroker,⁵ after leaving the Canadian Government Offices in 1903. J.J. Keswick had retired

1. British textile machinery dominated the world, with the exception of the US market, even in ring-spindles which were relatively little used at home. See S.B. Saul, "The Market and the Development of Mechanical Engineering Industries in Britain, 1860-1914", Economic History Review, 2nd Ser., XX, 1967, reprinted in S.B. Saul (ed.), Technological Change: The United States and Britain in the 19th Century, (London, 1970), pp. 142-146. Hewins ascribed the lack of response by the textile engineers to the Tariff Commission to this dominance of world markets. See Hewins to Pearson, 24 December 1903; C-176, T.C.P., and above, pp. 91-92.
2. S.B. Saul, loc. cit., pp. 152-155. For a rather impressionistic statement of the dominance of the US International Harvester Co., formed in 1902, see Cyrus McCormick, The Century of the Reaper, (Boston, 1931), chs. 7 and 8.
3. The term is not meant to imply any official representation of, or delegation by, the country concerned.
4. See below, pp. 577.
5. See entry for Major Sir Edward Feetham Coates MP (Cons., Lewisham) in H.H. Bassett (ed.), op. cit. Colmer is obviously a case sufficiently different from Sir Alexander Henderson, also a stockbroker, to warrant his exclusion from the list of commercial-industrial members and his inclusion in that of imperial members.

from Jardine, Matheson and Co., China merchants, probably at the same time that he severed his connection with the Legislative Council of Hong Kong. Sir Robert Herbert held chairmanship of one telegraph company and a directorship in another as well as directorships in two steamship lines and a bank. These have been regarded as prestige appointments. It is felt that the subordinate nature of these activities, combined with a colonial career which had included premiership of Queensland and over twenty years in the Colonial Office, amply justifies the decision to exclude him from the ranks of industrial-commercial Commissioners. Though four of the imperial Commissioners had been Agents-General, three had retired by 1904. Only Sir Walter Peace carried on the activity, and he was to retire during the course of 1904.¹

TABLE 5

Tariff Commission: Imperial Representatives

	<u>Country of Representation</u>	<u>Commercial Interests</u>	<u>Agent-General</u>
Cockburn	Australia		x(R)
Colmer	Canada	x	
Elliott	India		
Herbert	{ Australia and General Colonial }	x	x(R)
Keswick	Hong Kong	x(R)	
Peace	Natal	x(R)	x(R 1904)
Perceval	{ New Zealand and Tasmania }		x(R)
Smith	{ Straights Settlements, Sarawak, North Borneo and Ceylon }		

Note: Retirement is represented by (R).

Source: "Members of the Commission", Iron and Steel Report, para. 1.

1. Who Was Who, II, 1916-1928. Crown Agents would probably have benefited, albeit indirectly, from any successful imperial policy in their role as "banker, broker, buyer, shipper and contract negotiator for the crown colonies": see Robert V. Kubicek, The Administration of Imperialism: Joseph Chamberlain at the Colonial Office, (Durham N.C., 1969), pp. 62-63.

Thus, it would not be warrantable to see the imperial members of the Commission as accepting the position for motives of personal gain: their interest would rather seem to be that of their old bonds with different parts of the Empire. But the imperial sympathy of the Commission was not confined to these eight. With some, it may be that personal economic motives were stronger: Charles Lyle, George Flett, Alfred Jones, Robert Littlejohn and several other Commissioners had important business links with different parts of the Empire. Yet it is too easy, cynically to translate the support of Empire preference simply into that for personal profit. Few would readily discern self-interest in Chamberlain himself, in spite of his family's landholdings in the British West Indies. His idealism was present elsewhere in his movement too. Sir Vincent Caillard's writings on imperial relations may be regarded as optimistic and utopian, but they do convey accurately his belief in the mutual advantages of unity, and his real affection for Empire.¹ Similarly, Henry Birchenough's concern for the promotion of imperial trade cannot be regarded simply as an attempt at business manipulation of government imperial policy for purposes of unilateral gain, in spite of his close involvement with the Board of Trade's often lukewarm attempts to increase Britain's export outlets.² And Arthur Pearson, perhaps the biggest Jingo of them all, should not too easily be accused of tub-thumping imperialism simply because it sold newspapers: after all, Harmsworth's position in the circulation war hardly suffered

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1. V.H.P. Caillard, Imperial Fiscal Reform, (London, 1903), passim.
 2. See, for instance, J.H. Birchenough, "The Imperial Function of Trade", Nineteenth Century, vol. 46, 1899, pp. 352-366, especially pp. 352-353, where he wrote, "... what is important to realise and to exhibit clearly, are not the figures which measure [imperial] trade, but the living, pulsating, life-giving thing itself, the thing which has linked our scattered Empire together with electric cables; which covers the sea with our ships; which has called into existence thriving and prosperous cities where fifty years ago were 'wastes of sand or bush'; ... which with a thousand threads knits the Empire together in a solidarity of interests and obligations which time only strengthens and makes indestructible. What, in fact, we should endeavour to form is not a commercial conception of Empire, but an Imperial conception of trade".

because he declined to opt for Chamberlain's policy.¹

Finally, we must remember the obvious point that espousal of Tariff Reform might as easily be a consequence of support for the Unionists as a cause of it. Much, perhaps most, Unionist support had long-standing historical causes. If Thomas is right that food, drink and catering "showed a marked preference for the Unionist party for the obvious and familiar reason that the trade was, as ever, anti-Liberal",² it is not immediately obvious, according to prevailing determinist considerations, why such an alliance should exist. It is of course more plausible, as Thomas infers, to see such an alliance in historical terms: for instance, the long and traditional association in Parliament between the landowning and brewing interests, that resulted for the latter in Conservatism as a way of life rather than as a sequence of considered responses to the prevailing economic policies of different parties. In general terms, Clarke, in his important study of Lancashire politics, has noticed the same feature, remarking that "Far from fiscal attitudes dictating party allegiance, it would be truer to say that party allegiance dictated fiscal attitudes".³ Though Unionist MPs apparently had a wide option of choice on the fiscal issue, from "whole-hogger" through "half-hearter" to Free Trader, the Free Trade group was small and under threat: the majority of Unionists advocated some form of departure from economic liberalism, no matter how vague.⁴ It would have been far easier for an MP with no marked opinion on the issue to maintain his Unionist position by adopting the stance of one of the dominant factions. This feeling, more a desire for group-identity than a conscious

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1. It is well known that Harmsworth took careful advice and tested opinion before deciding the editorial policy of the Daily Mail towards Chamberlain's proposals. See A. Gollin, Balfour's Burden, (London, 1965), pp. 84-88.
 2. J.A. Thomas, op. cit., p. 32.
 3. P.F. Clarke, op. cit., p. 274.
 4. Fraser, using lists in the Balfour Papers, computes the strength of the different Unionist factions within Balfour's ministry in 1905 to be: Tariff Reformers, 172; Balfourites, 171 (comprising 73 preferentialists and 98 retaliationists); Unionist Free Traders, 27; unspecified, 4. See P. Fraser, "Unionism and Tariff Reform: The Crisis of 1906", Historical Journal, vol. 5, 1962, p. 155.

one of unity or loyalty, would not necessarily be restricted in its operation to parliamentary activity. Less individualist, less idiosyncratic, and often less wealthy, Unionists in the local party organisations would have been just as subject to such a subliminal pressure to belong. The local organisations had long before Chamberlain been the heart of protectionism in the party machine: as early as 1887, meeting at Oxford, they had endorsed a protectionist resolution by a huge majority, though they accepted the leadership's demand that they stepped back from the brink in order to preserve the Liberal Unionist alliance.¹

Thus we must consider that the atmosphere in many local party organisations, and also, to some extent, in the party at a national level, must have been for some twenty years one of some kind of latent protectionism. Three of the six original Tariff Commissioners who sat in the House of Commons had parliamentary careers long enough to have had direct experience of the ferment in the local organisations in the 1880s,² and even the remaining three had had contact with local party officials for from three to six years.³ Of course, this is not to suggest that MPs were more influenced by local officials than by the party leadership. Rather, it is to emphasise the possible lack of realism of a determinist approach which ignores other, more subtle relationships.

IV

In the above discussion of the composition of the Tariff Commission, it has been felt incorrect to favour the view of a narrow, industry-based conspiracy founded on the obvious but crude motivating factor of direct economic interest. Instead, it has been found necessary to stress diversity

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1. B.H. Brown, *op. cit.*, pp. 69-70.
 2. Chaplin first entered the Commons in 1868, Grenfell in 1880 and Hickman in 1885.
 3. Leverton Harris and Maconochie entered the Commons in 1900. Henderson entered in 1898, though as a Liberal Unionist, in which case local pressure in the constituency association may well have been different.

of circumstance and the difficulty of uncovering characteristics capable of generalisation across a whole industry, or between different industries within the same free trade or protectionist alignment.

Nevertheless, it is obvious that the Tariff Commission, in the way it was conceived and in its very narrow terms of reference,¹ was a body biased in its approach to the fiscal controversy. As Professor Coats has remarked, Chamberlain's opponents "rightly regarded it [the Commission] as a hand-picked body of protectionist sympathizers".²

We have seen above that, in Hewins's mind, the concept of bias was irrelevant. In his correspondence with L.T. Hobhouse and Herbert Gladstone,³ he was reluctant to concede that a tariff could not be formulated until the relative merits of Free Trade and protection had been settled on a general level. His view, perhaps characteristic of the inductive approach, was that a tariff could only be compared with Free Trade when everyone - economists, politicians, businessmen and the electorate alike - could see the proposed tariff and compare the conflicting policies in more concrete terms. His job, and that of his Commission, was to prepare the best tariff to compare with Free Trade. In other words, whether Free Trade was better than a protective tariff depended on how good that protective tariff was. Any belief in the axiomatic superiority of Free Trade was rejected: progress could now only be made by empirical enquiry.

It is evident that Chamberlain and his early nucleus of Commissioners - Caillard, Pearson, Leverton Harris and Chaplin - took pains to ensure the selection of members favourable to proceeding along the lines of the Glasgow speech. They made mistakes, both in approaching industrialists who were unfavourable and in selecting Commissioners who were to be less than

1. For a full statement of the terms of reference see W.A.S. Hewins, Apologia ..., I, pp. 75-76.
2. A.W. Coats, "Political Economy and the Tariff Reform Campaign of 1903), Journal of Law and Economics, vol. 11, 1968, p. 205.
3. See above, pp. 33.34.

satisfied with the Commission's work.¹ But, by and large, the Commissioners were Chamberlainites in a fairly narrow sense: that is, they were prepared to accept that the Glasgow programme offered the basis of a workable and beneficial policy of protection.

Thus there is bias in the Commission's composition, but it is a bias not of industrial interest but of prior motivation. It is difficult to justify Hewins's assertion that "Several Free Traders were on the Committee and included in the expert staff".² But it is equally difficult to see why he felt it necessary to make the statement, unless he thought afterwards that the electorate had never understood the rationale behind the Commission's inquiry, a rationale revealed in the tortuous and complicated correspondence with Hobhouse and Gladstone.

If we do not accept Hewins's view as legitimate, that a tariff proposal, the best possible, should be drafted and put to the electorate so that it could vote on concrete issues and not on the abstract one of Free Trade versus protection, then the Commission remains, in the words of Professor Saul, so similar to those of many before him, "flagrantly biased".³

But if we do accept that it was a legitimate function to derive a tariff, the concept of bias has little meaning. In the climate of the time, Free Traders would not have sat upon an inquiry with such a brief, not even to sabotage it. Presumably, those equipped most adequately to draft a tariff would be those who thought a tariff would be beneficial: at the very least those of a different persuasion would not commit themselves wholeheartedly to the task. If this excluded most economists, it gave the Tariff Reformers an incentive to caricature them as unpractical and academic, old-fashioned and unable to adapt to new conditions of world

1. See below, pp. 178, 450, 482, 568.
2. W.A.S. Hewins, Apologia ..., I, p. 76. There is some uncertainty over the fiscal opinions of the shipbuilding representative, Francis Elgar. Also, some Tariff Commissioners were "true" Free Traders, in the sense that they thought real (two-sided) Free Trade might be achieved via a retaliatory tariff. See below, p. 207.
3. S.B. Saul, Studies in British Overseas Trade, 1870-1914, (Liverpool, 1960), p. 136.

production and trade. At the same time, however, it allowed the intrusion of the practical man of commerce into the forum of debate. He was to be the new expert: in England, at last, he was to be given, if only informally, a role in commercial policy long enjoyed by his counterpart in Germany and the United States. But, whether legitimate or not, the new and unofficial departure was to be the first attempt to construct a protective tariff in Britain for over fifty years. Indeed, in the sense that pre-1846 commercial policy had evolved under fine tuning rather than been consciously engineered, it was perhaps the first attempt at an overall protective strategy in Britain since the fifteenth and sixteenth centuries.

CHAPTER 4

The Tariff Commission at Work

This chapter seeks to examine some of the day-to-day aspects of the administration and operation of the Tariff Commission between its formation in 1904 and the General Elections of 1910. It is the deliberate intention to include small and, it might be thought, relatively unimportant matters. The reason for this is two-fold. Firstly, the way in which the Commission was run tells us much of the methods, biases and attitudes of its organisers which does not so readily emerge from its published writings. And secondly, there is little at present published on the operation of propagandist bodies and pressure groups during the Tariff Reform controversy. That the Birmingham speech was in a small way "as direct and provocative as the theses which Luther nailed to the Church door at Wittenberg"¹ can be seen from the rapid proliferation of new propaganda organisations and the swift mobilisation of existing ones. To promote the new policy there were, immediately, the Tariff Reform League and the Imperial Tariff Committee, the offspring of the Birmingham Liberal Unionist Association, and these were to be followed in the course of time by smaller groups of agitators like the Compatriots' Club and the Cotton Trade Tariff Reform Association. Chamberlain's opponents already possessed the Cobden Club, self-appointed and self-righteous guardian of the nation's economic morality for many years past, but they soon reinforced the popular appeal of the liberal answer to the new policy with the Free Trade League, the Free Food League and the Free Trade Union. The biggest organisations aspired to a nationwide propaganda, and provincial branches were quickly established in the summer and autumn of 1903. The Tariff Reform League alone was to build up a network of 250

1. L.S. Amery, My Political Life, (London, 1953), I, p. 236.

branches and 40 women's association branches.¹ A primary function of the new organisations was the production of propagandist literature, and the waging of the campaign in the correspondence columns of the press.² There is little doubt that the Tariff Reformers were far more active in these spheres than were their opponents. If the provincial press is included, the balance of the nation's editorial policy came down heavily in favour of Chamberlain's proposals. And though there are no reliable figures for the expenditures of even the main pressure groups, Herbert Galdstone's estimate that the Tariff Reform League spent £5-£10 for every £1 spent by the Free Trade Union does not seem implausible.³ Since July 1903 the Birmingham Liberal Unionist Association and the Imperial Tariff Committee had been "pouring out its stream of literature for the awakening of Britain",⁴ and by November they had issued thirty four leaflets and distributed 40,000 copies of Vince's book on Chamberlain's policy.⁵ But, in spite of the scale of such operations, relatively little has been written about them. Only the Tariff Reform League has received any attention, but in their interesting studies neither Semmel⁶ nor Kenneth D. Brown⁷ have been able to delve behind published pamphlets, manifestos and indirect evidence into the internal workings of an organisation that lasted well into the 1920s.

The Tariff Commission appears to be unique among the propagandist bodies of the campaign in that its collected records have survived. It

1. A.K. Russell, Liberal Landslide: The General Election of 1906, (Newton Abbot, 1973), p. 54.
2. According to C.A. Vince this was the "great difference between Cobden's campaigns and Mr. Chamberlain's. People read now". Sheffield Daily Telegraph, 6 November 1903.
3. Cited in A.K. Russell, op. cit., p. 41.
4. Sheffield Daily Telegraph, 6 November 1903.
5. C.A. Vince, Mr. Chamberlain's Proposals: What they Mean and What we shall Gain by Them, (London 1903). The publication department of the Association was said to be piled to the ceilings with literature fresh from the printers, and more leaflets were in preparation. When, later in 1903, Chamberlain's speeches from 15 May to 4 November were published in book form, as Imperial Union and Tariff Reform, (London, 1903), they were handled by the Birmingham Association.
6. B. Semmel, Imperialism and Social Reform, (London 1960), ch. 5.
7. K.D. Brown, "The Trade Union Tariff Reform Association 1904-13", Journal of British Studies, 9, 1970, pp. 141-153.

was not, it must be remembered, at the centre of the propaganda and the public debate, though it moved more towards it after the Election of 1906. But the unique availability of the Commission's record allows insight into the curious blend of "scientific" enquiry and propagandist activity which characterised its business, and which makes it the most interesting and incongruous of all the partisan pressure-groups which participated in the campaign.

I

Few of the Tariff Reforms had any realistic conception of the length of the task set for the Commission. Chamberlain initially thought Hewins might run it on a part-time basis,¹ though Hewins would not agree, and sought to impress upon him the lengthy nature and the size of the undertaking.² But even Hewins was to underestimate the time required: in 1917 he remembered that he thought the industrial enquiry would take three years at the outside.³ Doubtless some Commissioners only agreed to serve in the belief that the Commission's involvement with their own industry, and consequently their own involvement with the Commission, would be of relatively short duration. Charles Eckersley had been given the impression that the enquiry into the cotton industry would take only a year, and complained to this effect after he had been directly associated with the Commission for three times that long.⁴ The organisers were made very aware that successful businessmen had many pressing commitments which took precedence over a long drawn-out fiscal enquiry.⁵

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1. Chamberlain to Hewins, 7 November 1903; H.P.
 2. W.A.S. Hewins, The Apologia of an Imperialist, (London, 1929), I, pp. 74-75.
 3. "The Tariff Commission - Dinner to Mr. Hewins, MP, Savoy Hotel, Nov. 6th 1917."; T.C.P. This estimate was probably generally accepted at the outset of the Commission's enquiries. If a safety margin were added, it would explain the "guarantee" of four years' salary to Hewins upon appointment. See Pearson to Hewins, 14 November 1903; H.P.
 4. Eckersley to Caillard, 11 November 1906; C-124, T.C.P.
 5. Rank to Hewins, 23 January 1904; C-333, T.C.P.

At least up to 1905-6, it appeared that the original plan of a self-terminating Commission of three or four years duration would be realised. In April 1905 Pearson, after consultation with Herbert and Hewins, informed Hurd, the most senior member of the full-time staff, that it would be advisable for him to begin looking for another job, since the work of the Commission was "nearly finished".¹

Hewins and Pearson intended to wind up the Commission after completing the "industrial" series of reports. The activity of the Commission did indeed increase in the second half of 1905, though the desire to complete the reports cannot be separated entirely from the increasing activity associated with the impending general election. It is evident, however, that by this time the original three to four year deadline was becoming less and less likely to be achieved, and two major "industrial" reports, those on agriculture and the engineering industry, were still unfinished.

Chamberlain was aware of the desire to complete the reports, but he was less inclined to a hasty conclusion. In July 1905 he urged the Commission to "accept an addition to the original [terms of] reference" by producing information on the nature of the concessions that British manufacturers would like to see extended to the mother country by the colonies in the event of Imperial preference becoming a reality.²

This was a watershed for the Commission. In addition to the completion of the "industrial" series (and the production of a "Final Report" linking the industrial studies together³) the Commission was to set a course more overtly political than had been its activities to that date. It was doubtless Chamberlain's advocacy of the extension of the Commission's franchise in this way that determined the outcome of the slight reorganisation of 1906, when proposals far more injurious to the health of the Commission were passed over, and which secured the decision to establish

1. Pearson to Hurd, and Pearson to Hewins, both 8 April 1905; H.P.
 2. Chamberlain to Hewins, 29 July 1905; 48/10-12, H.P.
 3. Of which more will be said below, pp. 457-483

its finance on a more secure, longer-term basis.¹ Though there was still much to do in completion of the "industrial" series under the original terms of reference, there was now a new and less "scientific" task for the Commission. It is not without significance that Chamberlain felt it "open to further consideration whether this Report [on preference] should be immediately published, or whether it should be privately communicated to the Governments of the respective Colonies".²

Though we can therefore take the period around the election of 1906 as a rough divide between a "scientific" commission of inquiry and a body orientated more towards political ends, it need hardly be stressed that this separation works only at a high level of generalisation. The object of political propaganda was never far from Hewins's mind even in the very early days, and his view that his own commitment to an imperial policy could be compatible with conducting an inquiry of "the greatest impartiality" is one that suggests deliberate naivete.³ But nor is it true that the work of "scientific" and empirical study was completely thrown aside in the production of propagandist copy in the years after 1906: right down to 1910 the production of the "industrial" series, and attendant matters arising from it, were probably the main work of the Commission.

II

The fact that the Commission lasted so much longer than was originally intended is not evidence that it was operated in any lethargic manner. Indeed, the preparatory work was quickly set in hand. Hewins tirelessly kept the full-time staff at a high pitch of activity, and his affinity towards bureaucracy and order⁴ did not diminish his urge to finish the

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1. See below, pp. 174-175.
 2. Chamberlain to Hewins, 29 July 1905; 48/10-12, H.P.
 3. Lecture delivered by Hewins to the Women's Branch of the Tariff Reform League, St. Peter's Institute, London S.W., 22 February 1904, p. 32. Copy in Hewins Papers, 19/112-147.
 4. See the comments of a former tutor at Oxford, in C.H. Firth to Hewins, 9 November 1903; 46/84-85, H.P.

business quickly. He sided with Pearson in an attempt to keep all Tariff Commission discussion within the main body of members, feeling that the creation of sub-committees would be "lengthy and unworkable".¹ But Chamberlain's opinion prevailed, and a number of satellite committees were set up, the most important of which were the General Purposes (or Executive) Committee,² and the industrial sub-committees on agriculture, textiles, and engineering and machinery.

There were four separate preliminary elements in the production of one of the "industrial" series of reports. The first was the construction of a product classification of the industry, both to give a clearer view of industrial structure and to provide a framework on which to hang a tariff, should it be found desirable. The remaining elements involved the collection of information: firstly, the assembling of information from existing British and foreign official and unofficial publications, secondly, the circularising of commercial firms with questionnaires, and thirdly, the cross-examination of witnesses.

The Commission approached the drafting of industrial classifications immediately, and soon ran into difficulties. The iron and steel industry was, in terms of product, a relatively simple one, and yet even here the Commission's experts on the industry fell into disagreement.³ With industries with a greater or more complex product range there was greater confusion. The long classification of products used in the building and furnishing trades, ranging from asbestos to oriental carpets, submitted by Waring, was useless for the business in hand. Not only was there no criterion for the ranking of products, but there were also included items such as lathes, tools and hardware that were obviously the province of other studies being made by the Commission.⁴ Things were scarcely more

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1. Pearson to Hewins, 28 November and 2 December 1903; C-176, T.C.P.
 2. The General Purposes Committee originally comprised of Commissioners living in London who could supervise day-to-day administration.
 3. See below, pp. 278-279, 286.
 4. "Waring and Gillow Ltd: Questions as to the Classification of Industries Affecting the Building and Furnishing Trades"; C-216, T.C.P.

straightforward with the classification of the woollen and worsted industry. As early as January 1904 Mitchell disagreed with a worsted classification suggested by Hewins, but he seemed determined to substitute a scheme which concentrated on processes rather than products.¹ Hewins attempted, tactfully, to get him to change its basis, by providing him with a copy of the more successful cotton classification and with one of the woollen classification drawn up by a member of the Textile Committee.² But Mitchell still found it difficult to accept the basis of a product classification:

It appears to me that the cotton classification is all wrong in its divisions. Again, if I were to attempt to divide the [worsted] weaving industry into the different kinds of goods made, as is done I see in cotton, the list would be far too long, and you can't divide manufacturers, or spinners either, in that way. The same firm of either spinners or manufacturers will, in Bradford, produce an immense variety of yarns, or of pieces, changing from year to year, as the fashion calls for one or other description of fabrics.³

That there were difficulties in deriving industrial classifications is not surprising: study of the industrial structure of the economy was far less developed than it became after the War when the Import Duties Advisory Committee was following a similar plan.⁴ It is surprising, however, that in certain fields of study the Commission appears to have abandoned the attempt at classification. This happened relatively early: the Woollen and Worsted Report, appearing in 1905, contained no classification, though it did contain a long and detailed list of products in which British firms testified to experiencing foreign competition, and in examining the prosperity of the "several branches" of the industry, it did so under many headings that were mostly product- rather than process-orientated.⁵ Nowhere, however, was there discussion of the significance of these divisions or of their ranking in a formal "scientific" classification. Generally

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1. Mitchell to Hewins, 18 January and 28 March 1904; C-741, T.C.P.
 2. Hewins to Mitchell, 17 November 1904; *ibid.*
 3. Mitchell to Hewins, 18 November 1904; *ibid.*
 4. Sir H. Hutchinson, Tariff Making and Industrial Reconstruction, (London, 1965), pp. 30-33.
 5. Woollen and Worsted Report, paras. 1316-1370 and 1870-1877.

speaking, the Commission thereafter made no attempt to publish classifications in the "industrial" series.¹

It is difficult to account for this neglect. In the debate on iron and steel products, Hickman produced a classification based approximately on the Board of Trade returns, and this had been adopted with reasonable success.² It is unclear why this procedure was not adopted universally.

The dropping of the classification is all the more curious in view of its importance in the derivation of a tariff. Some kind of classification was necessary to achieve Chamberlain's objective of grading duties according to labour content,³ whether it was based on labour content itself, or some kind of proxy such as "value-added" (or, in the standards of the time, some approximation to it) or value per lb. of raw material. Levinstein urged that "We want a scientific tariff and we need to have as a starting point a scientific classification as far as it is possible".⁴ He was correct. Moreover, the classifications adopted for both iron and steel and cotton, in approximating to those used in the trade returns, did indeed roughly measure labour content through "value-added".⁵ A major and even critical tool in the formulation of a scientific tariff lay unexploited for no ascertainable reason other than the failure of individual Commissioners to agree on product classifications within their own industries.⁶ This may well have been

1. The Agricultural Report is a rather curious exception. See chapter 7.
2. See below, pp. 286-287.
3. Chamberlain at Glasgow, 6 October 1903; in J.M. Robertson (ed.), The Collapse of "Tariff Reform": Mr. Chamberlain's Case Exposed, (London, 1911), p. 62.
4. Levinstein to Hewins, 16 January 1904; C-599, T.C.P.
5. I have attempted, elsewhere, to show that the classification adopted by the Board of Trade in 1888 did reflect "value-added" in the cotton industry, though lack of information on costs prevents the demonstration from being precise. See A.J. Marrison, "Great Britain and her Rivals in the Latin American Cotton Piece-Goods Market, 1880-1914", in B.M. Ratcliffe (ed.), Great Britain and Her World, 1750-1914, (Manchester, 1975), pp. 315-316. The Commission's iron and steel classification is quite compatible with the treatment of historians of the industry. In the 1930s the Import Duties Advisory Committee was to use the Board of Trade classification as a basis for their enquiries. See Sir H. Hutchinson, op. cit., p. 31.
6. A further example of disagreement was between Levinstein and Boulton over the classification of chemical products. See Levinstein to Hewins, 24 January 1904; C-599, T.C.P.

related to the decision to omit a proposed and provisional tariff from the later volumes of the "industrial" series,¹ a decision for which there again has survived no adequate explanation.²

There were difficulties, too, in obtaining information on industrial conditions, though here the Commission was more successful in overcoming them. Though Hewins spoke contemptuously about the quality and coverage of official data,³ and though Rosenbaum, the Commission statistician, plied the Board of Trade with complaints about the inadequacy of the trade returns and methods of improving them,⁴ there was a great deal of even British official material for the Commission to assemble, collate and index - so much so, in fact, that Henry Chaplin believed that further collection of material for the agricultural enquiry by the Commission itself was unnecessary.⁵ Foreign government publications were eagerly collected: for example, heavy use was made of the US Industrial Commission⁶ in the Iron and Steel Report.⁷ Unofficial publications were voraciously assimilated too, some being

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1. Again, the Agricultural Report is an exception. See below, pp. 433 n.1.
 2. For my conjectures on the dropping of tariff proposals, see below, pp. 457-483.
 3. W.A.S. Hewins, Apologia ..., I, pp. 84-85. See also Hewins to Watson, Laidlaw and Co. Ltd., 25 November 1908; C-6251, T.C.P.
 4. Surviving evidence shows that the Board of Trade under Gerald Balfour and Salisbury (that is, until December 1905) was more favourably disposed to the Commission than it was under Lloyd George and Churchill (December 1905 to February 1910), both of whom were harsh critics of its establishment. Under Sidney Buxton, however, the Board generally implemented Rosenbaum's suggestions, this perhaps suggesting both the integrity of the complaints and suggestions, and the belief amongst officials that Tariff Reform had become a less major issue in domestic politics after the elections of 1910. See Hewins to Lloyd George, 3 July 1907; C-7687, T.C.P., cf. Rosenbaum to Permanent Secretary of Board of Trade, 17 January 1911, George Stanley to Rosenbaum, 30 January 1911, Rosenbaum to Stanley, 5 October 1911 and Stanley to Rosenbaum, 24 November 1911; C-1591, T.C.P. It should be mentioned that the Commission's relationship with the permanent members of the Board of Trade was probably always amicable, in view of Hewins's long standing friendship with Hubert Llewellyn Smith, a product of the LSE and Booth's London studies. See Llewellyn Smith to Hewins, n.d. but c. 20 November 1903; H.P.
 5. See below, pp. 382-383.
 6. Industrial Commission on the Relations and Conditions of Capital and Labour Employed in Manufactures and General Business, Report. 19 vols., Washington, 1901.
 7. "Summary of Evidence before the United States Industrial Commission on the Iron and Steel Industries", Iron and Steel Report, paras. 124-131.

reproduced in extract in the various reports,¹ whilst in 1905 the Commission was receiving between sixty and seventy newspapers, periodicals and trade journals.²

This was, however, not the main labour of the Commission in its avid quest for data. On a scale probably unique in Britian before the 1907 Census of Production, the Commission set out to gather information from every industrial and commercial undertaking in the UK through a series of questionnaires.

The backbone of this effort was "Form No. 1 (Issued to All Manufacturers)", comprising of eleven questions.³ Every Commissioner had his own opinions as to what questions should be included, and Hewins had received suggestions for forty different questions even before the first meeting of the Commission proper. Both Hewins and Chamberlain felt that manufacturers would never answer such a detailed form, and Hewins radically pruned the list to less than a dozen. Some changes were made in consultation with Chamberlain and the General Purposes Committee,⁴ and a list of ten questions was reconsidered by the Commission at its second meeting. The full Commission was only able to exert enough pressure to add one question, on the effects of international patents legislation on British firms. Subsequently, Hewins received "no end of suggestions" for additional questions from members, "but I had given orders to the printer and would not budge".⁵

In subsequent months the quality of the questionnaires issued by the Commission, and the methodology behind them, were to cause some division

1. There are several such abstracts in the various reports. See, e.g., that of W. Senkel, "Wollproduktion und Wollhandel in 1900", from Zeitschrift fur die gesamte Staatswissenschaft, 1901, given in Woolen and Worsted Report, paras. 2286-2301; also Cotton Report, Section XI.
2. C-7608, T.C.P.
3. Iron and Steel Report, para. 90, reproduced in Appendix 5.
4. Notably, Booth, Caillard, Leverton Harris, Henderson, Herbert and Mosely.
5. W.A.S. Hewins, "My Connection with the Fiscal Controversy", pp. 36-37, loc. cit.

amongst Commission members, manifest notably by the temporary disaffection of Arthur Keen.¹ But, for the moment, Hewins's heavy-handed treatment was accepted. Thus, though there was undoubtedly a strong case for limiting the number of questions on Form No. 1, the questionnaire was not completely adequate for the purposes in hand. It sought to discover the areas in which foreign competition was encountered in home and colonial markets, the effects of foreign tariffs on the British export trade, and instances of foreign products being sold in Britain at less than British manufacturers' cost price, all matters on which firms could probably, if correctly motivated, give reasonably objective information.² But in other areas it had serious shortcomings. It was unlikely that British firms would know if foreigners were dumping in Britain at below their own costs of production, or if foreign labour costs were a significant element in the erosion of British supremacy, or what size of reduction in overseas tariffs would enable British manufacturers to compete successfully in overseas markets.³ Thus the effectiveness of the questionnaire in eliciting the information deemed necessary by the Commission was open to doubt.

Equally important were the form's omissions, of which there were two main types. The first concerned Hewins's claim that the case for a tariff rested on a process of reduction or "isolation".⁴ That is, if Britain's relative decline could be shown to be unrelated to foreign wages and labour conditions, patent laws, commercial and technical education, railway rate policies, etc.,⁵ then, by elimination, it must be related to commercial policy. But there were only two questions on Form No. 1 related to other causal factors within the reduction process:⁶ it seems likely that many of questions deleted and ignored by Hewins concerned areas in which British

1. See below, pp. 208-209.

2. As asked in Form No. 1, qus. III, IV and IX.

3. As asked in Form No. 1, qus. V, VI and VIII.

4. Tariff Commission Minutes (Verbatim Typescript), (hereafter cited as T.C.M.(VT), 17 March 1904, p. 7; T.C.P.

5. Whether firms could provide such information is, of course, open to considerable doubt.

6. Form No. 1, qus. VI and X.

producers were felt to be at a disadvantage compared with their foreign rivals.¹ The second type of omission concerned the need to obtain accurate information on production costs. An adequate answer to the question asking the amount of reduction of foreign tariffs necessary to enable the British manufacturer to "compete successfully" in protected markets really depended on this.² So, too, did the intention to grade duties, should they be found necessary by the reduction process, on labour content. Though the more specialised Forms of Inquiry, issued subsequently to the different industries, sought more detailed information on costs,³ the questions contained in them were still not adequate in any rigorous sense, and anyway they were frequently omitted or inadequately answered by firms responding to the forms.⁴

But this was for the future. In the meantime, there was the considerable task of communicating with "every manufacturer in the Kingdom who could be discovered".⁵ There were difficulties in obtaining lists of manufacturers in different industries, and the Commission was forced, when trade directories failed it, to adopt a piecemeal approach. Trade associations and chambers of commerce were asked to supply the addresses of firms in their industry or district,⁶ but this method of approach met with varying success: whilst the Boot and Shoe Manufacturers' Association and the Scottish Iron Manufacturers' Association were co-operative, Hewins noted that "it is extremely difficult to get a really good authentic list of textile manufacturers".⁷

Nevertheless, within a month the Commission had collected 74,000

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1. The process of reduction is considered in detail in relation to the iron and steel industry. See below, pp. 206-228.
 2. Form No. 1, qu. VIII.
 3. See, for instance, "Form No. 4 (Issued to Iron and Steel Manufacturers)" Iron and Steel Report, para. 92, reproduced in Appendix 5. See qu. V.
 4. See below, pp. 460-462.
 5. Lecture delivered by Hewins to the Women's Branch of the Tariff Reform League, St. Peter's Institute, London, S.W., 22 February 1904; loc. cit.
 6. T.C.M.(P), 21 January 1904; T.C.P.
 7. T.C.M.(VT), 17 March 1904, p. 4; T.C.P.

addresses of different enterprises, and distributed Form No. 1 to them, via a firm which specialised in distributing company prospectuses and general addressing contract work, in envelopes "guaranteed of British manufacture".¹

After the despatch of the great bulk of Form No. 1, the Commission still attempted to increase its coverage. By 16 February a further 3,200 firms had been located.² Much of this work was, in the end, undertaken by the Commissioners themselves, casting through their personal connections an ever-widening net to locate less prominent firms. Baynes and Eckersley, the representatives of cotton on the Commission, seem to have shouldered the brunt of work in supplying lists of firms, evidence, perhaps, that the Manchester Chamber of Commerce was reluctant to aid the enquiry.³ An attempt was made to establish "local consultative correspondents" for small trades which tended to be geographically concentrated.⁴ If all else failed the Commission resorted to the columns of the trade press. The multifarious and anonymous Birmingham metal trades were tediously exposed to the Commission's eye by a thorough search of advertisements in the Ironmonger. The purpose now was not only to discover new concerns, but also to make further approaches to firms which had not returned Form No. 1.⁵

The third element in the collection of information was the search for witnesses. It was more or less assumed that Commissioners would give evidence on their own trades and, occasionally, as in the case of Levinstein, on others too.⁶ But members constituted only the minor part. By 1910 some 400 industrial and 147 agricultural witnesses had appeared before the

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1. George S. Smith and Co. Ltd. to Hurd, 28 January 1904; Hurd to Smith and Co. Ltd., 30 January 1904; C-453, T.C.P. That British made envelopes should be used was a requirement of the Commission: a similar demand was made of the printers of the forms of enquiry and the reports.
 2. Smith and Co. to Hurd, 16 February 1904; *ibid.*
 3. Hewins to Eckersley, 6 May 1904; Eckersley to Hewins, 9 May 1904; C-124, T.C.P.
 4. T.C.M.(P), 21 January 1904; T.C.P.
 5. Hurd to Hewins, 2 December 1904; C-174, T.C.P.
 6. *i.e.*, on cotton as well as chemicals.

Commission.¹

Whereas the forms of inquiry were sent indiscriminately to firms, whatever their opinion on the fiscal question,² there is greater room for suspicion over its selection of witnesses. Though Hewins asserted that evidence was invited and taken from both Free Trade and Protectionist supporters, a widespread condemnation lay behind the mild words of Sidney Chapman, that "all [the iron and steel witnesses] were supporters in a greater or lesser degree of the tariff proposals".³ We must therefore examine the method of selection of witnesses.

The majority of witnesses were selected through informal channels, and here there undoubtedly occurred a considerable degree of discrimination, some intentional and some less so. The starting point was a series of visits made by Hewins to various manufacturing districts, mostly in the North, to meet businessmen and acquaint them with the objects of the enquiry. The first visit, to Manchester late in December 1903, was badly timed in view of the Christmas holidays, but its main purpose was probably to overcome the doubts of Ivan Levinstein about joining the Commission,⁴ and Hewins returned in February 1904. Levinstein was asked to arrange a meeting with a few "representative Manchester men including merchants" so that Hewins could explain the purpose of the Commission.⁵ At the same time Hewins visited Percy Glass, a Stockport cotton manufacturer who had first corresponded with him early in December 1903, with a view to securing the "best possible expert evidence" from the different branches of the cotton industry.⁶ A meeting at Middlesborough in March 1904 was arranged by

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1. "The Introduction of Tariff Reform: Statement by the Secretary of the Tariff Commission", released to the Press Association, c. 10 January 1910. Typescript copy in C-176, T.C.P.
 2. Indeed, the Commission could not possibly have known the fiscal alignment of the huge majority of the 77,000 firms which received Form No. 1.
 3. S.J. Chapman, "The Report of the Tariff Commission on the Iron and Steel Trades", Economic Journal, XIV, 1904, p. 617.
 4. See below, pp. 299.
 5. Levinstein to Hewins, 5 February 1904; C-599, T.C.P.
 6. Hewins to Glass, 30 December 1903; C-197, T.C.P.

Charles Allen, himself a director of Bolckow, Vaughan and Co.¹ There is fragmentary evidence that later in March Hewins was in Sheffield, on a visit similarly arranged by Allen and with the prime purpose of securing Douglas Vickers as a witness.² In September Hewins had meetings with businessmen in Bradford, Halifax, Leeds, Dewsbury and Huddersfield, these being arranged by Henry Mitchell and A.F. Firth, a Brighouse carpet manufacturer and member of the Textile Committee.³ Whereas this visit concentrated on developing connections with textile concerns, a subsequent visit to Leeds in October was exclusively devoted to engineering concerns, as was a rather unsuccessful visit to Glasgow in December, and meetings with Birmingham businessman during Hewins's stay with Chamberlain during the same month.⁴

Such meetings inevitably developed a protectionist bias by the nature of the men responsible for organising them. Levinstein arranged the second Manchester meeting under the auspices of the Tariff Reform League.⁵ Hewins, conscious of the importance of being seen to conduct a "scientific" and objective enquiry, was not happy with this procedure, and in arranging the Middlesborough meeting shortly afterwards he felt it important to stress that the gathering would be completely impartial and unconnected with the Tariff Reform League.⁶ Nevertheless, Mitchell and Firth, the organisers of the visits to Leeds and district, were both active in local Tariff Reform politics,⁷ and there was an ominous ring in Mitchell's intention that Hewins should "meet a few of the men who can give us the most help, at my house,

1. Ponsonby to Keen, 25 February and 1 March 1904; C-512, T.C.P. Keen was pessimistic about the success of the meeting in view of the division of fiscal opinion among Cleveland steelmakers. See below, p. 200.
2. Vickers to Allen, 15 March 1904; C-286, T.C.P.
3. Mitchell to Hewins, 8 and 29 August 1904; Hewins to Mitchell, 9 August 1904; C-741, T.C.P. Firth to Hewins, September 1904 [precise date unspecified]; C-1647, T.C.P.
4. Tariff Commission memo to Hewins, 22 October 1904; C-174.1, T.C.P. Hurd to Hewins, 2 December 1904; C-174.1, T.C.P.
5. Levinstein to Hewins, 8 February 1904; C-599, T.C.P.
6. Ponsonby to Keen, 1 March 1904; C-512, T.C.P.
7. Mitchell was connected with the Bradford branch of the Tariff Reform League (see biography, above, pp. 569-570) and Firth was in October 1904 president of the Halifax and District branch (see Firth to Hewins, 4 October 1904; C-1647, T.C.P.).

quietly" during the first visit.¹ Thus, it was likely that the meetings held would consist predominantly of protectionists. Free Trade friends and acquaintances of the organisers, or people from companies divided over the fiscal issue, would have been likely to stay away not only because of lack of sympathy but also to avoid embarrassing themselves and their hosts.

A similar bias occurred in the other methods of recruiting witnesses. The Commission's collected papers provide many instances of unsolicited letters from complete strangers who wrote suggesting friends and associates as possible witnesses. These the Commission followed up assiduously, by despatching Form No. 1 and awaiting the result. Indeed, it was not uncommon for the Commission to invite a businessman to be a witness on the basis of the "quality" of his replies to the forms of inquiry.² Not only was the definition of "quality" a subjective one, but in addition a Tariff Reformer was more likely to return the forms in the first place, and more likely to answer them carefully and completely in the second. The provision on Form No. 1 of a question asking whether the respondent would be willing to supply further information³ may have given the Commission an excellent indication of those who might, if carefully cultivated, be willing to serve as witnesses, but it also made it the more likely that those witnesses would be protectionists.

Occasionally such methods were found to misfire. When, in 1905, Hewins drew up a provisional list of Irish agricultural witnesses on the basis of personal recommendation and the "best" replies to the agricultural questionnaire,⁴ Goulding observed that they were a one-sided lot politically, and that greater effort should be made to secure the services of Irish nationalists.⁵ But Goulding's own approach was ambiguous: were his

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1. Mitchell to Hewins, 29 August 1904; C-741, T.C.P.
 2. Firth was invited onto the Textile Committee (and thus, almost ex officio, to give evidence) because of his forms. See Firth to Mitchell, 11 February 1904; C-741, T.C.P.
 3. Qu. XI.
 4. Hewins to Goulding, 12 July 1905; C-137, T.C.P.
 5. Goulding to Hewins, 11 July 1905; *ibid.*

difficulties in obtaining "good" Irish witnesses caused by their indifference to the Tariff Reform issue and their hostility towards the Unionist government, or were they the more objective difficulties of the attempt to recruit men "well known in the Agricultural world here", and the poor level of literacy and education that Goulding claimed frustrated his search at every turn?¹ On this occasion the Commission did endeavour to increase the representation of the Irish nationalists, with limited success.²

In other areas, too, there is less evidence of an obvious intention to rig the selection of witnesses. In many cases Hewins approached the nationally-known leaders of different industries as a matter of course, doubtless in the hope that their participation would increase the respectability and authority of the Commission. Here again Free Traders and the unaligned often refused. The refusal of Sir Thomas Dewar, whose principal business was in blended "grain" whiskey (made largely from maize) and was "hardly affected by foreign competition",³ so dejected Hewins that he wondered if it was any use attempting to collect evidence from the distillers as a group.⁴ Alfred Gilbey, on the other hand, continued to supply Hewins with possible names, and the fact that he requested that his role be anonymous suggests that both fiscal camps were represented on his lists.⁵ It should not be forgotten, however, that refusal to give evidence did not always imply a lack of sympathy with the Commission: Douglas Vickers supplied several names, including some from his own concern.⁶

In one difficult area, that of bleachers and dyers, Levinstein was so convinced that the response rate would be low that he sent huge lists of possible witnesses and advised that the Commission invite them all. As

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1. Goulding to Hewins, 25 January, 10 February and 20 September 1904; *ibid.*
 2. Hewins to Goulding, 13 July 1905; *ibid.*
 3. Dewar to Hewins, 12 October 1905; C-203, T.C.P. The attitude of the liquor distillers to Chamberlain's agricultural proposals is considered below, pp. 417-419.
 4. Hewins to Gilbey, 19 October 1905; *ibid.*
 5. Gilbey to Hewins, 20 October 1905; *ibid.*
 6. Vickers to Hewins, 4 July 1904; C-286, T.C.P. It might also be remembered that Dewar made contributions to Commission finance.

his list contained many hundreds of names Ponsonby requested a list of "some of the best ones" that could be asked to give evidence.¹ If there was intention to select on the basis of fiscal alignment here, the same cannot be said of the attempt to mobilise witnesses for the chemical industry proper. Levinstein supplied the complete list of members of the Society of Chemical Industry. He marked the 500 or so which he thought might give information, and put "two crosses against those whom it is desirable to get to give evidence".² But he stressed that "I cannot warrant however that all, or how many are favourable to a tariff reform; there may be amongst them some who are not".³ By now desperate for chemical witnesses, the Commission followed his instructions.⁴

Furthermore, there was one situation in which the Commission could not exercise control over selection even if it so wished. This was when representative organisations decided to provide evidence as a body by nominating their own delegates. It must be stressed that this was a course of action that was encouraged by the Commission. Sometimes, as in the case of the British Tube Trade Association, the result was a delegation obviously sympathetic to Tariff Reform. But at others witnesses hostile to Chamberlain's movement were appointed. The Paper Makers' Association, though co-operative in supplying the Commission with its membership lists, appointed three witnesses whom Lewis Evans knew to be hostile to Tariff Reform.⁵

On the whole, however, trade associations in manufacturing industry were reluctant to give evidence on behalf of their members, and preferred

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1. Levinstein to Ponsonby, 4 October 1904; Ponsonby to Levinstein, 13 October 1904; C-599, T.C.P.
 2. Levinstein to Hewins, 25 October 1905; *ibid.*
 3. *Ibid.*
 4. Hurd to Levinstein, 26 October 1905; *ibid.*
 5. Evans to Hewins, 1 July 1904; C-107, T.C.P. It is not known whether the Association's membership was predominantly Free Trade, or whether it was simply trying to effect a balance between Free Trade and Tariff Reform witnesses. Of eight firms, not including his own, held by Evans to be the most important in the UK, six were stated by him to be "hostile". He himself was a director of one of the remaining two.

member firms to act individually. Jeans' evidence on behalf of the British Iron Trade Association was a model of caution in attempting to avoid antagonising either extreme of fiscal opinion amongst his members. Other associations, such as the Scottish Iron Manufacturers' Association, discussed the Commission's request for block representation but decided "to leave individual firms to act on their own account",¹ in spite of there probably having been a predominance of protectionists within its ranks. Similarly, Mitchell wrote of the Bradford Dyers' Association that he was "afraid they would decline to act as an Association. You might try them".² It is perhaps not surprising that, as agriculture was less seriously divided over Tariff Reform than was industry, the proportion of agricultural witnesses nominated by chambers of agriculture was considerably higher than the proportion of manufacturing witnesses appointed by trade associations and chambers of commerce.³

It must also be mentioned that there were some occasions when Hewins actually sought Free Trade witnesses. The unsuccessful search for Walter Cliff, who had been mentioned to him as a Free Trade ironmaster willing to give evidence, was one.⁴ Furthermore, when Sir Percy Girouard⁵ informed Leverton Harris that William Pirrie, chairman of Harland and Wolff, had complained that he had offered to give evidence before the Commission but had been refused because he was a Free Trader, an obviously hurt Hewins informed Harris that an invitation had been sent to Harland and Wolff, but no reply had been received. Nevertheless, the Commission "will of course welcome all the information that Messrs. Harland and Wolff are good enough to give them".⁶ Harris, who from the first had been certain that Girouard's

1. James Hamilton to Hewins, 27 February 1904; C-618, T.C.P.
2. Mitchell to Hewins, 27 April 1904; C-741, T.C.P.
3. This point was specifically made in "The Introduction of Tariff Reform: Statement by the Secretary of the Tariff Commission", *loc. cit.*
4. Hewins to Evans, 5 May 1904; C-107, T.C.P. Approaches were also made to Sir Christopher Furness, the prominent shipowner. See below, p. 201.
5. At the time Commissioner of Railways in the Transvaal and Orange River Colony; Who was Who, III, 1929-1940.
6. Hewins to Leverton Harris, 9 November 1905; C-295, T.C.P.

statement "must be made under a misapprehension",¹ wrote immediately to Pirrie enclosing Hewins's explanation, and expressing his pleasure at Pirrie's intention to give evidence, explaining that "We want to get the views of Free Traders as well as the Tariff Reformers ... We had Sir Andrew Noble and other shipbuilders before us last week."² Pirrie's reply, although thwarting what was obviously a genuine desire to hear him give evidence, agreed entirely with Hewins's account of the episode and justified his action in not pressing the Belfast firm further:

... as Mr. Hewins says in his letter, an invitation was actually given to my firm, but I did not feel disposed to supply the information desired and therefore thought the simplest way was to leave the communication unanswered, especially as I myself have not at any time had the smallest desire to give evidence before the Commission on such a subject, upon which I take a very strong side. I am, however, none the less obliged to you for kindly interesting yourself in the matter to the extent you have done.³

Our conclusion must be that the bias towards the selection of protectionist-inclined witnesses arose in two different ways. The first was the recruiting role of individual Commissioners, and the extent of bias would of course depend on the Commissioner involved. Whilst some supplied Hewins with the names of those most prominent in their industry irrespective of political views, others, as Tariff Reformers and Unionists themselves, tended to gravitate in their selection to the like-minded among their friends and associates.

But the second way reflected less discreditably on the Commission. Free Traders, when approached, refused to co-operate unless, as in the case of the Paper Makers, they had institutional approval and authorisation from their business community. It is ironic that this inevitable reluctance to associate with the Commission's activities prevented any considerable Free Trade representation on those industries where the Commission was meeting difficulties in obtaining witnesses: it was in these industries particularly

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1. Leverton Harris to Hewins, 9 November 1905; *ibid.*
 2. Leverton Harris to Pirrie, 11 November 1905; *ibid.*
 3. Pirrie to Leverton Harris, 13 November 1905; *ibid.*

that the Commission would have been glad of their presence. For, if the prime objective of the Commission was to construct a scientific tariff, the desire to be seen to conduct an objective enquiry which commanded public credibility was no less prominent. Furthermore, though there was of course a strong element designed for public consumption in Hewins's statement that "the Commission are alone interested in obtaining the facts with respect to each industry without regard in any way to the views which firms or witnesses may happen to hold on fiscal or other questions",¹ it did also reflect the belief of the Historical Economists that facts were facts, that facts revealed causation and of themselves suggested remedies, and that it was unimportant where those facts came from. The Cotton Report is an indication of how the Commission treated an industry where the logic of Free Trade still stood intact.² With stronger participation by Free Traders it could have been rendered even more impotent.

Yet such Free Trade participation was unthinkable. The Tariff Reform "debate" was really never a debate in the proper sense at all. Each side asserted its position, poured sarcasm and abuse upon the other, and then turned to its friends to receive applause for its antics. When, in such a climate, the Commission was criticised as the usurper and grotesque mimic of the proper function of a Royal Commission, the die was cast. From the early days, there was no real possibility of Free Trade participation in the enquiry, even to thwart its objects.

III

Receiving information in such quantities, the Commission had to process it. It achieved this by large-scale indexing on 5" x 3" cards. Forms of inquiry were split up into questions, and firms' remarks on each were put on card. Then the remarks were cross-indexed and put into different subject

1. Hewins to Leverton Harris in the letter that was forwarded to Pirrie, 9 November 1905; *ibid.*
 2. See below, ch. 6.

indexes. As Hewins explained the process to the interested public:

When the forms are received at the offices of the Commission, they are first of all handed to members of the staff, who go systematically through them and number every page; the last sheet of the form on which the name appears of those firms who desire their information to be regarded as of a strictly confidential nature is torn off. The form is then handed to other members of the staff, who make a complete index of the firms supplying information, of the trades and branches of the trades represented, and of the localities from which the information has been received. The next stage of the inquiry is the first tabulation of the evidence. Every form is carefully examined, and the evidence which is contained in it entered in books specially prepared for this purpose. In the second tabulation, individual questions of a more detailed character are further analysed, and the staff of the Commission is then in a position to make a summary of the evidence supplied.¹

The organisation of this indexing problem required special talents. Early in January 1904 Hewins had found a suitably qualified man in the shape of Julius Kaiser, currently doing a similar job for British Westinghouse. Hewins thought the substantial salary required by Kaiser, £6 per week in the first year and £8 in the second, to be acceptable. Previously responsible for the Philadelphia Commercial Museum,² Kaiser had had a staff of 28 under him, including twelve indexers and five translators. His knowledge of foreign languages would solve the problem of indexing foreign material, and his references showed him to be extremely hard working. "This will give you some idea of what efficient indexing on a considerable scale involves", wrote Hewins to Pearson,³ conscious of the emphasis he had had to lay on the size of the project when discussing it with Chamberlain. Kaiser's terms of reference were to "be responsible, under my [Hewins's] direction, for the complete indexing and cataloguing of all correspondence, evidence, papers, documents, abstracts and other materials furnished to the Inquiry".⁴

The next stage in the production process was to combine the information

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1. "Memorandum on the Work of the Tariff Commission: Based upon an article by Mr. W.A.S. Hewins, Secretary to the Commission, in the Empire Review, of April 1904", Mm. No. 21, 11 February 1905, pp. 1-2.
 2. Kaiser had come to Britain in 1899.
 3. Hewins to Pearson, 1 January 1904 (mis-dated 1903); C-176, T.C.P.
 4. Hewins to Kaiser, 7 January 1904; 47/155, H.P.

contained in the questionnaires with the information that already existed in printed works. This was done by "the preparation of a special memorandum on the various points dealt with in the forms, and their relation to evidence which has been put together in memoranda based upon official returns and scientific works".¹ These memoranda, in the early stages confidential and for the use of Commissioners only, were discussed in committee and then usually embodied, with rewriting and amendment, into the body of the published report. But in the meantime this examination uncovered the "points on which it is desirable to obtain more detailed information" by the examination of witnesses.²

Oral evidence, then, was necessary because of the failure of other types of information to cover crucial points of detail. But here the Commission could not maintain its mechanical approach to the processing of data. The selection of areas in which further information was required was necessarily a subjective one.

Hewins admitted that "the whole scheme of the inquiry would break down unless it were conducted in a strictly impartial and scientific manner".³ But in fact impartiality was not really sufficient. The use of the word "scientific" was the key to an assumption, never clearly spelled out,⁴ that description revealed causation. The consequences of the invalidity of that assumption can be seen most clearly by examining the sequential way in which Hewins maintained that his method would analyse the problem:

The result of this inquiry, so exhaustively conducted, and so completely tested by expert evidence, should be to show clearly:-

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1. Mm. No. 21, p. 2.
 2. Ibid.
 3. Ibid.
 4. It is, however, revealed in the different attitudes of Hewins and Leverton Harris to the opportunity of receiving evidence from William Pirrie. Whilst Harris welcomed "the views of the Free Traders as well as the Tariff Reformers", Hewins's conception was that "the Commission are alone interested in obtaining the facts with respect to each industry without regard in any way to the views which firms or witnesses may happen to hold". See Hewins to Leverton Harris, 9 November 1905 and Leverton Harris to Pirrie, 11 November 1905; C-295, T.C.P. (my emphasis).

Whether, in fact, any given industry is declining or progressing;

What are the causes of the decline, where such a decline has taken place;

To what extent the fiscal policy of this and other countries has been a factor in bringing about that state of affairs;

And to indicate whether it is likely that these conditions can be altered by a change of policy on the part of Great Britain.¹

It can be seen immediately that only the first of these four steps could be proved adequately by largely objective criteria, using economic indices extracted from official publications, updated, perhaps, with the latest estimates from trade associations and industrial experts. The second, the causes of any proven decline (however defined), could only take the form, under Hewins's method, of a list of contributory factors attested to by the suppliers of the information. Since much of the Commission's information, even the backbone of it, was provided by firms, the list would concentrate on a traditional and rather predictable list of the perceived ills of the manufacturing community - labour practices and trade unionism, unfair local and national taxation, patent legislation, and sharp practice by foreigners and middlemen are just some of the more obvious. In a strict philosophical sense, the fact that such causes were established to the enquirers by manufacturing opinion rather than by some rigorous, laboratory-determined proof was enough to render the claim to scientific method untenable. But even a more tolerant, real world critic, who substituted the concepts of balance, reason and plausibility for the unattainable one of science, could justly claim that manufacturers would tend to undervalue certain causes of decline - their own shortcomings, particularly - and could not possibly be expected to know of the sum total of such causes. The third step shows all these dangers in accentuated form. Manufacturers had not only to list the causes of any decline: they also had to be able to quantify them. How else could they assess the relative importance of British and foreign commercial policy in this vast equation? Indeed, it is only in the fourth

1. Mm. No. 21, pp. 2-3.

step, dealing with a hypothetical situation in the form of the "likely" effects of a change in British commercial policy, that Hewins admitted that there was any element of speculation in his method at all.

The lesson is obvious. Manufacturers, though well-versed in the day-to-day practices and problems of production and (perhaps) trade, were no more capable of analysing the huge equation of growth and stagnation in their own industry than was anyone else. In a pure sense, they were being asked for information they could not possibly give. They supplied instead opinion, reason and prejudice, which the Commission then, by the nature of its being, chose to regard as fact. It is hardly surprising that, in compiling its reports, the Commission cannot be accredited with having produced a scientific methodology in any significant sense.

Yet what the Commission did, in its pompous blustering about the importance of an impartial, objective and scientific enquiry, was to conceal the introduction of a theory into its supposedly inductive method, a theory most important in terms of the Commission's own objectives. We might agree that description can seek to explain causation only with the aid of theory, but that does not make one theory in particular exclusive or inviolate, and its introduction thwarts pure induction. The Commission's theory, undoubtedly the work of Hewins, was to link all the causes of decline, via the "reduction" process that we have outlined above, into one big, related package that rested on the monocausal action of foreign tariffs and British free trade. The way in which this was done is best left to the discussion of a detailed case study, and the iron and steel industry has been chosen for this purpose.¹ But, anticipating later analysis, we might notice that this monocausal theory sought to establish the development of large scale in German and US heavy industry, and the relative lack of it in British heavy industry, as the reason in explaining virtually all of Britain's perceived ills around the turn of the century, and a variance in commercial policy

1. See below, pp. 210-228, especially pp. 212-213.

as the critical reason in explaining the relatively different degrees of business concentration.

Today, of course, we would reject such a narrow analysis. Capital markets, business attitudes and heritage, factor prices and the structure of market demand might all be used to explain the relative absence of large scale in British industry, though we would not dismiss the importance of tariff protection as a contributory factor. Furthermore, these diverse elements were not unknown to contemporaries. Alfred Marshall's Industry and Trade, though published in 1919, is essentially pre-war in character, but it shows a detailed appreciation of such factors.¹ What is to be remembered, however, is that the tyranny of large scale and its filial relation to the tariff was generally given far more emphasis than it is today, when thirty years of the development of huge industrial corporations has shown us that they do not necessarily depend for their existence on high tariff regimes. Yet Hewins, though he wrote what was perhaps the most elaborate exposition of the theme that "the tariff is mother of the trust" ever produced for the general public rather than specialist consumption, was seeking less to stir up a reaction against large scale² than he was to urge the imperative that Britain must join the inexorable march towards it.

If the Commission failed in its attempt to examine the fiscal question by pure induction, it also failed in another of its basic objects, that of constructing an integrated tariff. The examination of witnesses was arranged in industrial groupings, and was, as has been shown above, regarded as the last stage in the preliminary work of gathering information, prior to the writing of the reports.³ Thus, when the Iron and Steel Report was considered in proof form in June 1904 only 67 out of the eventual total of

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1. A. Marshall, Industry and Trade, (London, 1919), passim but especially Book III.
 2. As was the objective of many semi-popular US works, e.g. G.L. Bolen, The Plain Facts as to the Trusts and the Tariff, (New York, 1902), and F. Pierce, The Tariff and the Trusts, (New York, 1907).
 3. After abstracting and preliminary drafting, the main task of writing the reports fell to Hewins. A few of the later memoranda were entrusted almost entirely to Rosenbaum.

over 400 industrial witnesses had been examined.¹ This inevitably meant that reports on some industries were written before the conditions of related industries had been examined. Most important, perhaps, was the relationship between iron and steel and engineering. The time lag (in this case a maximum of five years, though most of the engineering witnesses were examined well before the appearance of the Engineering Report in 1909) was particularly critical in respect to the Commission's objectives. It was a central belief that the tariff structure advocated should create harmony rather than divisiveness amongst the industrial community. Tariff levels had to be suggested that would not be inimical to the competitiveness of user industries, and the tariff suggested to the user industries had to be drafted with allowance being made for protection imposed on semi-manufactured inputs. Whilst the Commission approved of Hewins's concept of harmony, it found it difficult to achieve that harmony in practice. Most members, therefore, initially felt it expedient to make no suggestions as to detailed duties until the whole enquiry was complete, one of the most important single pieces of evidence of the caution, seriousness, and even moderacy with which most of the Commission regarded their task. Chamberlain, however, was perhaps interested in the Commission as a direct rather than an indirect tool of his political propaganda: certainly he forced a change in Commission opinion in the direction of publishing a provisional tariff schedule on iron and steel goods.² Consequently, such a provisional schedule, modelled closely on the Glasgow programme, appeared in the reports on iron and steel and cotton.

What had started as a "scientific" and objective study of industrial conditions had quickly, indeed inevitably, developed into a contentious thesis, not an indefensible thesis but one pursued, in an academic sense, with over-riding and unwarranted determination. What is curious about the industrial series, when read, is the paradoxical juxtaposition of immense

1. T.C.M.(P), passim.

2. This episode is treated in more depth below, pp. 269-296.

detail with incautious use, of technical vocabulary with partial argument, of academic appearance without academic detachment, of the spirit of enquiry with little evidence of the attempt to control preconception.

That the Commission was indifferent towards, even unconscious of, the flaws in its own approach does not detract from its interest. No combatant in the Tariff Reform controversy publicly retracted his contributions, or regarded them as less than axiomatic truth.¹ The Commission was not unique. It was not surprising if businessmen had little working knowledge of the philosophies of history and of science, and it is hardly less surprising that Hewins did not keep continually introducing them to the subject. For it is important to recognise that the grounds upon which we have questioned the enquiry's methodology are in themselves too metaphysical to have found favour with the Commission. If practical men, listening to the evidence of hundreds of other practical men, could not describe industrial decline, and thereby understand and explain it, who could? And, if the mechanism of tariff-induced combination as a prime reason for Britain's critical position was theory, was it not theory derived from inductive study?

IV

The Commission established its offices at 7, Victoria Street, London S.W., in sight of the Houses of Parliament in a street populated with political offices and quasi-political institutions. It shared the same building as the headquarters of the Tariff Reform League, and lay across the street from the Free Trade Union.² Though there was no doubt informal contact between the staffs of the League and the Commission, the two organisations remained separate and distinct, especially in the early years,

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1. There is some evidence that Alfred Marshall, in private, realised the shortcomings of the "manifesto" of the "fourteen professors". See Marshall to Brentano, 26 August 1903, in H.W. McCready, "Alfred Marshall and Tariff Reform, 1903: Some Unpublished Letters", Journal of Political Economy, LXIII, 1955, p. 266.
 2. No. 8, Victoria Street.

despite some confusion over the difference between them by politicians and public alike.¹ Though there is little surviving correspondence between the Commission and League headquarters, the fact that the Commission maintained contact with League branches, especially those in the manufacturing districts of the North, suggests that this was because formal contact was unnecessary.

There is no surviving evidence of the size of the Commission's establishment in its early months, though from July 1904, just before the publication of the first of the "industrial" series of reports, the record is complete. In July, the Commission employed 14-16 staff paid on a weekly basis, as well as Hurd and Kaiser, classed as quarterly staff, and Hewins himself. Though this was when the Iron and Steel Report was nearing completion, it seems unlikely that the number employed had altered much since operations had begun in January; indeed, it stayed approximately constant (mostly between 13 and 17) until the late summer of 1905.

Most of the employees were engaged as clerks, typists, indexers and collaters. The most senior were Rosenbaum, in time to work his way up to become the Commission's "statistician", and A.B. Hughes, probably the office overseer. Of the sixteen weekly staff (including five women) employed on 2 July, eleven received wages of thirty shillings (£1.50) or above,² and five, including two women, earned £2 or over. From a comparison with the value of permanent appointments registered by the Liverpool Clerks' Association³ we can see that the Commission had a relatively high proportion of workers in the £100-£200 p.a. category, though the average of Tariff Commission employees in this group was only £115 p.a., and upward mobility was limited. The Commission had several low paid workers earning 8 shillings (40p) to fifteen shillings (75p) per week. It would seem

1. See below, pp. 180-181,
2. Enough for a single-income family to qualify for Class "D" in the famous York study. See B.S. Rowntree, Poverty: A Study in Town Life, (London, 5th Edn., 1903), pp. 65-80.
3. It is, of course, realised that there may have been an income differential in favour of the metropolis, but we might incline to the view that it would have been smaller than it is today.

probable that these were young employees, and if this is so they appear to have been relatively well paid compared with their counterparts in Liverpool in the year 1907.¹ It would appear from this crude comparison that the Commission did not pay its staff badly by the standards of the day, but it is perhaps worthy of note that Hewins's gross salary at this time about equalled that of the sixteen weekly staff put together, whilst Hewins, Kaiser and Hurd together probably earned half as much again as their subordinates.²

TABLE 6

Clerical Wages: Tariff Commission and Liverpool Clerks' Association, 1900-1905

	Less than £50	£50-100	£100-200	£200+
1. LCA (1900)	-	261	34	8
2. TC (1904)	5	6	5	2
3. LCA (1905)	-	171	25	14

Sources: (1 and 3) G. Anderson, Victorian Clerks, (Manchester, 1976), Table 9(b), p. 86.

(2) Weekly Salaries Book, 1904-1921, T.C.P.

The size of the office remained approximately constant until late in 1905. With such staff, Hewins was able to produce three of the industrial series and twenty-six memoranda, most of which were published. Pressure on the printers was at times extreme, Vacher and Sons of Gt. Smith Street having to put up with a constant flow of last minute alterations made necessary by the changing whims of the Commission over frequently trivial issues. After the Iron and Steel Report was published Hewins recorded:

... my appreciation of the way in which this work has been done by your firm under extreme pressure. I would especially mention your Mr. Smith, who by his

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1. G. Anderson, Victorian Clerks, (Manchester, 1976), Table 6, p. 56. See also Anderson's table of earnings profiles in the Sea Insurance Company, ibid., Table 4, p. 25.
 2. Hewins earned £1200 p.a., Kaiser £312 in his first year. Hurd's salary is unknown but was probably close to Kaisers'. In week ending 2 July 1904 total weekly staff salaries were £23.7s.0d. (£23.35).

energy, devotion and skill has been mainly instrumental in getting the work through rapidly and well.¹

This satisfaction, however, was in no small way due to the care taken over the handling of the Commission's business by Smith, and when Hewins and Hurd began to question certain of Vacher's charges the old-established printing firm was stung into a rather tearful rebuke which eloquently testifies to the tightness of the Commission's self-imposed schedule:

As regards the item of £66.12/- it must be apparent that this is not excessive. Mr. Hurd knows that our premises and staff were entirely given over to your work from Saturday 1 o'clock until Monday 8 am. and he is also cognisant of the fact that the effort we made to carry out your instructions that the work "must be done" was an achievement of which we have every reason to feel proud, and which at the time you expressed your satisfaction with. It may not have come to your knowledge that our Mr. Smith hardly had any sleep during that time, as at all hours of the night he had to go on his bicycle to Mr. Rosenbaum's house at Acton and get proofs passed for the machines which were waiting to print off. We have not charged you a penny for his services, and we do not believe that another man in London could be found who, at the risk of his health, would have done what he did, nor is there any Firm who would not have charged for such exceptional attention.²

In August 1905, however, staff shortages and printing problems were becoming more acute, partly because the large task of abstracting and indexing information for the Agricultural Report was being undertaken at the same time as Hewins was pressing for completion of the textile reports. Hurd was being forced to hire additional help "as the work requires it".³ Furthermore, Hurd had ascertained that in executing the reports on the textile industry, Vachers were working at full capacity, and it was agreed that another printing firm, McCorquodale and Co. Ltd., should produce the Agricultural Report.⁴

This period in August, when a shortage of typists was holding up the processing of the agricultural forms of inquiry,⁵ was a prelude to a large

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1. Hewins to Vacher and Sons, 22 July 1904; T.C.P.
 2. Vacher and Sons to Hewins, 22 March 1905; T.C.P. (Vachers' emphasis).
 3. Hurd to Hewins, 15 August 1905; C-174,1, T.C.P.
 4. Hewins to Hurd, 16 August 1905; *ibid.*
 5. Kaiser to Hewins, 17 August 1905; *ibid.*

expansion in the Commission's staff. By the autumn staffing levels had hit a plateau of nearly thirty, sufficient to allow work to be started on processing the engineering evidence in addition to all the other work in hand. Kaiser, whose preparatory indexing work was essential to production, took his holiday at Christmas: thus Hurd felt that operations would "be in full swing" whilst he was absent.¹ Indeed, it appears that Kaiser's example was followed by the rest of the staff. Little (unpaid) holiday was taken in August 1905, in marked contrast to the more stable period after the 1906 Election, when, typically, the office was virtually closed down for two weeks in August. Peak employment of 32 was reached in the last week of December 1905, with the Election very much in the air. But this peak was not significantly higher than the plateau reached in September and October, well before Balfour resigned.

The plan to complete the industrial series by January 1906 was not accomplished, however. Though most of the textile reports had been published by the end of December 1905,² that on agriculture had to be carried over to 1906 whilst the Engineering Report did not appear until 1909. This second phase of the Commission's life, heralded by the mild re-organisation of early 1906, was characterised by a much more stable level of employment and, probably, by a greater appearance of routine in the running of the office. Though there were still further volumes of the industrial series to appear, the Commission's role within the Tariff Reform controversy had begun to change.³

From the start the Commission had attempted to arrange a large press coverage of its activities, and had even had printed a tiny folded card carrying an abbreviated version of Chamberlain's speech at the first meeting. Some of Hewins's speeches concerning the objects of the Commission were

1. Hurd to Hewins, 11 August 1905; *ibid*.
2. The Woollen and Worsted Report, published early in December, carried an optimistic advertisement announcing publication of the reports of hosiery, lace and carpets on 18 December and that on silk on 27 December.
3. See below, pp. 477-483.

issued as pamphlets. In a similar way, it was necessary to achieve the widest possible popularisation and dissemination of publications.

The early memoranda were posted free of charge to all chambers of commerce and trade associations, all MPs, and to "effective" peers, as well as to colonial ministers and "other Colonial authorities",¹ though it appears likely that Liberal politicians were soon to disappear from the list. But the Commission also sought to pave the way for its publications among the general public by supplying the press with ready-written advance notices. This could occasionally cause difficulties, as when the Evening Standard pre-empted the publication date, or when the Standard ascribed the authorship of Mm. No. 3² to the "Tariff League Commission" and abridged the advance in a way that Hurd disliked.³ But, given the predominance of Tariff Reform opinion in the national press, this procedure ensured a wide coverage. Sixty-nine newspapers printed the advance notice of Mm. No. 3 and many also mentioned the memorandum in their editorials.⁴

Furthermore, although Hewins was anxious to preserve the scientific impartiality of the Commission in the eye of the public, he was not reluctant to prompt willing Commissioners to act, as it were, "outside the Grange" in the promotion of the Commission's findings. On hearing from Jones that Liverpool Chamber of Commerce, under Jones' presidency, was "most anxious" to distribute early memoranda to its members, and had sent a large order to the office, Hewins hoped that Jones would arrange a discussion in the Chamber so that it could "thoroughly ventilate" the question of the problems of British industry.⁵ At the same time he was determined to keep Balfour aware of the Commission's work, and Grenfell agreed to keep the Prime Minister informed of the progress being made on the Iron and Steel

1. Hewins to Jones, 12 March 1904; C-417, T.C.P.
2. "Memorandum on the Iron and Steel Trades", Mm. No. 3, n.d. but c. 20 February 1904.
3. Hewins to Ed. Evening Standard, 20 December 1905, and Hurd to Ed. Standard, 12 February 1904; C-176, T.C.P.
4. Tariff Commission memo to Pearson, 9 March 1904; C-176, T.C.P.
5. Jones to Hewins, 4 March 1904, and Hewins to Jones, 7 March 1904; C-417, T.C.P.

Report.¹ But perhaps the largest such programme of advertisement was that carried out by the Agricultural Committee. When Chaplin spoke to the Lincolnshire Chamber of Agriculture on the Agricultural Report late in 1906, Hewins had seen to it that Frankish, acting as if from the Chamber itself, had arranged national press coverage. At the same time Matthews, one of the leading members of the Agricultural Committee, was distributing 1,000 copies of the report in his position as Secretary of the Central Chamber of Agriculture, and encouraging local chambers to discuss it.² There can be little doubt that, had such activities been made public, Hewins would have claimed that he was merely ensuring the widest circulation of the results of his objective enquiry, and that the tariff question should be widely discussed in the non-partisan spirit suggested by Chamberlain. But it is easy, in retrospect, to see the hand of the Tariff Reform propagandist, less obvious perhaps than it was subsequently to be played, but different rather in degree than in any fundamental sense.

Indeed, it cannot be doubted that much of the Commission's literature was destined for partisan hands. Though it appears that the Tariff Reform League purchased large quantities of Commission publications and supplied them to local branches as a matter of course,³ the local branches regularly wrote requesting replacements for lost copies or larger orders for local propaganda campaigns. Commission members such as Follett and Baynes ensured that their own branches kept complete files of the Commission's works.⁴ Other local organisers of the League were willing to receive unlimited amounts of material as long as it was free of charge, but reduced their orders to a

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1. Hewins to Grenfell, 20 May 1904, and Grenfell to Hewins, 21 May 1904; C-198, T.C.P.
 2. Hewins to Frankish (telegram) and Frankish to Hewins, both 27 November 1906; 1304, T.C.P.; Hewins to Matthews, 26 November 1906; C-756, T.C.P.
 3. This, at least, was the case in 1908. See Hewins to N. Grattan Doyle, General Secretary of the Northern Tariff Reform Federation, 28 July 1908; C-4264, T.C.P.
 4. Follett to Hewins, 6 February 1909; C-633, T.C.P.; H. Heydeman (Secretary, Manchester T.R.L.) to Anderson (Tariff Commission), 15 October 1907; C-1947, T.C.P.

mere handful of copies when advised that payment would be required.¹

But the circulation of the reports was intended to be wider than this. Firms which supplied information regularly to the enquiry could expect to receive copies of reports and memoranda, as could firms and individuals who made even quite small contributions to the Commission's finances. Doubtless the Commission's willingness to act as an information agency on specific commercial questions was in part a public relations measure designed to supplement this. Public and university libraries throughout the UK and, in two cases at least, it is known, in Canada, were treated on the same basis. If the Board of Trade felt its complimentary copies of Commission publications to be an embarrassment it never actually said so: indeed, after the controversy cooled down after the 1906 Election the Liberal Board of Trade actually requested memoranda dealing with the structure of colonial tariffs.² The Colonial Office was similarly treated, and its autonomous requests for publications were rather more numerous than were those from the Board of Trade.³

The precise scale of the Commission's operations in disseminating its publications is not exactly known. The Iron and Steel Report, distributed by P.S. King and Son, a publisher already heavily involved in material relating to the fiscal controversy, sold over 1,000 copies within its first six weeks.⁴ Though this figure included 200 bought by a large bookseller for stock, this very act in itself implies that large sales were expected, and not only by the Commission itself. Such sales pale into insignificance when compared with Gladstone's pamphlet on the Eastern question, which in three or four days in 1876 had sold 40,000 copies,⁵ but it must be remembered

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1. Grattan Doyle of the Northern Tariff Reform Federation was notorious in the Commission offices for this. See C-4264, T.C.P., passim.
 2. C.J. Bickerdike (Board of Trade) to Hewins, 9 January 1908, and G.C.L. Maunder (Board of Trade) to Hewins, 31 March 1909; C-1591, T.C.P.
 3. C-7926, T.C.P., passim. The Royal Colonial Institute was also the recipient of the Commission's generosity. See C-4327, T.C.P.
 4. Hurd to Hewins, 1 September 1904; C-174.1, T.C.P.
 5. R.C.K. Ensor, England, 1870-1914, (Oxford, 1936), p. 45.

that the public was already being deluged with fiscal literature, perhaps intrinsically less fascinating than Bulgarian atrocities, and the report's cover price of 2s.6d. (12½p) was equivalent to that of a low-priced academic publication.¹ Furthermore, it neglects larger quantities given away free. The most detailed information we have relates to the distribution of the Iron and Steel Report as at 5 May 1905, though as the report remained on sale for several years after this, we cannot accurately gauge total distribution from it:

TABLE 7

Iron and Steel Report: Distribution by 5 May 1905

Circulated by the Commission and the League to the Press, Peers, MPs, Witnesses, etc.	2651
Sold through P.S. King & Son	1067
On sale with Simpkin Marshall & Co.	100
Stock on Hand	<u>2182</u>
Total Printed	6000

Source: Hewins to Pearson, 5 May 1905; C-176 T.C.P.

It does appear, however, that the heaviest sales occurred almost immediately, in the publicity that accompanied the launching of a report, and that circulation after the preliminary boom was probably more due to the gratuity of the Commission and the League than any large autonomous consumer interest. There appears to have been only one of the industrial series, the Agricultural Report, which had to be reprinted, though this is not certain. The Cotton Report was not reprinted, and stocks were exhausted fairly quickly. Thus it is probable that the initial print supplied by Vacher and Sons, 2,400 copies, represents the entire total. Of these, Vachers sent 656 to the Commission offices, 400 to P.S. King and Son, 500 to Harold Tremayne,² and

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1. Methuen's famous "Books on Business" series, including J.S. Jeans' Iron Trade of Great Britain, (1906) and S.J. Chapman's Cotton Industry and Trade (1904), sold for this amount.
 2. First Literary Secretary of the Tariff Reform League (1903 to 1906, when he retired through ill health). Previously had been journalist, first with Western Morning News and then on Parliamentary Staff of Daily Chronicle; Who was Who, I, 1897-1916.

kept 844 in hand.¹

Though the Cotton Report probably had the smallest print of any of the "Red Books", and though the Agricultural Report appears to have had a wide distribution amongst the farming community, many Commissioners were far from satisfied about the extent to which their work was being read in the country at large. Jones had noticed this failure at the outset, and the Iron and Steel Report had been in circulation less than a month when he told Hewins that he thought too few people were getting hold of it. "I think," he wrote, "if we could see our way to distributing say 10,000 copies to the different Workingmen's institutions and such like places it would be a very good thing".²

This feeling was shared by the General Purposes Committee. Chamberlain had once expressed to Hewins his view that "working men will not pay attention to many figures or to abstract economics", and that it was necessary to ensure that such information should "filter down into a more popular form".³ Within six months it was decided to publish a cheap and abridged version of the Iron and Steel Report which might have a "substantial sale".⁴

At a meeting of the General Purposes Committee it was Pearson who had suggested publication of popular editions of all the reports at 1d. each.⁵ By June 1905, however, his experience of the problems of disseminating propaganda from both the League and the Commission had diminished even Pearson's zeal for a raging, tearing propaganda. When Hewins suggested that the League might help in popularising the Cotton Report, Pearson, whilst agreeing on the "extreme advisability" of bringing the Commission's conclusions "down among the masses", thought that a pamphlet on the subject would not sell on a large scale unless "favourably disposed manufacturers

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1. Smith to Hewins, 15 June 1905; Vacher correspondence, T.C.P.
 2. Jones to Hewins, 14 August 1904; C-417, T.C.P.
 3. See above, p. 77.
 4. Hewins to Pearson, 18 January 1905; C-176, T.C.P.
 5. 47/62, H.P.

could be induced to buy at a rate to cover cost of production, and distribute them among workmen in their districts".¹ This may or may not have reflected the immediate financial situation of the League, but it is perhaps of wider significance that, six months before the Election, the League was deliberately cutting down its distribution of literature rather than extending it.

Nevertheless, the Commission went ahead with its own plans for producing popular reports aimed primarily at working men. By the early summer of 1905 10,000 popular editions of the Iron and Steel Report had been printed, over half of them being distributed by the Commission and the League and nearly a quarter having been sold.² The initial print of the popular edition of the Woollen and Worsted Report was even larger, being 20,000. The proximity of its issue to the General Election undoubtedly helped its popularity. The Commission sent copies to all Unionist candidates and the Tariff Reform League took another 5,000.³

Yet it is evident that even the popular editions fell short of the coverage desired. In seeking to ensure widespread publicity for the Cotton Report, Baynes and Chamberlain tried another tactic which, in making it appear that publicity did not come directly from the Commission itself, was reminiscent of the eulogistic yet anonymous leaders that Hewins had written for the Morning Post on the establishment of the Commission. Baynes, or perhaps Hewins, wrote a short summary of the report, and Chamberlain suggested a circuitous method of publicity:

Would not the best way be for some correspondent, who should himself be in the Cotton trade, to send me the paper as it is as being his interpretation and summary of the Report of the Commission, and enquiring whether it correctly expresses my views?

Then I could reply in the affirmative in 2 or 3

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1. Pearson to Hewins, 7 June 1905; C-176, T.C.P.
 2. 5,100 had been circulated from Victoria Street, 2,368 had been sold by P.S. King & Son, 1,040 were on sale with W.H. Smith & Son and 1,492 were in stock: Hewins to Pearson, 5 May 1905; C-176, T.C.P.
 3. Hurd to Hewins, 30 December 1905, and (two letters) 1 January 1906 (both mis-dated 1905); C-176.1, T.C.P.

lines expressing my sense of its importance and my entire agreement.¹

Thus Baynes "formally" sent Chamberlain "a brief summary and interpretation of the report" to meet the wishes of "Many manufacturers in Lancashire" who felt the need for a short, simple and concise statement of the report's main points, in view of its "great importance to all classes".² In addition to forwarding this contrived "exchange" of correspondence to the press, the Commission had it printed in large numbers. Jones alone ordered 10,000 copies of this "Cotton Summary" for use in Liverpool and district.³

It is clear, however, that such expedients failed to overcome the basic problem that, in a time when much of the electorate must have been heartily sick of the Tariff Reform issue, the Commission's publications were only reaching a small minority, many of whom were already sympathisers. Few firms were willing to act as Pearson had hoped in distributing material to their employees, in spite of the sending of a circular letter by P.S. King and Son to leading firms quoting low wholesale prices for this purpose. The Staffordshire tile manufacturer who supplied all his employees with copies of the Pottery Report appears to have been something of a rarity,⁴ though the practice may have been rather more common in firms with which Commission members and witnesses were concerned.⁵

The Commission's disappointment over the level of popularity achieved by its publications was never removed. As late as 1909 Sir Joseph Lawrence, a Tariff Reform MP and a close correspondent and warm supporter of the Commission, was surprised to find that a Mr. Turner, a chief partner in the great Leeds firm of Fowlers, had not heard of the Engineering Report.⁶

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1. Chamberlain to Hewins, 10 June 1905; H.P.
 2. Baynes to Chamberlain, 17 June 1905; 47/177, H.P.
 3. Hewins to Jones (telegram), 1 July 1905; C-417, T.C.P.
 4. Hurd to Hewins, 27 March 1907; C-174.1, T.C.P.
 5. Baynes, Firth, Jones and others were favourable to such suggestions. The 100 copies of the popular edition of the Iron and Steel Report ordered by John Dickinson & Co. may well have been destined for Evans' own workpeople. See John Dickinson & Co. to Hewins, 1 March 1905; C-107, T.C.P.
 6. Lawrence to Hewins, 2 February 1909; C-7350, T.C.P.

Perhaps partially to blame was the "conspiracy of silence" with which, Hewins claimed, the Liberal press greeted the Commission's works; it is significant that leading Free Trade newspapers such as the Daily Chronicle, Daily News, Morning Leader, Star and Manchester Guardian did not devote any space to the Agricultural Report when it was issued.¹ But the problem was deeper than this. In 1911 the Unionist MP for Devonport, Sir John Jackson, in his own words "a whole-hearted Tariff Reformer" and a sizable contributor to the funds of the League for some time, informed Caillard on receipt of a begging letter that "I do not quite understand whether the Tariff Commission is the same [as the League] or no".² As Caillard commented, "The ignorance of people who pretend that they are whole-hearted Tariff Reformers and who stand for Parliament as such, is quite astonishing".³

After the general election, Hewins admitted privately that popularisation had been carried out on an insufficient scale. The reports had received a lot of attention in the (predominantly protectionist) press, but too little effort had been spent in turning the Commission's work into leaflets and articles to reach a wider population. "It was anticipated that this side of the work of the Commission would naturally be done by the Literary Department of the League", he wrote, "but I am not aware that any systematic attempt has been made to make use of the Reports of the Commission in the leaflets issued by the League".⁴ Nevertheless, he admitted that such a task was difficult for anyone not in close touch with the work of the Commission, and that the best results had been achieved by the issue of the three popular reports by the Commission itself, each of which had met with considerable success.

In spite of his intention to keep more of such work in the hands of the Commission in future, nothing much materialised of Hewins's desire for greater publicity. Partly this may have been due to Hewins, now on the

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1. Hewins to Pearson, 23 November 1906; C-176, T.C.P.
 2. Jackson to Caillard, 18 July 1911; C-286, T.C.P.
 3. Caillard to Hurd, 20 July 1911; *ibid.*
 4. Hewins to Pearson, 19 February 1906; C-176, T.C.P.

Literary Committee of the Tariff Reform League, attempting to carry out what he had earlier judged to be the League's obligation to the Commission in the 1904-1906 period. But also, after 1906, the Commission turned more towards the production of specialist memoranda, and Hewins himself became more interested in bridging the rift in the Conservative party, and in active party politics. Though further volumes in the industrial series were still to appear, and though they continued to enjoy popularity with many Tariff Reform MPs, the main impact of the "Red Books" directly on the electorate had probably reached its peak with the issue of the relatively widely distributed Agricultural Report.

Some of the failure was perhaps due to the heavy and solid way in which the mainstream reports put over their argument. No doubt Hewins would have argued, in defence, that serious and objective study could not be presented simply. And it is true that to aim at a greater degree of penetration by a more obvious and sensational propaganda would have angered many of the Commissioners.¹ Furthermore, it is worth remembering that slighter Tariff Reform material was criticised for the opposite reason. According to Lawrence, Arnold Forster thought much Tariff Reform literature, from whatever camp, "perfectly contemptible",² whilst a Cheltenham JP told Lawrence that:

... it might be better realised at the League H.Q. than it is, that oratory, invective and so forth can never take the place of solid instruction ... I cannot call anything to mind issued by the League describing in a dozen pages, for ordinary citizens, without invective, without silly pictures, and without fuss, what Tariff Reform is and how the need for it arises. There are millions in this country, educated and uneducated, who do not yet know what Tariff Reform is and aims at.³

Lawrence agreed to the accusation over quality: it had been one voiced to him by "good businessmen here and in the North".⁴ But his Cheltenham correspondent was counselling the unattainable when he demanded brevity,

1. See the reaction to what some members regarded as "mere electioneering" during discussion of the Iron and Steel Report, below, p. 267.
2. Lawrence to Hewins, 3 January 1908; C-7350, T.C.P.
3. T. Mendelssohn Horsfall to Lawrence, 2 January 1908; *ibid.* (Horsfall's emphasis).
4. Lawrence to Hewins, 3 January 1908; *ibid.*

serious handling and completeness in one publication. Lawrence knew well that no Tariff Reform literature pleased everyone. But to him there were two imperatives. The first was that appeal had to be made to the "sectional" interests of workers in different industries, even though that did injustice to an integrated and harmonious scheme of scientific protection as envisaged by Chamberlain.¹ The second, and, we might guess, to Lawrence the more important, was the need to overcome the "dense ignorance" of the large mass of electors and "reach their intellects through simplistic means".² If this harsh view had any basis in fact, then the Commission indeed had a difficult task.

A last reason for narrow circulation may simply have been that of price. The Tariff Reform League, after a period of difficult finance in 1908-1909, expanded its publishing activities between the two elections of 1910, and this was accompanied by a determined effort by Lawrence to subsidise cost of production not only of pamphlets but of books as well. Molesworth's book,³ which Lawrence felt to be the highest quality League propaganda current during the elections of 1910:

... is the only one of an expensive series of books in which I have been able to get both author and publishers to agree to bring the price down to the capacity of persons in working class circumstances ... from 3s/6d. to 3d. ... Some authors I have approached are very loth to reduce the price of their books at present, although I have shown them that ... they would make more profit on selling 20,000 books at 3d. than on selling 200 or 300 at 2s/6d. or 5s/-.⁴

That the Commission had not anticipated Lawrence's policy is the more surprising in view of the tiny extent to which it relied on sales revenue as a source of finance. By May 1905 sales of the Iron and Steel Report had brought in less than one-fifth of the total cost of printing it, not because it had been sold at less than cost but largely because so many copies

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1. Lawrence to Horsfall, 3 January 1908; *ibid.*
 2. *Ibid.*
 3. Sir Guilford Molesworth, Economic and Fiscal Facts and Fallacies, (London, 1909). The threepenny limp cloth edition showed no sign of Tariff Reform League involvement in its production.
 4. Lawrence to Ellis Wynter, 17 March 1910; C-7350, T.C.P.

had been given away. In proportionate terms the popular edition had been more successful, by the same date realising in sales nearly half its printing cost. But the absolute amounts were tiny: altogether, after allowing the booksellers' mark-up, the Commission had realised only some £121 from both.¹ Given a total Commission expenditure in 1904 of nearly £9,000, it would only have cost some £700 to have doubled the number printed and have given the entire amount away. This insignificance of sales receipts is shown in Table 8.²

TABLE 8

Proportion of Commission Income from Sale of Reports: 1904-9

	<u>Sale of Reports</u>	<u>Total Income</u>	<u>%</u>
1904	?*	10,364	-
1905	120	7,673	1.56
1906	287	7,410	3.87
1907	381	4,687	8.13
1908	38	7,743	0.49
1909	93	5,945	1.56
<u>Total</u>	919	43,842	2.10

Note: *A nil return is given in the relevant source on which this table is based. It appears to conflict with other evidence (see e.g., above, pp. 161-162). It is probably best to regard the 1904 sales figures as not available, bearing in mind that credit sales would mean that some 1904 sales appear in the 1905 entry.

Sources For 1904-1908, "Summary of Income and Expenditure for the five years 1904 to 1908", and for 1909, Income and Expenditure Accounts, 1 January - 30 June and 1 July - 31 December 1909; T.C.P.

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There is a suggestion that Hewins's salary was guaranteed by the Tariff Reform League,³ though when the offer of appointment as secretary was made

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1. Hewins to Pearson, 5 May 1905; C-176, T.C.P.
 2. Even if 1904 were omitted from Table 8 the total percentage would only rise to 2.75.
 3. Chamberlain to Hewins, 16 November 1903; H.P.

Pearson spoke of his "personal guarantee".¹ This sketchy evidence does not allow us to determine the League's willingness to finance the Commission in the early period. For some time, however, the need to call upon the other organisation did not arise: the Commission was able to remain financially independent until well after the 1906 election.

Though we cannot gauge precisely the proportion of Commission funds provided by members themselves,² it was high in relation to their relatively small number. Very early in the proceedings the new Commissioners were confronted with financial reality by the vice-chairman:

At the second meeting Pearson rather tactlessly told the Commissioners they had to contribute. Many of them did not like this, but perhaps it is just as well they should "know the worst." I said afterwards that if the Commission would stand that, it would stand anything.³

Nevertheless there were a considerable number, perhaps as many as twenty, who were able to withstand this pressure and have left no record of having contributed to finance: the "imperial" Commissioners in particular seem to have been conspicuous in their absence. This apart, the amount contributed varied widely - from the £10 p.a. given by Leverton Harris and the £25 p.a. by Levinstein to the much larger amounts furnished by Booth, Flett and Mosely. At the same time Commissioners were requested to raise funds from their own firms and from business acquaintances in their industries and localities.

In 1908 Pearson handed over a vaguely exercised control over finance to Burbidge, and with it supplied a list of sources of finance in the "early days" of the Commission.⁴ Though obviously not made from memory, the list was not compiled in an entirely consistent way.⁵ The most serious

1. Pearson to Hewins, 14 November 1903; H.P.
2. Complete records of subscriptions and donations exist only from 1 January 1910. There is however ample (but probably not complete) evidence of how and from whom funds were collected in the earlier years.
3. W.A.S. Hewins, "My Connection with the Fiscal Controversy", loc. cit.
4. Pearson to Burbidge, 30 June 1908; C-176, T.C.P.
5. It is known, for instance, that Leverton Harris's £50 contribution was made in five annual instalments. In Pearson's letter it is not broken down into years, though some others are.

implications of this are, firstly, that the list may not be complete and, secondly, that it is uncertain as to what period it covers. The second possibility makes it impossible to check the first with other surviving evidence. A further dimension to the problem may be that the list covers a different time span for different Commissioners. Since Leverton Harris's £50 is known to have been spread over the years 1904-1908, do we assume that the entries for Baynes, Booth, Dennis, Keswick, etc., in Table 9 were made in 1904-1905 and that further contributions were made later?¹

The surviving correspondence files, however, suggest these imperfections to be of relatively minor importance. They give support to the view that a (say) £250 p.a. payment in 1904-1905 did not necessarily imply continuation in 1906 and 1907. Regular yearly subscriptions right through the period 1904-1908 seem to have been something of a rarity. The files do, however, allow us to extend the list of contributing members beyond the 31 mentioned in Pearson's letter. A payment of £100 made by Keen in November 1906² is not included, and no mention is made of the £1000 paid by Mosely around 1905.³ Pearson purposely left Burbidge's "own generous amounts" out of his letter to the new treasurer,⁴ and he seems to have omitted his own £100 and a similar sum from Eckersley, both made around the turn of 1906-1907.⁵

These omissions of certain contributors are almost certainly a more serious deficiency of Table 9 than is the timing problem discussed above. Omissions revealed by the correspondence files have been included in the table, but it must be stressed that this is not intended to give it a spurious appearance of completeness. In sum, where an entry is made, this

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1. It is known, for instance, that Dennis sent £100 in July 1905, guaranteed £25 p.a. for five years in July 1906 and sent a further £100 in 1907, knowledge which gells imperfectly with Table 9 no matter when Pearson's list was compiled. See C-135, T.C.P.
 2. Keen to Caillard, 6 November 1906; C-512, T.C.P.
 3. O'Farrell to Hurd and Hewins to Pearson, both 7 July 1905; C-176, T.C.P.
 4. Pearson to Burbidge, 30 June 1908; C-176, T.C.P. That the expression was not mere courtesy is corroborated by Pearson's remarks to Hewins that Burbidge's contributions were "exceedingly generous". See Pearson to Hewins, 23 March 1906; H.P.
 5. O'Farrell to Hewins, 14 January 1907; C-176, T.C.P.

TABLE 9

Discovered Financial Contributions of Members, 1904-c.1907

<u>£50</u>	<u>£100</u>	<u>£150</u>	<u>£200</u>	<u>£250</u>	<u>£400</u>	<u>£500</u>	<u>£600</u>	<u>£700</u>	<u>£1000</u>	<u>£1150</u>
F.L. Harris	Boulton	Bostock	Dennis	Elgar	Colls	Baynes	Lewis	Noble	Booth	Flett
J.M. Harris	Corah	Evans	Gilbey	Marshall		Hickman	Phillips		Maconochie	
Henderson	Eckersley		Keswick			Waring			Mosely	
Levinstein	Goulding		Lyle							
Littlejohn	Jones		Parsons							
Webb	Keen		Peace							
	Pearson		Rank							

Notes:

- (1) This table excludes Burbidge, Caillard and Pearson, all of whom are known to have made contributions. In later years, and probably all through, Caillard's are known to have been substantial.
- (2) Certain Commissioners, especially Evans, Flett, Gallaher, Goulding and F.L. Harris, are known to have collected substantial donations from business associates and acquaintances. These have not been included. Where, however, a discovered contribution originated from a Commissioner's own firm, it has been included.
- (3) The table should not be taken as indicating that the 21 Commissioners not mentioned made no contributions during this period.
- (4) The figures are rounded in only three cases, and in none of these is the rounded figure more than £5 different from the actual figure.

Sources:

Pearson to Burbidge, 30 June 1908; C-176, T.C.P., supplemented where possible by miscellaneous information from correspondence files.

probably gives a correct indication of the amount contributed by an individual, but there may be a few others who have escaped inclusion.

Furthermore, there is difficulty in determining a Commissioner's precise contribution when his actions obviously influenced his own firm's generosity. In Table 9, for instance, we have added to George Flett's personal contribution that sent by Dick, Kerr and Co., thus separating it from the other funds collected by Flett from his contacts in the electrical engineering industry. The entry of £100 for Goulding was, in fact, £50 from Goulding himself and £50 from W. and H.M. Goulding. Evans' £151 contribution, however, was a personal one, and it is not known whether donations from John Dickinson and Co. (over the years to be a substantial contributor) are or are not included in the sum he collected from others. Thus we cannot tell that the firms of even those included in Pearson's letter are adequately represented. Sir Vincent Caillard is a different case again. He has been excluded in spite of the fact that he induced Vickers, Sons and Maxim to contribute generously,¹ and by 1911 had been trying for several years to "get the consent of the Chairman to subscribing more than [the] £250" which had become its standard contribution.²

The problem of separating the individual's contribution from that of his firm, and ensuring that both are included, is one of the main difficulties in establishing the proportion of Commission income provided by members. The other is the unknown time period covered by Table 9. Nevertheless we may attempt a crude estimate. Total donations received were £37,012 in the calendar years 1904-1908 inclusive, £29,318 in 1904-1907, and £25,012 in 1904-1906. On this basis discovered contributions by members represented 44.6 per cent of 1904-1906 donations, 38.0 per cent of 1904-1907 donations, or 30.1 per cent of 1904-1908 donations. Since Pearson's letter

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1. Pearson to Burbidge, 30 June 1908; C-176, T.C.P.
 2. Caillard to Hewins, 7 July 1911; C-286, T.C.P. This problem is made more difficult by Vickers' preference for their contributions to be made through the person of Caillard, presumably for diplomatic reasons.

seems to refer to the period before the five-year guarantee fund of 1906 was under way, it would seem safe to discard the lowest of these estimates, leaving us with the rough conclusion that in the early years Commissioners themselves provided around 40 per cent of the income of the organisation.¹

TABLE 10

Tariff Commission Income: 1904-1909 (£)

	<u>Donations</u>	<u>Bank Interest</u>	<u>Sales of Reports</u>
1904	10,364	-	-
1905	7,526	27	120
1906	7,121	2	287
1907	4,306	-	381
1908	7,694	11	38
1909	5,806	46	93

Note: Figures rounded to nearest £.

Sources: For 1904-1908, "Summary of Income and Expenditure for the five years 1904 to 1908", and for 1909, Income and Expenditure Accounts, 1 January - 30 June and 1 July - 31 December 1909; T.C.P.

The inclusion of funds collected by Commissioners would increase the percentage to 52.9 in 1904-1906 or 45.2 in 1904-1907. It should be remembered, however, that such figures almost certainly understate the real proportion, since it is doubtful that the donations of all firms in which Commissioners had influence have been included.

The decision to carry on the business of the Commission after the 1906 election was accompanied by plans to "raise a guarantee for five years of a sum sufficient to maintain the Commission in a state of efficiency,² a guarantee the first purpose of which was to be used "towards the completion of the reports".³ Though no complete record of the results of the new appeal exists, it appears to have been only partially successful. Though

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1. Small amounts of bank interest and receipts from the sale of reports and memoranda have been ignored in this calculation. They are shown in Table 10, which highlights their insignificance. To include them would increase income for the six-year period 1904-1909 from £42,817 to £43,823, an increase of 2.3 per cent.
 2. Hurd to Levinstein, 29 June 1907; C-599, T.C.P.
 3. Caillard to Rank, 13 November 1906; C-333, T.C.P.

Hurd stated that £2,500 p.a. had been obtained "at once",¹ and though elsewhere mention was made of at least thirty guarantors of £100 p.a.,² in addition to a timely £1,000 donation from Chamberlain,³ the response fell short of immediate needs. Annual expenditure averaged nearly £7,200 in 1906 and 1907. By the early summer of 1907 Hewins had calculated that an extra £2,500 p.a. was required in the form of guarantees to keep the Commission operating safely, at its present level, in the future.⁴

The realisation that the guarantee appeal had failed partially was the prelude to a protracted period of financial stringency. 1907 was to prove the worst year and 1909 was the only one apart from this when donations brought in less than £6,000,⁵ but literary evidence suggests that even in the relatively good year of 1907, when fund-raising activity was at its height, the financial position was not easy. In May 1908 Hewins recorded that finance had been "very strained" over the previous twelve months, because of the obligation to "supply information throughout the movement" in addition to the need to carry on with the original project.⁶ In December Burbidge wrote to Rank, who had sent £100 after the election but had declined to accept a five-year guarantee, stressing the difficult financial position and taking the typically optimistic Tariff Reformer's view that since there would be a general election early in 1909 this would "probably" be the last call it would be necessary to make on members.⁷ "I should be very glad if this is so", he added wryly, "as you know, I have been a pretty heavy contributor to the funds myself".⁸ The £2,070 received from large contributors in the second half of 1908 was on the low side and suggests that the heaviest donations in that year were made, unusually, in the first

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1. Hurd to Levinstein, 29 June 1907; C-599, T.C.P.
 2. Rank to Hewins, 12 November 1906; C-333, T.C.P.
 3. Caillard to Hewins, 9 November 1906; H.P.
 4. Hewins repeated Hurd's figure that £2,500 p.a. had been raised. It may be that five of the original guarantors had withdrawn. See Hewins to Chamberlain, copy, undated but c. June 1907; H.P.
 5. Figures for 1910 are not available.
 6. Hewins to Keswick, 8 May 1908; C-637, T.C.P.
 7. Burbidge to Rank, 4 December 1908; C-333, T.C.P.
 8. Ibid.

half: certainly by July 1909 Rank was arranging a meeting with Burbidge "with regard to the liquidating of the debt on the working of the Tariff Commission".¹ His earlier request for a balance sheet, however, suggests a less than complete enthusiasm for continuing his support.² Even the imminence of the first election of 1910 seems to have done little to attract funds. In November 1909 Burbidge wrote to Waring:

The interest of our old supporters now seems to be flagging ... financially, presumably because they think now that we are nearing our goal, little money will be needed, and not a few, no doubt, feel that having done their share, others must come forward ...³

In December, with a January election inevitable,⁴ Burbidge urged the necessity of raising £5,000 for "immediate contingencies".⁵ There is slight evidence that the position had improved during the course of 1909, perhaps because of the galvanising effect of the scent of an election in the air, or perhaps because of a late rallying of Commissioners. During the first half of the year expenditure had exceeded income by £914, but in the second half income exceeded expenditure by £404, despite a slight rise in the latter.⁶ Nevertheless, by the end of November Burbidge still pointed out that, in spite of office economies, weekly expenditure was above weekly income and that reserves were running low.⁷

The guarantee fund launched in 1906 was not, of course, seen as sufficient in itself for the operation of the Commission; rather, it was intended to be a stable base which could be topped up by less certain contributions from firms and individuals. As it came to be realised that the guarantee had been less successful than was hoped, Hewins set out to

1. Burbidge to Rank, 12 December 1908, and Rank to Burbidge, 6 July 1909; C-333, T.C.P.
2. Rank to Burbidge, 7 December 1908; C-333, T.C.P.
3. Burbidge to Waring, 25 November 1909; C-216, T.C.P.
4. On 2 December Asquith had moved and carried a resolution in the Commons that the Lords had breached the constitution and usurped the rights of the Commons. See R.C.K. Ensor, England 1870-1914, (Oxford, 1936), p. 417.
5. T.C.M.(P), 112th Sitting, 20 December 1909; T.C.P.
6. Income and Expenditure Accounts, 1909; T.C.P.
7. Burbidge to Levinstein, 25 November 1909; C-599, T.C.P.

make the random element in other donations less subject to chance.

Commissioners "unanimously agreed" to arrange meetings between businessmen in their localities and Hewins, so that he could "review the work which had been done, and invite them to subscribe", a plan which met with Chamberlain's support.¹ Late in 1906, and indeed well into 1907, efforts were still being made to arrange such fund-raising conferences.² At the same time the Commission was circulating firms who had provided information to the Commission. By September 1907 Hurd informed Hewins that £1,860 had been received since the "appeal", and it appears from the context of the letter that he was discussing the meetings with businessmen and the postal appeal rather than the guarantee fund.³ Nevertheless, very little money was coming in, and a large project to catch "firms whose names have been given us by Commissioners and others but who had not sent in any Forms [of Inquiry]" was being urged by Hurd and Rosenbaum, who thought that the exercise would need some 15-20,000 subscription letters.⁴ Hewins thought the response to the postal appeal "not too bad" and suggested that Hurd write again to firms which had not replied.⁵

The experience of the Commission seems to suggest that the period after the disillusionment of the 1906 election was difficult for sustaining the Tariff Reform agitation. Partly, this reflected a reaction to the high pressure of the years 1904-1906. Charles Allen wrote that the appeal for subscriptions in 1906 came at a bad time because he had just borne election expenses of over £350 and sustained a loss of £6,000 in South African securities. He needed time to decide whether he could afford to support the Commission, though stressed that he was "more than ever one of Mr. Chamberlain's strongest supporters".⁶ It is perhaps not without

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1. Hewins to Chamberlain, n.d. but June 1907, and Chamberlain to Hewins, 24 June 1907; H.P.
 2. See, e.g., Hewins to Eckersley (circular), 29 June 1907; C-124, T.C.P.
 3. Hurd to Hewins, 14 September 1907; C-174.1, T.C.P.
 4. Hurd to Hewins, 5 September 1907; *ibid.*
 5. Hewins to Hurd, 17 September 1907; *ibid.*
 6. Allen to Hewins, 20 March 1906; H.P.

significance that Henry Bessemer and Co. cancelled their subscription on the same date as his letter.¹ The Commission not only lost Hickman's financial support after the election, but his sympathy as well.

The fevered activity of 1904-1906 had not only been carried on on a scale difficult to sustain after 1906, but it had also resulted in a plethora of different organisations which pressed a wide range of competing claims on individual Tariff Reformers. Though Keen contributed to the Commission in 1906, he refused to offer a guarantee since he still had £500 of a £1,000 guarantee made to the Imperial Tariff Committee outstanding for 1907 and 1908, and he did not "feel justified in incurring further liability".²

Firth, an ardent helper in the woollen enquiry and a man who had refused a position on the Commission in order to concentrate his contribution to Tariff Reform in Yorkshire, was obviously needled by Burbidge's appeal: "I am probably better posted about what Mr. Burbidge has done for Tariff Reform than he is about what I have done," he wrote, "or he would not ask me to help them in London".³ Recounting his activities for the Halifax branch of the League and the West Riding Tariff Reform Federation, both of which he had founded, he hoped it would be agreed "that I am doing my share".⁴

Percy Glass, the Stockport cotton manufacturer and founder of the Cotton Trade Tariff Reform Association, declined to help on the grounds that his own literature and speaking tours were taking all his funds. "Indeed, I am directly assisting your League because I am frequently called on by Provincial Branches ... and it costs me money every time".⁵

Furthermore, individual Commissioners were less than enthusiastic in the arranging of meetings with local businessmen. Gilbey, who contributed £150 in the nine months after the election in spite of being disgusted at the half-hearted way the Unionists had endorsed Tariff Reform in its election

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1. Henry Bessemer and Co. Ltd. to Hewins, 20 March 1906; H.P.
 2. Keen to Caillard, 6 November 1906; C-512, T.C.P.
 3. Firth to S. Summerscale, 20 November 1908; C-1647, T.C.P.
 4. Ibid.
 5. Glass to Hewins, 15 December 1907; C-197, T.C.P.

campaign,¹ thought that in Buckinghamshire "nothing can be done to raise funds and my own trade are not interested".² Rank knew the collection of funds from his friends, most of them Liberals and Free Traders, to be doomed to failure.³ Though Eckersley thought in 1907 that a personal appeal to manufacturers and businessmen should have a good response in Lancashire because of the good trade of the previous two or three years,⁴ and though Jones did excuse himself from contributing on the grounds of bad trade,⁵ it is doubtful that Eckersley's line of causation was correct. It was more likely that good trade would lessen the incentive to finance Tariff Reform activity. Thus Levinstein was probably more realistic in his assessment that Manchester was:

... the most difficult place in the U.K. to create sympathy or achieve support for Tariff Reform, moreover the time has not yet arrived for a successful propaganda - business is yet too good. It is true that there are a number of men amongst them, who sympathise with our movement, but most of those have not the courage to publicly acknowledge their sympathy. I should therefore advise to postpone your contemplated visit to the town until the boom has simmered down.⁶

There is slight evidence, furthermore, that 1910 was also a bad year for the Commission, perhaps because of the effect of the January election result on morale. Donations amounted to only £2,751 in the first half of the year, and a reduced expenditure still slightly exceeded income.⁷ Some Commissioners were involved heavily in election expenses. Hickman, who had subscribed £1,930 to the League and the Commission since 1904, was evidently annoyed with the financial organisation of the whole campaign. In fighting a constituency for his son who was unwell, he obtained no help from the

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1. Gilbey to Hewins, two letters, 29 March 1906 and (?) November 1906; C-203, T.C.P.
 2. Gilbey to Hewins, 19 July 1906; *ibid.*
 3. Rank to Hewins, 2 July 1907; C-333, T.C.P.
 4. "Unfortunately I retired before this boom came on", he continued sadly. Eckersley to Hewins, 2 July 1907; C-124, T.C.P.
 5. The shipping industry was, of course, in a perennial position of world over-capacity in this period, even during conditions of world boom. See D.H. Aldcroft, "The Depression in British Shipping, 1901-1911", Journal of Transport History, VIII, 1965.
 6. Levinstein to Hurd, 30 June 1907; C-599, T.C.P.
 7. Income and Expenditure Account, 1 July - 31 December 1909; T.C.P.

League. "I applied personally the other day to the Tariff Reform League", he wrote, "and the Secretary told me that I was outside his area though I had sent him a cheque for £50 a few days before."¹ Pearson also declined because of his heavy expenses in the Tariff Reform cause. In addition to his subscription of £250 p.a. to the League, he fought for Tariff Reform in his newspapers much harder than did any other proprietor. "An Election is popularly supposed to be a good thing for the newspapers", he wrote. "It is nothing of the kind. Adverts are dull, and expenses are enormously increased."²

Added to this was the fact that after six years the Commission was beginning to strain the patience of some members. It is shown below that some half of the original 59 members did not attend after the 1910 elections, though some of the absentees continued to contribute.³ But it did not go unnoticed that the much-vaunted scientific tariff had still to be published. When Burbidge wrote to Lyle before the first 1910 election asking for the names of friends who were Tariff Reformers, Lyle answered that he knew many but that the "difficulty is to make them believe that the Commission is doing anything that is not 'dead'".⁴ The next two years only strengthened that conviction.⁵ In retrospect it is clear that the Commission's hand-to-mouth existence during the elections of 1910 could not carry on indefinitely, and subsequently Burbidge was to make a second attempt to launch a guarantee fund to stabilise Commission finance.⁶

VI

When, in February 1904, the Standard described the new body as the "Tariff League Commission",⁷ it echoed the confusion in the public mind of

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1. Hickman to Hewins, 5 January 1910; C-174.1, T.C.P.
 2. Pearson to Burbidge, 11 January 1910; C-176, T.C.P.
 3. See below, pp. 191-193,
 4. Lyle to Burbidge, 15 December 1909; C-1154, T.C.P.
 5. Lyle to Burbidge, 23 June 1911; C-1154, T.C.P.
 6. Around 1911-12.
 7. Hurd to Ed. Standard, 12 February 1904; C-176, T.C.P.

its proclaimed purpose. Even members made similarly revealing mistakes; both Eckersley and Jones spoke of the "Tariff Reform Commission" in early correspondence with the secretary.¹ Though Hewins sought to banish the implication of partisanship in the press, and to urge that the enquiry would embrace all manufacturers, Free Trade and protectionist alike,² his statements were made the less convincing by the fact that the early publicity given to the Commission and its collection of members was issued in the form of press statements by the Tariff Reform League.³ Thereafter, the imputation of bias by conscious mis-handling of the Commission's title, even by civil servants presumably aware of their obligation to formal correctitude, never entirely disappeared.⁴

Though it is true that the link between the Commission and the League was not strong in the early years, until, that is, Hewins took a more active role on the League executive some time after the 1906 election, and though the Commission did not receive financial support from the League, its activities could not be said to strengthen the claim to impartiality. Hewins's own claim was, from the start, a weak one. He was known to many as "Economist" in the Times articles of summer 1903, and he had already dropped his cloak of anonymity in a letter protesting the assertion of "authority" by the fourteen professors.⁵ It cannot be said that his actions after the establishment of the Commission saw any reform in this respect. It is true that he regretted the involvement of the League in organising the meeting at Manchester on 26 February, but his habit of making speeches in pairs, and following a cautious statement of the Commission's procedures and objectives with a strong and direct address on the general aspects of fiscal and imperial policy only an hour or two later, was not likely to satisfy the

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1. Eckersley to Hewins, n.d. but January or February 1904; C-124, T.C.P.: Jones to Hewins, 22 January 1904; C-417, T.C.P.
 2. Morning Post (editorial), 17 December 1903.
 3. See, e.g., Times, 18 December 1903.
 4. The Earl of Elgin (Secretary of State for the Colonies, 1905-1908) probably took great delight in mis-naming the Commission. See Elgin to Hewins, 25 April 1907; H.P.
 5. Hewins to Ed. Times, 20 August 1903.

listener who heard both speeches, or the reader who found them reproduced one below the other in his newspaper.¹ Outside the Commission, he campaigned actively for Tariff Reform, frequently speaking before League branch meetings, whilst he did not scruple to supply Unionist politicians with the information from the Commission's files.² Furthermore, the secrecy of Hewins's visit to Canada in 1905, initiated by Chamberlain, allow us to form a picture of conspiracy and intrigue for naked and even unconstitutional political motives.³

It is tempting to assert that the Commission was a mere propaganda device, a facade of methodological caution and sane business pragmatism serving only to hide a baser and more emotional core of crude protectionism and Tory xenophobia. Otherwise, Hewins's apparent ability to reconcile his running of a sober, moderate commission of enquiry with his other activities in the Tariff Reform cause appears incongruous. This is reinforced by his own memoirs, which largely consist of an obsessive and teleological account of his role on the journey towards Ottawa.⁴

In part, such a view is undoubtedly true: there was a large propagandist element in the conception of the Commission and in its subsequent operation. Nevertheless, Hewins and his associates had another view of their own motives, a view held at times strongly and obsessively, and at others less strongly and with something of tongue in cheek:

We acted on the principle that if the industries and the problems they suggested could be accurately described the solution of those problems would almost suggest itself.⁵

Here we can see clearly the influence of historicism. There was undoubtedly, on the Commission in its early years, an atmosphere that the Commission, alone

1. Compare Hewins's afternoon talk on the Commission with his evening talk on imperial policy at Manchester on 26 February 1904; in Manchester Guardian, 27 February 1904.
2. It must be remarked, however, that the Commission would not have hesitated to supply material to Liberal politicians as well! On rare occasions this did happen.
3. For the "Mission to Canada", see W.A.S. Hewins, Apologia ..., I, ch. 5.
4. Apologia ..., passivism.
5. Ibid., I, p. 86 (my emphasis).

in the controversy, was laying bare the skeleton of the fiscal problem. Put naively and more crudely than any of its members would have done, the Commission felt that, of all the participants in the debate, it was the nearest to truth, largely by virtue of its inductive methodology. This belief perhaps allowed Hewins to make a distinction between the Commission's 'scientific' role of discovery, and his own extra-curricular activities in dissemination. The difference between 'education', in this sense meant as the dissemination of established 'truths' and 'facts', and 'propaganda' is doubtless a wide one to the fervent believer.¹

Hewins was by no means the only person associated with the Commission who acted 'outside the Grange'. Individual Commissioners were allowed to act on their own account. It was not, of course, feasible to stop them, and none of the organisers would have wished to, save perhaps when Pearson occasionally launched his own private schemes which caused Hewins embarrassment but which he knew himself powerless to stop.² Other members, whether MPs such as Chaplin and Leverton Harris, or those active in local politics such as Mitchell, Jones and Evans, made frequent speeches on the fiscal issue, and all found the Commission a willing supplier of information and argument.

Under Hewins's direction, the direction of a man torn between loyalty

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1. It should perhaps be emphasised that this, in itself, irrespective of any view held by the Commission that its findings revealed absolute, scientific truth, was strictly a perversion of the stated objectives of the Commission. Given that the Commission's purpose was to construct an overall, integrated tariff, Hewins could not legitimately invoke the Commission's authority before that integrated tariff had been produced. In fact, an integrated tariff was never produced, (see below, ch. 8).
 2. This was, however, as much because Pearson's schemes, appearing in the Standard or the Daily Express, were out of sympathy with Chamberlain's general policy as because they were against the spirit of Tariff Commission business. Early in 1905, Pearson's advocacy of a change in Tariff Reform policy in the Standard led Chamberlain to reaffirm his intention to stick broadly to the Glasgow programme since, "independently of the merits, it would be fatal to swap horses while crossing a stream". Chamberlain urged the Commission to "discuss the proposals and pass a resolution strongly disapproving of them", a course Hewins successfully resisted on the grounds that the incident would pass over. See Chamberlain to Hewins, 3 February 1905, also Chamberlain to Hewins, 9 February 1905; H.P.

to an imperial policy and the attractive idea of an omniscient, scientific bureaucracy, the Commission was seldom kept within the strict limits of its original terms of reference. But, early in the enquiry, Hewins could be seen attempting to keep these opposing tendencies in check. When confronted with intelligence on the difficulties of sustaining Tariff Reform activity in Manchester he wrote that "it does not fall within my province to make any suggestion, or to interfere in any way with that Department - the work of Tariff Reform - but I am extremely glad to know from you the state of affairs", and he expressed the hope that those involved in propaganda would find ways of stimulating greater activity in the area.¹ Furthermore, when he did give advice to the League, even through Commission members, it was to advise scientific caution. When the Bradford branch of the TRL decided to send a small deputation of 'tariff trippers' to Germany to examine prices and wages in the German textile industry, Hewins urged Mitchell to consider the "great difficulty and complexity" of the task:

Amongst the experts of my acquaintance both here and in Germany the greatest difference of opinion prevails ... An inquiry into the Cost of Living requires a grip of so many factors and such a great mass of data collected from a variety of sources that I do not think the opinion of people who have not been specifically trained ... is of the least value. If your deputation goes to Germany and comes back and issues a report which is in conflict, as it may very easily be, with the conclusions of important scientific experts, I do not think that any very useful purpose would be served.²

Though Hewins was evidently concerned with preventing the League from looking foolish and perhaps damaging Chamberlain's campaign, there was equally evident a desire to keep separate the work of methodical enquiry from more sensational schemes. Serious international comparisons were not the League's business.

This mild schizophrenia in Hewins's outlook, between propaganda and scientific enquiry, was shared by members of the Commission. To a large extent it was the same division of loyalties within the individual - Alfred

1. Hewins to Percy Glass, 30 December 1903; C-197, T.C.P.
 2. Hewins to Mitchell, 15 April 1904; C-741, T.C.P.

Hickman can be counted, with the other iron and steel representatives, as a cautious spirit in the derivation of the iron and steel tariff,¹ and yet both he and his son contested the 1906 election as Tariff Reformers. It is less valid to see the division as one between extremist and moderate members of the Commission. Though it can be safely assumed from the record left by their biographers that neither Pearson nor Chaplin would have bothered to exercise the subtlety necessary to recognise or preserve such nice distinctions,² the iron and steel enquiry was to show that many Commissioners were very concerned to maintain a distinction between 'fact' and 'inference', to avoid "mere electioneering".³

As time went by the Commission's distinction between the legitimate and the illegitimate was to become weaker. When Hurd passed letters from a German chamber of commerce to an English manufacturer on to the Standard and the Daily Express with the request that they be published, he was perhaps technically only ensuring widespread circulation of information supplied to the Commission, but he nevertheless requested that the Commission should not be mentioned.⁴ And by April 1905 Hewins was actually prompting the Manchester branch of the League to protest in the Manchester Guardian at Germany's unequal application of the most-favoured-nation clause on worsteds and at Salisbury's⁵ lethargic attitude to the problem, though it is true that Campbell of the Manchester branch had requested his opinion.⁶

By the election campaign the thin distinction between propaganda and popularisation of material supplied to the Commission had become increasingly hard to separate. Existing and potential Tariff Commission MPs, and members serving otherwise in local constituencies, used its resources heavily.

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1. See below, pp. 205, 207, 271, 288.
 2. S. Dark, Life of Sir Arthur Pearson, (London, n.d. but c. 1922), p. 108. and A.G. Gardiner, "Henry Chaplin", in Prophets, Priests and Kings, (2nd Edn., London, 1914), especially p. 213.
 3. See below, p. 269.
 4. Hurd to Eds. Standard and Daily Express, two letters, both 18 October 1904; C.176, T.C.P.
 5. President of the Board of Trade, March to December 1905.
 6. Campbell to Hewins, 18 April 1905, and Hewins to Campbell, 19 April 1905; C-1941, T.C.P.

Indeed, Chamberlain had deliberately sought Tariff Reform candidates from the Commission's ranks.¹ After the election Hewins wrote an informal policy document which seemed for the first time to accept categorically a conscious and deliberate and formal political role for the Commission. He argued that the Commission should increase its output of memoranda on specific problems related to trade policy, "In view of the fact that the Unionist Party is now committed to a Fiscal Campaign, but has no official body of experts to present the case in regard to concrete questions that arise".² Even more ominous was the desire to "develop the machinery which is already in embryo for instructing Members [of Parliament]", which statement, allied to the specific intention to align the Commission to the Unionist party as a "body of experts,"³ can hardly be interpreted as anything other than complete acceptance of a direct political function. Though Hewins might still bluster about the neutral role of the Commission as a body of experts on the construction of tariffs and their effects in public, the internal view of the Commission, though not necessarily of all its members, was that its resources should be used directly in support of the Unionists in active politics. Though this was bound to result in some loss of support,⁴ a large majority must have acquiesced with at least some degree of enthusiasm, since no less than 38 of the original 59 members supported the Commission either financially or with their attendance after the second 1910 election.⁵ Furthermore, this figure might have been increased by up to seven if death

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1. Chamberlain to Hewins, 21 February 1905; H.P.
 2. Those suggested were unemployment and "sweated labour", dumping, and new developments in foreign tariff structures. See Hewins to Pearson, 19 February 1906; C-176, T.C.P., for the original draft of this policy document.
 3. Ibid.
 4. Charles Lyle was one of those who felt keenly the failure of the Commission to derive and publish a complete tariff. In 1911 he wrote that the Commission "has now been at work for ten (sic) years and has not yet done what it was originally formed to do, viz. to frame a tariff; and it has developed into a statistical bureau doing, no doubt, good work but work I am not inclined to participate in". See Lyle to Burbidge, 23 June 1911; C-1154, T.C.P.
 5. See below, Table 11, p. 191 and Table 12, p. 193.

had not intervened.¹ In the following section we trace the extent to which the Commission retained the loyalty of its surviving members down to 1910 (by which time it had already stepped beyond the boundaries of its early role in the movement) and beyond. A more detailed consideration of the Commission's later work and its place in Hewins's entry into active party politics is left until the results of its enquiries have been examined in more detail.²

VII

The Tariff Commission, as one mind, hoped fervently for a Unionist success in the 1906 election, a success that would signal the first step towards a mandate for a protectionist tariff. The general impression is that, amongst its members as elsewhere, hopes for victory were so high that Unionists were half-consciously blinding themselves to the omnipresent labour vote. Leverton Harris wrote that Tariff Reform was "making very rapid progress in all manufacturing centres. In my constituency, my opponent's canvasser advised him to stop criticising this. Every time he spoke of tariff reform he lost votes".³ If we regard this as hyperbole or, at least, extreme optimism, it should perhaps be remembered that the Unionists did poll 43 per cent of the votes cast, and that a swing of only 10.5 per cent caused a net transference of 38 per cent of seats.⁴ It is well known that Chamberlain was deeply shocked by the result. By May 1906 he could admit to the Tariff Commission that:

I do not know any of us, certainly not I myself, were sanguine enough to imagine that the Election could possibly have been a success for the party, either the

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1. Of the ten who died in or before 1910 three had resigned, leaving seven who died 'in service'. See below, p. 194, fn. 2.
 2. See below, chapter 8.
 3. Leverton Harris to Hewins, 26 January 1906; C-295, T.C.P.
 4. A.K. Russell, Liberal Landslide: The General Election of 1906, (Newton Abbot, 1973), p. 166. Henry Pelling puts the swing at only 9.2 per cent. See his A Social Geography of British Elections, 1885-1910, (London, 1967), p. 430.

political or the fiscal party, in which we are especially interested ... We anticipated a defeat, although ... not ... so complete a defeat ...¹

Chamberlain showed a similar, though perhaps less marked ambivalence towards the function of the Commission that we have already observed in Hewins. Feeling that the issues in the election had been "varied and complicated", he thought it "most unreasonable to suppose that the results offer a proper or a sufficient test of the opinion of the people on the subject of Fiscal Reform".² Short-term trading conditions of "exceptional prosperity" could not for long mask Britain's relative economic decline.³ His feeling that the election should not affect the working of the Commission reflects a belief in the uniqueness of the Commission, and of its place in the debate above party controversy:

We must all admit for the moment it would be useless to continue the agitation upon anything like a sensational scale; but it is more than ever necessary that the work of education should go on, and above all, that we should be prepared to complete the task which we have undertaken, and that when the inevitable reaction comes about we shall be fairly ready to put forward our definite and detailed proposals.⁴

Thus the Commission supported resolutions that the outstanding reports, those on agriculture, engineering and imperial preference particularly, should be completed by the end of the parliamentary session, so that a complete draft tariff, taking account not only of single trades but also "of all the indirect complications which arise from the connection between one trade and another" could be produced.⁵ Hewins, too, had been working along similar lines. With proper handling of publicity a complete set of reports "might powerfully affect public opinion in the autumn and next winter [1906-1907]".⁶ After that was done, Hewins and Pearson saw two basic possibilities: that the Commission carry on as at present or that it

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1. T.C.M.(P), 3 May 1906; T.C.P.
 2. Ibid.
 3. Ibid.
 4. Ibid.
 5. Ibid.
 6. Hewins to Chamberlain, 20 April 1906; H.P.

be converted into the "statistical department of the Tariff Reform League".¹ They both felt the informal consensus on the Commission to be in favour of the former:

The Commission has been supported both financially and more extensively from the evidence of important political people who are not among your [Chamberlain's] political supporters. It is doubtful whether the Commission could hand over its materials to any body which is merely propagandist in character without causing widespread discontent and distrust.²

Chamberlain accepted these views³ and the prospect of extending the life of the Commission beyond the end of the parliamentary session led to the establishment of a guarantee fund to place the Commission's finances on a longer-term basis than had hitherto been the case.⁴

For several Commissioners the election was the acid test of the usefulness of the Commission. Sir Charles Elliott resigned in May, thus leaving the Commission bereft of any representative of the Indian sub-continent.⁵ Sir Alfred Hickman anticipated him, no longer willing to support a movement which, in demanding a duty on corn, effectively prevented what he saw as its main objective of industrial retaliation.⁶ More significant than outright resignation, however, was a gradual process of attrition. The attendance records of individual Commissioners (given in Appendix 3) have to be used with caution. The large majority of meetings were held to hear evidence from industries with which only a minority of Commissioners were directly involved. Though Hewins never discouraged attendance by those only peripherally or academically interested, it was never expected that they should attend. Thus it is not a safe measure of the enthusiasm of individual Commissioners that members' attendance at meetings to hear witnesses commonly averaged around ten and ranged between

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1. Hewins to Chamberlain, 12 May 1906; H.P.
 2. Ibid.
 3. J. Wilson to Hewins, 15 May 1906; H.P.
 4. See above, pp. 174-175.
 5. On India as the Cinderella in the Tariff Reform movement, see below, pp. 342-347.
 6. Hickman to Hewins, 26 April 1906; 49/109-110, H.P.

five and fifteen.¹ Of more significance were those meetings where Chamberlain was present - usually those where a draft report was being considered, or (as early in 1904 or in May 1906) when future policy was being discussed. Prior to the election Chamberlain attended six meetings and on four of them attendance was over 40 (being 53, 44, 43 and 45 respectively). Furthermore one of the other two occasions was merely an ordinary meeting to hear evidence.² Yet at the only meeting that Chamberlain attended after the election (the 104th, on 3 May 1906) only 34 were present. Thereafter the attendance figures were swelled by the increasing numbers of sub-committee members and, later, new Commissioners who signed the book. After the 110th meeting (25 June 1908) when, out of a total of 33 present, 28 were members of the original Commission, there were never again more than eighteen of the founder members in attendance at any one time.

It is nevertheless easy to exaggerate this process of attrition and difficult to locate its progress over time. Fourteen of the Commission had ceased attending by the election, and another five attended the first meeting after the election and then no more. Thus virtually one quarter of the original strength had been lost. It is difficult, however, to attribute this solely to the result of the election. Of the seven who never attended after 1904 (see Table 11) we know only that Hickman resigned formally on account of the Liberal landslide. Tennant died in June 1906 and Jones continued to subscribe to finance long after he stopped attending. Of the very early losses only Keen, who disagreed strongly with the methods of the iron and steel enquiry, and Ryder, who resigned almost immediately, are known to have lost interest in or sympathy with the Commission well before the election. Of the seven who last attended in 1905, one, Sir Robert Herbert, had died after a very good attendance record as chairman. The remaining six

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1. The iron and steel witnesses tended to attract a larger audience than representatives of other trades.
 2. Thus it is easy to see why the meeting (20 April 1904) was poorly attended for a meeting at which Chamberlain was present and well attended for one in which only routine business was conducted.

last attended in November or December, around the time that the textile reports were being completed. It may be that three of them (Birchenough, Bostock and Mitchell, all textile representatives) regarded their useful active connection with the Commission as over, though it would be difficult to see the election as doing anything but reinforcing that decision. The same may be true of Eckersley, always a reluctant member of the Commission and one of the five who attended only once after the election, but he nevertheless made contributions to finance after that date.¹ Since lapsed membership was far more common than outright resignation, and since it is obvious that some Commissioners felt their main contribution to the Commission should be in the form of finance rather than attendance, we cannot clearly separate loss through lack of sympathy with the Commission from loss through disillusionment after the election. Indeed, we cannot even closely associate lack of attendance with lack of moral and financial support.

TABLE 11

Date of Last Attendance of Commissioners Who Did Not Attend
After the Meeting of 3 May 1906

<u>1904</u>				<u>1905</u>			<u>1906</u>
<u>January</u>	<u>April</u>	<u>June</u>	<u>July</u>	<u>March</u>	<u>November</u>	<u>December</u>	<u>May</u>
Tennant*	Jones	Keen	Hickman Marshall	Herbert	Birchenough Bostock Elliott Goulding Gallaher	Mitchell	Cooper Eckersley Gibbs Tonsley

Note: *never attended.

Source: "Tariff Commission Attendance Book"; T.C.P.

These considerations are reinforced by the fact that the Commission's staff never easily regarded lapsed attendance as resignation, and the response it met frequently vindicated that approach. 1909 was the first year in which Jones declined to contribute, pleading bad trade and within a fortnight of

1. His last contribution was in 1912. See below, Table 12, p. 193.

his death.¹ Arthur Keen, like Jones an absentee member since 1904, seems to have recovered enough goodwill for the Commission to give £100 to the appeal of 1906, in spite of heavy commitments to the Imperial Tariff Committee.² Marshall's absence after July 1904 did not prevent him subscribing £250 p.a., or his firm from contributing on his behalf after his death right down to 1921.³

This difficulty persists if we examine the Commission as a whole. Complete records of donations and subscriptions received after 1 January 1910 are available, and they show that 28 out of the original 59 members still made contributions after that date. From Table 12 it can be seen that 16 of these members continued to contribute long after they had ceased to attend.⁴ The record was held by Sir John Turney, who attended only the first meeting in January 1904, but who remained a large contributor down to 1921.

It is obvious, therefore, that time was for some more expensive than money, and that lack of attendance did not necessarily signify a loss of affection for the Commission or the Tariff Reform movement as time passed. Even in this conclusion, however, there are pitfalls. During the War the Commission launched two appeals, a five year Guarantee Fund similar to previous ones and a "Debt Fund", itself suggesting a crisis in finance. It is to be wondered why Charles Lyle, who had fallen out badly with Tariff Reform in 1911, should reappear in the subscription lists in 1917-1921, and why several Commissioners who had not contributed since 1910, such as Phillips, Pearson, Parsons, Maconochie, Marshall and Waring should do the same. Large sums of money were involved in this Indian summer of Commission finance. It may be that the Commission, now working closely with the Unionist Business Committee in a political environment which had already allowed the introduction of key industry duties, and even receiving funds

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1. Jones to Burbidge, 27 November 1909; C-417, T.C.P.
 2. Keen to Caillard, 6 November 1906; C-512, T.C.P.
 3. O'Farrell to Hurd, 7 July 1905; C-176, T.C.P. and below, Table 12.
 4. Those whose contributions ceased less than two years after their last attendance have been excluded.

from the new Federation of British Industries, was seen in a newly attractive light. Or it may be, and this should not readily be discounted, that it was a sense of honour, duty and obligation that brought in lapsed members' subscriptions in response to the debts of a body of which they were still formally members, rather than any great continuing sympathy.¹

TABLE 12

Original Commission Members Who Contributed to Finance
(After 1 January 1910) More Than Two Years After the
Date of Their Last Attendance*

	<u>Last Attendance</u>	<u>Last Donation</u>
Allen	1908	1917
Booth	1910	1916
Bostock	1905	1912
Corah	1912	1915
Dennis	1917	1921
Eckersley	1906	1912
F.L. Harris	1912	1921
Lewis / Merthyr	1908	1916
Lyle	1917	1921
Maconochie	1908	1919
Marshall	1904	1921**
Pearson	1914	1921
Rank	1911	1921
Reade	1908	1911
Turney	1904	1922
Waring	1917	1922

Notes: *Existing information does not allow us to treat Commissioners who ceased contributing before 1910 in the same way. Thus, though (it happens to be known that) Sir Alfred Jones last attended in 1904 and last contributed in 1908 he is not included in this table. It is unlikely that he is the only omission.

**Sent by Marshall, Son and Co. after Marshall's death.

Sources: "Tariff Commission Account, 1910-1922" and
"Tariff Commission Attendance Book"; T.C.P.

However, judging simply by last date of attendance we can see that almost a quarter (fourteen) of the original members had made their last appearance by the election of 1906 and almost half (twenty-nine) by the

1. This surely fits the case of Charles Lyle, at least.

second (December) election of 1910.¹ Of this group at least ten had died,² though this includes three who had already resigned (Elliott, Hickman and Ryder) and one who had never attended (Tennant). Table 13 perhaps tends to make more uniform the process of attrition: it is certainly difficult to draw from it the conclusion that the election results of 1906 and 1910 had an effect on Commission participation markedly different from that exerted by the ravages of time. It is probable, however, that whilst Table 13

TABLE 13

Date of Last Attendance: Original Members of the Commission

<u>1904</u>	<u>1905</u>	<u>1906</u>	<u>1907</u>	<u>1908</u>	<u>1909</u>
Hickman	Herbert	Cooper		Allen	Colls
Jones	Birchenough	Eckersley		Elgar	
Keen	Bostock	Gibbs		Flett	
Marshall	Elliott	Tonsley		Harrison	
Ryder	Gallaher			Lewis	
Tennant	Goulding			Maconochie	
Turney	Mitchell			Reade	
				Noble	
<u>1910</u>	<u>1911</u>	<u>1912</u>	<u>1913</u>	<u>1914</u>	<u>1915</u>
Booth	Baynes	Candlish	Keswick	Pearson	
Levinstein	Boulton	Corah		Burbidge	
	Colmer	F.L. Harris		Littlejohn	
	Peace			Mosely	
	Rank				
	Smith				
	Webb				
<u>1916</u>	<u>1917</u>	<u>1918</u>	<u>1919</u>	<u>1920</u>	<u>1921</u>
	Dennis			Chaplin	Phillips
	Evans				Perceval
	J.M. Harris				Grenfell
	Lyle				Gilbey
	Parsons				Follett
	Waring				Caillard
					Cockburn

Source: "Tariff Commission Attendance Book"; T.C.P.

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1. Charles Booth last appearing on 28 November 1910.
 2. Cooper (date unknown), Elgar (d. 16 January 1909), Elliott (d. 28 May 1910), Flett (d. c. July 1910), Herbert (d. 8 May 1905), Hickman (d. 11 March 1910), Jones (d. 13 December 1909), Marshall (date unknown), Ryder (date unknown), and Tennant (d. 4 June 1906). See T.C.P.(P), 24 November 1910; T.C.P.

understates participation after 1910 by concentrating on attendance and excluding finance, it is also distorted upwards by the successful appeal to lapsed members made in 1916-1917. Several of those who last attended in 1917 (such as Lyle and Parsons) had not attended for a long time previously, and seem to have been stirred out of informal retirement.

VIII

Chamberlain's place in the hearts of many of the Commissioners is not to be doubted.¹ When he attended meetings the turn-out was good, and his speeches met an enthusiastic response. For all this he was careful about how he used the Commission. His opening speech, though containing a fair measure of polemic and rhetoric quite acceptable to his Tariff Reform audience, had as its main thrust the emphasis on the scientific function, the need to meet objections to his policy by demonstration of a scientific tariff which would stimulate industry and commerce without making income distribution less equal and without affecting the efficiency of industry.² Thereafter, he tended to leave the Commission alone, except when seeking material for his speeches or when attending meetings to discuss the final proofs of the reports.

When using Commission material Chamberlain's requests were fairly objective, as when he sought information on the cotton trade for his speech at Preston in January 1905. The help he required, and obtained, was mainly statistical, and it was clear that he intended to interpret the Commission's information in his own way. "I was much obliged to you for your prompt compliance with my request and for the figures which enabled me to complete

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1. On Chamberlain's seventieth birthday the Commission presented him with a handsome piece of Georgian silver. Eckersley's remarks on this occasion, those of an otherwise not too willing Commissioner, were not untypical. Chamberlain's "country owes him a deep debt of gratitude for the magnificent services he has rendered on our behalf, and altho' he has had more abuse showered upon him than probably any other statesman ... this is often the fate of the great ... as Mr. John Bright said of him 'where he is best known he is most appreciated'". See Eckersley to Hewins, 2 July 1906; C-124, T.C.P. (Eckersley's emphasis).
 2. Sheffield Daily Telegraph, 16 January 1904, p. 9.

my argument", he wrote afterwards.¹ More questionable, perhaps, was his hope that Hewins would defend his statistics, and, by implication, his arguments, in the press afterwards, though Chamberlain saw the League rather than the Commission as the vehicle for this defence.²

But Chamberlain's use of Commission material for his own ends cannot be counted interference in any significant sense, even when Hewins sprang to his defence in the press. Nor, really, can his request that the enquiry's terms of reference be extended to include a study of imperial preference³ - after all, Chamberlain had been instrumental in drafting those terms in the first place and it is doubtful whether the Commission would have existed at all without his support. The statesman's most blatant interference came not in influencing the conduct of the enquiry as such, but in influencing the Commission's decision to publish preliminary results, and, perhaps more important, in establishing a proposed tariff structure within which the Commission had to operate. This influence is best seen at work in the enquiry into iron and steel, and it is to this that we now turn.

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1. Chamberlain to Hewins, 13 January 1905; H.P.
 2. Ibid. There is a certain naivete in Chamberlain's attitude when invoking the statistician's defence. He knew the Cobden Club would try to pick his figures to pieces, but to him that was not a matter of two differently interested parties differing over interpretation, but a matter of statistics offering concrete evidence, and one of the parties being wrong. One passage in his letter shows this clearly: "If we can show beyond the possibility of dispute that they [the protected cotton exporters] have increased their sales to us while we have decreased our sales to them, and also that they have increased their sales to neutral markets in greater proportion than we have, it seems to me that we have a most effective reply to the assertion of the free importers that protection will increase the cost of production so that we shall be at a disadvantage in the neutral markets".
 3. See above, p. 130.

CHAPTER 5

The Tariff on Iron and Steel

It is understandable that iron and steel was one of the industries at the forefront of the argument for Tariff Reform. In the mind of the economic nationalist it was central amongst a small group of producer good industries which formed the backbone of the economy. Its strength was fundamental to that ascendancy of heavy engineering which had been symbolised, within living memory, by the Great Exhibition. It was an industry which had great importance for national defence, as even Liberal governments recognised. In allowing the Admiralty to specify British steel in the contracts for naval ships, the fiscal orthodoxist in the Treasury perhaps comforted himself with Adam Smith's dictum that "defence is of more importance than opulence".

The industry has long held the attention of economic historians and so too, since the appearance of Burn's classic treatment,¹ has the post-1870 period of its development. It has been used to the full, and perhaps over-used, in the debate over British entrepreneurial performance. It has been subjected to the fashion of revisionism, and to the methods of the "new economic history". Much has been written on the industry, and new material continues to enjoy an eager reception.

The present chapter does not seek to extend, modify or duplicate the great volume of existing material. Its purpose is not to analyse the industry by using the material of the Tariff Commission, but rather to explore the Commission itself by using its own enquiry into the iron and steel industry.² The Iron and Steel Report has much to say about conditions in the industry that is neglected here, but to include it would lengthen and confuse the analysis. Examples are shown to highlight the Commission's

1. D.L. Burn, An Economic History of Steelmaking, 1867-1939, (Cambridge, 1940).
2. This approach will be maintained in the other case studies.

approach, and not to throw light on the objective history of the industry. Where they can be duplicated, they have been deliberately kept to a minimum.

There is one section of the present chapter¹ which overlaps with other secondary work. Burn's pioneer study² and Carr and Taplin's authoritative work³ both contain short chapters on the Commission's treatment of dumping. In both cases the object is different from that pursued here, though there is a resemblance in the finished products. Both works, however, used only the published Iron and Steel Report, and are sometimes wrong on details. Both are only interested in the Commission's final published statement on dumping, not on the evolution of the analysis or the role it was hoped to play in overall Tariff Reform strategy, both of which are examined here.

The economic thought that this chapter seeks to chart and discuss is not the rigorous, polished subject material that might be carefully analysed by a student of Ricardo or Marshall. It is popular economic thought, with an underlying propagandist and political purpose, and thus has a less satisfying intellectual rigour. But it is nevertheless quite complicated, even when it is not expressed, as is sometimes the case, in ambiguous terms. It is not the popular treatment of a Harriet Martineau, whose clear and simplistic writing could benefit from the strong literary legacy of a body of accepted authorities. If Martineau's function was to clarify and simplify, it could within limits distort, and such limits can be critical. Classical economics was not made weaker for that; indeed, paradoxically, its influence on the common man was perhaps made all the stronger. The Commission's task was harder. It could tap the ideas of no body of economic thought accepted in England. It stumbled towards ideas it could not adequately prove in a way acceptable to the economics profession. We have seen above that Hewins sought to demonstrate a divergence between social and private costs and

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1. See below, pp. 237-257.
 2. D. Burn, op. cit., ch. 6, pp. 95-99.
 3. J.C. Carr and W. Taplin, History of the British Steel Industry, (Oxford, 1962), ch. 21, pp. 197-203.

social benefits, though he did not use these terms.¹ This distinction is critical to the question of laissez faire versus intervention, yet it was not really accepted until well into the twentieth century.² The development of protectionist theory in the inter-war period, and the sophisticated treatments initiated by Meade in 1955³ - these were the texts that the protectionist of the 1900s needed on his bookshelves to do his work as well as Martineau had done.

It has been felt warrantable to include in this chapter the Commission's relevant discussions on overall tariff strategy. This could have been separated, for it has wider implications than for iron and steel alone, but reasons of chronology and the evolution of policy make it fit better here: it was during the discussion of the iron and steel industry that the general tariff structure outlined below⁴ was first discussed. This perhaps underlines the present intention to place emphasis on the methodology and thought of the Commission rather than on its specific findings on the iron and steel industry.

I

Unusually, in view of later practice, there was no separate sub-committee on the iron and steel trades, and the selection of witnesses remained in the hands of the whole Commission. Nevertheless, invitations were sent out quickly and by late February eight ironmasters, three of them Commissioners, had agreed to serve whilst several others were considering the invitation.⁵ By 12 May, only one month after the examination of iron and steel witnesses had commenced, fifteen out of the eventual total of

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1. Put into modern terms, Hewins argued, quite forcibly, that the private benefit of the consumer of cheap, unprotected goods might be turned into social disbenefit if the unprotected home industry suffered as a result. See "The Fiscal Policy of the Empire: IX", Times, 3 August 1903, p. 12, and above, pp. 55-56.
 2. W.M. Corden, Trade Policy and Economic Welfare, (London, 1974), pp. 2-5.
 3. J.E. Meade, Trade and Welfare, (London, 1955).
 4. See below, pp. 284-296.
 5. T.C.M.(P), 21 January, 4 February, 16-17 March 1904; T.C.P.

seventeen had been recruited.¹

It was intended that witnesses should be chosen from "typical firms" in the nine major iron-producing areas of the UK.² Of these the North East was, taken as a whole, probably the least sympathetic to Tariff Reform. Hewins wanted to hold a meeting with Middlesborough businessmen, which "would not be partisan in any way nor would it be held under the auspices of the Tariff Reform League".³ Keen felt, however, that an unsuccessful meeting would harm the Commission:

... so far as my knowledge goes the Boards of the largest Companies in that district are very divided, and I think it would be a great pity to have any meeting that would not be a success ... I think it would be best not to take any action ... until the members of the Committee (sic) have had an opportunity of discussing the subject.⁴

Only two representatives of the North East subsequently gave evidence: Keen himself, as a director of Bolckow Vaughan and Co., and Sir Thomas Wrightson, a man of considerable influence in Middlesborough and an ardent supporter of Chamberlain's proposals.⁵ Elsewhere, however, there is no evidence that the Commission had difficulty in securing witnesses, though on occasion it met with refusal from those it would have liked. Hewins entreated that Douglas Vickers would be able to assist the enquiry "in many important ways", but all attempts to arrange a meeting with Vickers in Sheffield met with gentle defeat.⁶

None of those witnesses examined before the Commission could be said to have been opposed to Tariff Reform.⁷ It appears, however, that this was not

1. Hewins to Arthur Keen, 12 May 1904; C-512, T.C.P.
2. T.C.M.(P), 10-11 February 1904; T.C.P. These major areas were defined as: Tyne and Wear; Cleveland; Cumberland and Lancashire; South and South West Yorkshire; Derbyshire and Nottinghamshire; Leicestershire and Northamptonshire; Staffordshire; South Wales and Monmouthshire; and Scotland.
3. Ponsonby to Keen, 25 February 1904 and 1 March 1904; C-512, T.C.P.
4. Keen to Ponsonby, 1 March 1904; *ibid*.
5. Evidence of Sir Thomas Wrightson, May 1904 (typescript from shorthand notes), qu. 2260; T.C.P. This was omitted from Wrightson's evidence when published.
6. Hewins to Vickers, 2 March 1904; Vickers to Allen, 15 March 1904; C-286, T.C.P.
7. Though J.S. Jeans, secretary to the British Iron Trades Association, was very cautious in his statements.

the wish of the Commission. Both Alfred Jones and Hewins made attempts to recruit Sir Christopher Furness, the prominent shipowner and Liberal MP for Hartlepool, who had numerous interests in coal and iron and steel as well as primary interests in Furness, Withy and Co. Ltd., Manchester Liners Ltd., and several other shipping lines.¹ Early in May Hewins was trying to contact a Walter Cliff, whom Lewis Evans had mentioned as a possible Free Trade iron-master.² Whilst, therefore, it was the intention that members should be in favour of some kind of modification of existing fiscal policy, it does seem that some attempt was made to secure evidence from Free Trade sources. In the prevailing circumstances, however, such approaches were unlikely to meet with acceptance.

Carr and Taplin record that the most important witnesses were Hickman, Allen, Gilbertson, Wrightson and McCosh, dismissing the others as comparatively minor figures in the industry.³ This is perhaps a harsh judgement. John Strain was chairman of the well-known Lanarkshire Steel Co. Ltd., by output one of the 10 or 17 biggest finished steel producers in the UK in 1903.⁴ Harris Spencer, Rowland Lewis and A.W. Hutton had been delegated to give evidence by the British Tube Trade Association, comprised of all the English tube manufacturers. Similarly William Rylands, of the well-known Warrington wire-manufacturing concern, had been president of the Iron and Steel Wire Manufacturers' Association since 1900, and his stature in the business world was such that he was later to rise to presidency of

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1. Jones to Hewins, 25 May 1904; Hewins to Jones, 26 May 1904; C-417, T.C.P. On Furness, see H.H. Bassett (ed.), Men of Business at Home and Abroad, (London, n.d. but 1913), p. 150.
 2. Hewins to Evans, 5 May 1904; C-107, T.C.P.
 3. J.C. Carr and W. Taplin, op. cit., p. 198. Most witnesses were not identified in the Iron and Steel Report, though a list appears separately (para. 16). Carr and Taplin fail to mention most witnesses by name. Their fallibility is shown on a point of detail. Witness No. 5 was not "Almost certainly Axel Stahlin" (op. cit., p. 200 n. 1), who never, in fact, gave evidence, but Albert Barton of the Carnforth Hematite Ironworks.
 4. Burn gives nine firms with an output of over 3,000 tons p.w. of finished or semi-finished steel in 1900, and eight with an output of 2-3,000 tons (op. cit., Table 22, p. 195). Lanarkshire Steel would presumably fall into this second category.

both the Federation of British Industries and the Iron and Steel Institute.¹ Nevertheless it is true that the Commission did examine a number of minor figures in the industry,² and there was no evidence from that influential section of progressive Cleveland ironmasters whose mouthpiece was Hugh Bell.

Within three weeks of sending out its general questionnaire the Commission had received 6,700 "fully answered" replies.³ Of these, iron and steel firms numbered 295 and employed 148,875, an average of over 500 per firm. Given that the Factory Returns gave the labour force of the average iron and steel plant as about 60, this indicated that "it is the largest firms that have answered", and the Commission had failed to obtain responses from many smaller firms.⁴ Responding firms which concentrated solely on home trade were considerably smaller than those which practised a foreign trade. The 61 per cent which engaged in overseas business employed 88 per cent of the total labour force of those firms which specified their markets.⁵

It is perhaps true that prior to the first census of production in 1907 few people had a clear idea of the structure of the iron and steel industry.

1. Who was Who, IV, 1941-1950, p. 1015.
2. E.g., Albert Barton of the Carnforth Hematite Ironworks. Such north-western concerns, typically built or extended in the 1870s, were generally smaller than the contemporary Cleveland plants. See Carr and Taplin, op. cit., p. 85.
3. T.C.M.(P), 24-25 February 1904; T.C.P.
4. Ibid. A breakdown of replies was given as follows:

<u>Employment</u>	<u>No. of Firms Replying</u>	<u>No. Employed</u>
1- 20	35	403
21- 30	16	440
31- 40	16	569
41- 50	11	511
51- 100	57	4,345
101- 200	61	9,044
201- 500	48	14,584
500-1,000	21	14,626
Over 1,001	30	104,361

5. Responses and employment figures were given as follows:

<u>Market Specification</u>	<u>No. of Firms Replying</u>	<u>No. Employed</u>	<u>(Per Firm)</u>
Home, Fgn. and Colon.	138	117,739	853
Home and Fgn.	21	7,727	368
Home and Colon.	17	2,637	155
Home only	112	17,664	158
Not specified	10	3,116	312

Certainly the Commission had difficulty in establishing the representativeness of the returns. Allen had suggested a classification of 38 product groups into three main divisions.¹ Hewins, in a preliminary report on the questionnaires, stated that they "may be regarded as completely representative" both of the product-range of the industry and of its geographical dispersal.²

Neither claim is directly testable.³ But a rough division of the 70 firms mentioned in Memorandum No. 5⁴ into Allen's classifications, using the brief and not very revealing trade descriptions given, suggests that 37 were involved in pig-iron production (Allen's first group), 44 in producing cast and wrought iron and steel (his second group) and only 12 in making forged and rolled iron and steel wares (his third group).⁵ This analysis is very imprecise. Whilst it has been felt safe to place, for example, "Pig Iron Manufacturers" solely in group one, the placing of "Steel Manufacturer" in group two only, or "Steel Billets and Rail Manufacturer" in group three only is more problematical, since such concerns may have been involved in the lower branches but not mentioned it. This, however, would confirm the impression that the sample was biased heavily towards less highly finished goods. Indeed, this was obliquely admitted in the memorandum: "The number of returns from pig iron manufacturers is relatively large".⁶ Evidence on geographical representation is much clearer. Of the 70 firms used as illustrations in Memorandum No. 5, three districts out of sixteen supplied 29

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1. Unwrought iron and raw materials: cast and wrought iron and steel; iron and steel wares, forged or rolled.
 2. "Summary of Evidence Contained in Answers to Form of Inquiry (No. 1) issued to Manufacturers", Mm. No. 5 (proof copy dated 14 March 1904; T.C.P.); hereafter cited as Mm. No. 5. See p. 1.
 3. Holdings of replies to forms of inquiry in the T.C.P. are uneven both between and within industries. Accidental loss or, perhaps, deliberate (non-random) destruction makes them unsafe in any exercise to establish the representative character of the sample.
 4. These 70 represented less than a quarter of the replies used by the Commission in drafting the memorandum.
 5. Where firms crossed major classifications they have been counted two or three times, but where they engaged in more than one activity in the same major classification they have been counted only once.
 6. Mm. No. 5, p. 3.

and four supplied 35, or exactly half.¹ Staffordshire was heavily over-represented in providing 12 of the 70 firms mentioned, a number second only to Yorkshire, whilst Cleveland was under-represented in supplying only one.

By mid-March the sample had not increased greatly above that received in the first three weeks of February. It was now 320 firms, employing 165,010 workers. Those with over 50 employees constituted 76.5 per cent of the number of firms and 98.9 per cent of the number employed. Since the 1901 Factory Return gave total employment in the industry as 264,685 the Commission could claim its sample to represent 62 per cent of the total workforce.² The extent to which it represented firms is more difficult. Even deflating the Home Office figure of 2,853 workshops and establishments to eliminate double-counting where one firm had several plants, we would be unlikely to reach the Commission figure of 316. This undoubtedly reflects the Commission's failure to locate small firms, or the failure of those firms to reply. Average employment was 516 in responding firms compared with 93 in establishments covered by the Factory Returns. Hewins thought that many small firms:

... supply the home trade only ... [and] thought the questions did not concern them and have written to say that they, while fully in sympathy with the objects of the Commission and desirous of giving it every assistance, thought that the questions did not apply to them.³

In March 1904 the Commission, with 35 present, discussed Memorandum No. 5, the summary that Hewins had drafted on the basis of the returns. Hewins cited 26 pig-iron producers who were "most emphatic" in having experienced foreign competition, either directly in pig-iron or indirectly through imports of billets and bars at prices lower than they could have been

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1. The breakdown was as follows: Yorkshire 17 firms; Staffordshire 12; Scotland 10; Durham 6; Lancashire 5; South Wales 4; Derbyshire 3; Warwickshire 2; Worcestershire 2; Northampton 2; Cumberland 2; Newcastle 1; Cleveland 1; Shropshire 1; Monmouth 1; Northumberland 1.
 2. By the date of publication of the Iron and Steel Report the figures had risen. 458 returns had been received from firms employing 230,986. According to Commission calculations this meant that, measured by employment, the response rate of the industry had risen to 87.2 per cent. In other respects, the character of the sample had not changed significantly. See Iron and Steel Report, paras. 10-12.
 3. Mm. No. 5, p. 2.

manufactured from British pig.¹ But when he argued that an examination of the trade returns "would no doubt show that ... the quantity of pig iron and crude and manufactured steel imported is steadily increasing, whilst the exports are decreasing not less steadily",² several members criticised him for reading too much into the evidence. Maconochie was concerned lest "it may be said that we settled the question before we heard the evidence".³ The same voices were raised when Hewins thought that, in the replies, the mention of Canada as an important competitor in the British market "was not made out", since goods imported from Canada might have originated in the USA and since the Canadian export bounty "is not sufficient to account for any appreciable exportation".⁴ But some, like Birchenough and Pearson, realised the difficult distinction between letting the evidence 'speak for itself' and making inferences from that evidence. Waring, whilst agreeing on the need to adhere to the facts, felt that derivative statements were desirable "for the guidance of those who frequently want guiding in this matter".⁵

Yet the same Maconochie, earlier jealous of maintaining the Commission's integrity by merely reporting information received, criticised Memorandum No. 5 for omitting to mention the "compact between the United States Steel manufacturers and the German manufacturers" to sell semi-finished steel in the British market, a ring he had first heard of in the USA in February 1903.⁶ Now it was the major iron and steel representatives, Keen, Hickman and Allen, who were quick to deny the existence of any such arrangement. They knew there were agreements between German firms and between American firms, but not between the two countries. Indeed, the trade seemed to alternate between the two countries. Keen was "fully aware that discussions are constantly going on, but they do not amount to anything".⁷

1. Ibid., pp. 3-4.

2. Ibid.

3. T.C.M.(VT), 16 March 1904, pp. 2-3; T.C.P. See also the remarks of Sir Westby Perceval and Leverton Harris.

4. Mm. No. 5, pp. 4-5.

5. T.C.M.(VT), 16 March 1904, p. 6; T.C.P.

6. Ibid., pp. 7-8.

7. Ibid., pp. 9-10.

Thus it can be seen that the Commission was experiencing difficulty in assessing the extent of the competition being faced by British manufacturers without projecting their own patterns or theories onto the information provided by responding firms. Yet this was perhaps the easiest part of their work. No modern historian would deny the erosion of the British industry's position in the last two decades of the nineteenth century,¹ or the appearance in the British market of increasing amounts of foreign iron and steel. Perhaps more significantly, nor would many contemporary Free Traders have done so, though they would have stressed the absolute advance in output that accompanied that relative decline.

The next stage of the Commission's task was, however, more complex. A description of the condition of the British industry had to be followed by an analysis of the factors that determined that condition. What, in other words, were the causes of that decline?

The core of the Commission's method in analysing Britain's relative decline was what we might term a process of 'reduction' or 'isolation'. If, one by one, possible explanations were dismissed as being inconsequential or inoperative, then the explanations still remaining must be the critical ones.

One of the major elements in the reduction process was the question of whether Britain suffered from natural disadvantages which no country's tariff policy could have caused and which a British tariff was unlikely to be able to offset. Free Traders were, after all, prone to invoke the economic morality of the theory of comparative costs. Here it was immediately obvious that the forms of inquiry had been unsuccessful. Although he agreed that it was "important to inquire how far the competition which has been described [in Memorandum No. 5] is the result of certain economic natural advantages (sic) possessed by the countries exercising it", Hewins admitted that the questions in Form No. 1, that had provided the material for the memorandum,

1. In the Iron and Steel Report, the Commission was to show this trend forcibly by the publication of collected statistics from British and foreign official sources. See paras. 17-44.

had not been specifically directed to find this out.¹ This was a serious omission: the circulation of firms with a supplementary list of questions would not only be expensive and time-consuming, but it would also reflect on the competence of the Commission. But Hewins felt that there was information in the replies that could be used as a proxy: indirect evidence had arisen from a question which sought to find the amount by which foreign tariffs would need to be reduced in order for British manufacturers to compete successfully in foreign markets.² Whilst some firms had described the question as "too difficult to answer", and some others had urged the utopian solution of complete world free trade, others thought that a partial reduction of foreign tariffs would be sufficient to obtain a satisfactory equilibrium.³ Given that "not a few" manufacturers felt they could compete overseas given a certain amount (though less than that prevailing) of overseas protection, and given the importer's usual disadvantage in transport costs, Hewins thought "there appears some ground for the presumption that British goods can still be produced at least as cheap as in any other country",⁴ even in the United States. The same was implied in Sir Alfred Hickman's remarks on relative conditions at home and abroad:

I should certainly like to accentuate the fact that I do not think the Iron Trade wants Protection, that is to say if they could have general free trade in return with other Countries, they do not want Protection at home. They are quite prepared to compete in the markets of the World, and our home markets, with any country, providing that Country has not artificial profits which are made in consequence of the high Duties they put on, which enable them to send their stuff here at a loss.⁵

This was hardly a sound way in which to approach the question. At the very least, it was asking businessmen to supply information that most of them were unlikely to have. Furthermore, it is evident that this issue had brought about some division in the ranks of the Commission during and after

1. Mm. No. 5, p. 7.
2. Question VIII on Form No. 1; see Appendix 5.
3. Mm. No. 5, p. 7.
4. Ibid.
5. T.C.M.(VT), 16 March 1904, p. 15; T.C.P.

the meeting of 16 March. In view of the chain of criticism started by Sir Westby Perceval, it had to be conceded that Memorandum No. 5 could not reasonably be regarded as an objective summary of the evidence, and that it should be used merely as "a manual for the use of the Commissioners to assist them in helping the General Purposes Committee to formulate further questions to be put before the Witnesses".¹

It is significant that Perceval, Grenfell and Keen, all of whom had expressed strong dissatisfaction with the memorandum, were absent from the meeting of the following day. Indeed, Keen seems to have been more pungent in his criticism off stage than on, since the chairman felt obliged to remark:

I am sorry Mr. Keen is not here. I am sure we are indebted to him for having put strongly before us the necessity of knowing what we are doing, and where we are going. He has asked us to make up our own minds as to what it is we are going after. Well, that is a very short story indeed. What we are here for is to ascertain whether, on a scientific basis, a tariff suitable for the iron and steel trades can be devised, so as to be unobjectionable in any serious way to any section of persons in those trades.²

But certain members present felt that the doubts raised by Keen were not of such a nature as Herbert could lightly dismiss in a sentence. Hickman reminded him, "with great deference", that it "appears to be that the first thing we want to do is to prove that a Tariff is required".³ And Maconochie gave what he thought to be the "general opinion" of the meeting towards Keen's objections:

Mr. Keen was not in any doubt about what we are trying to obtain, but ... about ... whether the questions [sent out in the Forms of Inquiry] were of such a nature that would elicit the information that the Commission desired to obtain so as to get the necessary results. It was understood yesterday, I think, that questions over and above those that have already been arranged might be obtained from the Experts on the Commission.⁴

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1. T.C.M.(VT), 17 March 1904, p. 2; T.C.P. The title page of this document is missing, and a wrong date (7 April 1904) has been added subsequently. The printed minutes and the attendance book confirm that the date of the meeting was 17 March.
 2. Ibid., pp. 2-3.
 3. To which Herbert replied, "Yes, I intended to say that"; see *ibid.*, pp. 2-3.
 4. Ibid., p. 5.

Since any discussion of problems of methodological procedure was in large part a criticism of Hewins, its architect, he immediately launched upon a short speech of clarification which in places lapsed into a lecture for the novice in scientific method. In it, it emerged clearly that Hewins saw the examination of witnesses as the ideal opportunity to remedy any lack of information revealed in the returned questionnaires.¹ One of Keen's fears, that the Commission was being premature in its intention to start examining witnesses late in March, could therefore be stood on its head. Pearson supported this, conceding that "We cannot expect that the questions asked of them [the witnesses] will be absolutely perfect in the first instance",² but urged that the taking of evidence should be delayed no longer, especially since those witnesses who were also Commissioners had agreed to be examined first in a sort of 'trial run', even to the extent that they would "allow themselves to be re-examined later if it is thought necessary."³ Hickman and Allen, both of course immediately concerned in this plan, were in agreement. Allen, in particular, was inclined to think the problems encountered were largely because no verbal evidence had been taken, and that in any case Keen was "merely nervous because he is thinking about his one particular Trade."⁴

Birchenough was clear-sighted enough to realise that it was useless to allow witnesses to "exercise a roving enquiry", and that it was not only inevitable but also necessary that commissioners possessed "certain preliminary conclusions" on the material they had collected so far.⁵ Conveniently, a further memorandum⁶ had been prepared, which sought to

1. Ibid., pp. 5-8.

2. Ibid., p. 9.

3. Ibid.

4. Ibid. This, of course, adds to the evidence that Keen was very conscious of the strong Free Trade sentiment amongst the ironmasters of North-Eastern England - the Cleveland and Middlesborough districts in particular.

5. Ibid., p. 10.

6. "The Tariff Commission: Memorandum on the Evidence Respecting the Iron and Steel Trades", Confidential, unrevised proof copy dated 16 March 1904; T.C.P. Hereafter cited as Mm. No. 9.

clarify the approach now to be taken by the enquiry. The memorandum started by summarising the statistical data so far collected as showing "the rapid decline of [the iron and steel industry of] Great Britain relative to [that of] other countries",¹ a rather bald statement but one with which most historians would fairly readily agree. The next stage in the Commission's enquiry was to ascertain:

- (1) What are the causes of that decline?
- (2) To what extent has the Fiscal policy of this and other countries been a factor in producing it?
- (3) How far could these conditions be altered by a change of policy on the part of Great Britain?₂

II

In Memorandum No. 9 the 'reduction' process had been considerably, even brutally, simplified into three groups of causes which were "usually alleged" to give an adequate explanation of Britain's relative decline.³ The first, that of natural disadvantages, seemed in Hewins's eyes to be disputed by the memoranda on the US iron and steel industry, and the forms returned to the Commission by British concerns. Though he felt the need for further inquiry, he stated that the Commission's evidence so far "goes to show that given the great lead which the British Iron and Steel Trade had over that of all other countries, there is no reason in natural conditions why that lead should not be maintained."⁴ By natural conditions the secretary was largely talking about raw materials costs, particularly iron and coal. But discussion of such factors automatically embraced the ever-present problem of railway rates. It was to Hewins's advantage, of course, to minimise the amount to which British manufacturers suffered under the pricing policies of the railway companies, and he cited "one of the most eminent of the General

1. Mm. No. 9, p. 1.
 2. Ibid.
 3. Ibid.
 4. Ibid.

Managers of Railway Companies", who, despite intensive study, "cannot prove that British Railway Rates are higher than Foreign Railway Rates when you are comparing similar things."¹ In this he was supported by Henderson, himself Chairman of the Great Central, who believed that the not uncommon "idea that Railway Rates are killing business" was incorrect.² But Maconochie, a longtime campaigner for reform of the system of railway charges both in and out of Parliament felt that there was still some case to be answered. It was not a question of whether the rate per mile was higher in the UK than it was in larger countries, or whether there was any economically valid reason for this. What were important were total freight charges.³ Charles Allen gave his opinion that the question very much depended on whether there was any competition between providers of railway services in a given area, and went on to advocate a rather sanguine Weberian model of industrial relocation by remembering that "Cammells found when they were manufacturing rails in the centre of the country the railway rates were so much opposed to their interests that they were bound to move their works to Workington".⁴ It is not surprising that Maconochie remained unsatisfied.

On the second alleged cause, that of superior technical education abroad, Hewin did not deny that "the methods in England have been defective as compared with those of Germany", but asserted that "it can scarcely be alleged on the evidence available that education ... would have sufficed to maintain the lead of Great Britain."⁵ Here we can see very clearly the difficulties and limitations of the method of 'reduction'. Hewins was, at least for the present, using a lack of information on the critical nature of technical education to prove that technical education was not a critical

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1. T.C.M.(VT), 17 March 1904, p. 12; T.C.P. Hewins gave the impression this view was given in private conversation; he was a close friend of George Gibb, General Manager of the North Eastern Railway from 1891-1906.
 2. Ibid.
 3. Ibid., pp. 12-14. Maconochie also voiced the suspicion that rates from the ports inland were less than those from inland areas to the ports, this effectively taxing exporters and subsidising importers.
 4. Ibid., p. 14.
 5. Mm. No. 9, pp. 1-2.

factor in explaining Britain's relative decline. It is difficult to see what sort of evidence could have been presented to persuade him that it was critical. He admitted in discussion that his remarks were "of course only an expression of opinion", and Mosely, who had just returned from the USA where he had been specifically engaged in a study of US educational methods, advised him to wait until he had read the report currently in preparation, which would cause Hewins to modify his views.¹

It will by now be obvious that the 'reduction' approach permitted of no definite proof. It was not susceptible to quantification under the methods of the day: at best it was arguing the case. Nor was it likely that entrenched opponents of the railway companies, such as Maconochie, or passionate advocates of technical education, like Mosely, would ever concede that such factors were unimportant in explaining the new pressures which were being exerted on British manufacturers at the turn of the century. Perhaps all that could realistically be hoped for was agreement on a suitable form of words.

But this underestimates Hewins's subtlety in preparing the procedural vehicle for the Commission's progress. If the 'reduction' process should prove less than definitive, it could be modified by a concealed extension of the monocausality in the Commission's approach. The third of Hewin's alleged causes was the organisation and policy of foreign countries, an area on which Hewins felt that the "inquiry of the Commission should concentrate."² At the centre of this area were the "economic causes of dumping and the export policy of foreign trusts",³ the focal points of Hewins's perception of the Commission's task. But into this could be wrapped all the loose ends remaining after any 'reduction' process had been less than complete. Training and organisation of transport, both of which we have seen above to have had dissenters in the attempt at complete 'reduction', were here

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1. T.C.M.(VT), 17 March 1904, p. 14; T.C.P.
 2. Mm. No. 9, p. 2.
 3. Ibid.

mentioned once again:

Generally speaking the Commission has to thoroughly examine the economic causes of dumping, and the export policy of foreign trusts. The main factors on which consideration must bear are: (A) Interest on capital; (B) Administration. The subject of local rates should also be considered. There should probably be a question which would bring out the contrasts, such as they are, between British and foreign: (1) Methods of finance and accounting: (2) Training: (3) Salaries.

The evidence shows, on the whole, that the advantages enjoyed by the United States and Germany turn upon -

- (A) The development of combination;
- (B) Continuous running of the works;
- (C) Unity in administration;
- (D) Organisation of transport;
- (E) Inducements to industry and invention.
- (F) Fiscal Policy as a condition precedent to most of the advantages under (A), (B), (C), (D) and (E).

A great deal of extremely valuable information is given in the memoranda on the United States Iron and Steel industry, and the Commission is referred to points (A), (B), (C), (D), and (F). It is desirable to obtain further information on the question and organisation of transport. It is also clear that the possibility of organisation such as we find it in the United States is largely the outcome of the operation of the tariff. These conditions make dumping possible, and really afford the explanation of the state of affairs which is described in the evidence derived from the forms. On (E) - that is, inducements to industry and invention - much information, from the point of view of investment and security, is given in the summary of evidence; but the question of Trade Union action has so far been scarcely touched. This must be carefully kept in view. The conclusions indicated by the evidence, so far as it has been examined, are (1) That the British Iron and Steel trade is seriously threatened under existing conditions; (2) That those conditions are not the result of natural disadvantages; (3) That they arise from the policy and methods of foreign countries, coupled with special conditions at present prevailing with regard to British trade. (The evidence on wages is not conclusive, but points to the existence of a disadvantage so far as this country is concerned in respect of the proportion labour bears to total costs); (4) That unless those conditions are altered to our advantage, it is useless to expect that British manufacturers will run the risk of laying down expensive plant and bringing their works up to date; (5) That a condition precedent to further action is the alteration of the fiscal policy of the country; (6) That such alteration must provide adequate defence of the home market and provision for finding new markets for British wares, both in foreign countries and the colonies.¹

1. Ibid., pp. 2-3.

In some senses this statement was tantamount to beginning the enquiry all over again. It was felt that the plan before them would now "meet Mr. Keen's view a good deal", and Birchenough admitted that this intended procedure conformed well with his own belief that it was necessary to have "preliminary conclusions" in mind when collecting evidence.¹ What the Commissioners involved in the discussion did not seem to realise, however, was that the plan was very little different from a scheme which had been laid before the Commission as early as 10-11 February, though in the updated version phrases like "the evidence will probably show"² had been replaced by phrases like "the evidence shows, on the whole ..."³

Though Hewins had attempted to incorporate the residuum of factors left after 'reduction' into his by now monolithic model, it still appeared to the business mind a very necessary topic for inquiry. Sir Alexander Henderson showed concern over the level of local rates that confronted business concerns at home and abroad. Boulton had information on local rates and taxes in France and Belgium, but felt that Germany and the US were more important areas of study. Hickman and Boulton both had experience of tax remissions of up to 20 years in the US and Canada. Almost inevitably, the discussion returned to railway rates, and was promptly broadened by Levinstein and Mosely to include canal and shipping rates.⁴ Furthermore Maconochie, supported by Mosely, was not prepared to accept Hewins's incorporation of this issue into the trustification model:

You [Hewins] says that those conditions are not the result of natural disadvantages. One strong point held by all Americans is that they are able to get their ores delivered to Pittsburgh cheaper than you can get your ores in this country. So unless you are able to get some evidence on the question of supplies of ores you will find that that will be a subject sprung upon you.⁵

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1. T.C.M.(VT), 17 March 1904, p. 16; T.C.P.
 2. T.C.M.(P), 10-11 February 1904; T.C.P.
 3. Mm. No. 9, p. 2.
 4. Mosely was particularly interested in a case he had heard of where the New York-South Africa steamer rate was 10/- per ton, compared with a Britain-South Africa rate of 30/-. See T.C.M.(VT), 17 March 1904, p. 17; T.C.P.
 5. Ibid., (my emphasis).

Hewins agreed that more information on the costs of obtaining ores in different ore-using regions was desirable, presumably content in the knowledge that skilful writing would enable him to present this as a tariff-determined rather than an autonomous variable.

At the previous meeting of 16 March it had become obvious that Commissioners regarded the quality of information received from the questionnaires as less than desirable. Charles Allen had attempted to remedy this deficiency by drafting further questions, several of them seeking to elicit the consequences for labour of a situation in which British iron and steel plants were unable to maintain 'continuous running' at full output.¹ But he also strayed onto the delicate matter of trade union organisation and the extent to which unions "handicap him [the British Manufacturer] as compared with the foreign Manufacturer".²

It was immediately evident that there was a substantial feeling on the Commission that here was an issue too hot to handle. One Commissioner³ felt that it would be best to omit trade unions altogether. Sir John Cockburn feared that "If we appear to take up any action which may show a desire to diminish the efficiency of Trade Unions, we may gain a lot of information, but our hope of success has gone."⁴ Up to now the Commission had been operating behind closed doors, but "the moment we have witnesses, the witnesses can go away and make public everything that has been asked."⁵ Boulton wondered if a compromise could be reached: it might be permissible to deal with ways of "removing obstacles" such as "the limitation of production, and other vexatious proceedings on the part of Trade Unions",

1. e.g., "(5) 'Do you consider that in consequence of intermittent work there is a noticeable deterioration in the physical condition of your work-people - a disposition to become indifferent, slovenly and careless when working short time?' ... No. 6 ... 'Have you found it necessary to give common labour to the artisan class in order to keep them employed, the low grade workmen going into the workhouse when employment is short?'" Ibid., p. 19.
2. Ibid., question 7.
3. Un-named by the shorthand writer.
4. T.C.M.(VT), 17 March 1904, p. 19; T.C.P.
5. Ibid., p. 20.

even though "it would not do to let them think that we are going to diminish wages."¹

Hickman, however, was even more cautious in his desire to avoid the antagonism of the trade union movement, and in urging this course he led the discussion back into the tangled thicket of wages and their place in the controversy. His argument illustrates clearly the confusion of the Tariff Reform approach to the relationship between wages, the necessity for protection, and protection itself, and the inability of a highly rigid monocausal explanation to provide a convincing analysis of the situation:

I agree that if we set the Trade Unions against us we should have no chance of carrying our tariff; and we shall do so if we make an attack either upon their methods or upon the amount of wages which they pay in this country. The question of wages is not at the bottom of the difficulties we have to deal with. They are paying much higher wages in America, and they are able to pay them because of their tariff. It is true they are lower in Germany.²

In his confusion Hickman had stumbled from the matter of the effect of (union affected) wages on the competitive position of the British economy to that of the effect of a tariff on the level of wages. Sir John Cockburn took up the second of these issues when he asserted that the effect of a tariff on wages could be ascertained by a consideration of similar economies, an approximation to the controlled experiment of the natural sciences. He urged an intensive study of conditions in Australia, where "New South Wales, which was always a Free Trade Colony, for 6 years departed from its Free Trade and put a duty on the necessaries of life", with the result that many prices had fallen and wages had risen, whilst protectionist Victoria had kept its policy unchanged.³ Though Hewins and Herbert showed some interest in such an approach, the rest of the Commission remained silent.

1. Ibid., pp. 19-20.

2. Upon which Pearson added, "But higher in Germany compared to what they were before there was a tariff"; T.C.M.(VT), 17 March 1904, p. 20; T.C.P. (my emphasis).

3. Ibid. Comparisons between New South Wales and Victoria were long-standing favourites in the debate over economic policy. The approach was roundly criticised on methodological grounds by Giffen and the elder Keynes. See J.N. Keynes, The Scope and Method of Political Economy, (London, 3rd edn., 1904), pp. 193-4, 196-9.

Whilst few agreed with Hewins's optimism when he argued that "If the Commission can say that the question of Wages is not an important factor in foreign competition, you will win all the Trades Unions over",¹ their lack of esteem for unionism confused any consensus of opinion on the effects of a tariff on wages, or the effects of wages on competitive conditions. Candlish perhaps came close to providing a link between the two when he argued that union membership "will have to be shown that a tariff is necessary to enable them to maintain the wages and position which they have got".² Allen, on the other hand, scarcely divined the Commission's mood when, in prophesying that "We shall have to face the music with the Trade Unions one of these days", he argued that labour was a "marketable commodity ... and that the working classes are suffering in consequence of not being able to sell it".³

It was generally felt that the main question was whether union responsibility for the erosion of British supremacy, should it emerge from the inquiry, should be minimised or ignored in order to gain working class support, or faced squarely in the interests of "scientific" objectivity.⁴ To Caillard there were no two ways about it: "the action of the Trade Unions has a very important bearing on the industries of this country, and I do not see how we are to exclude it."⁵ But the majority, fearful of committing themselves to such a counter-productive line, seemed to favour the approach of Candlish, that the way forward was to stress the beneficial influence of a tariff upon wages, and to neglect the role of union organisation in contributing to Britain's relative decline. The secretary, mindful that the Commissioners would "have to find out the proportion of depression due to fiscal policy, or other causes",⁶ but nevertheless

1. T.C.M.(VT), 17 March 1904, p. 20; T.C.P.

2. Ibid.

3. Ibid., p. 22.

4. See the remarks of A.W. Maconochie, *ibid.*, who put the issue in precisely these terms.

5. Ibid., p. 20.

6. T.C.M.(VT), 17 March 1904, p. 24; T.C.P.

determined that the 'reduction' process should prove a positive case for the adoption of a tariff, was doubtless relieved when the chairman ended the discussion by observing sardonically that "I think we can put it [the treatment of wages and Trade Unionism] in such a shape as not to rub them [the Trade Unions] the wrong way."¹

The problem was really whether wage levels were a given element in the situation the Commission had to analyse - that is, that if British wages were higher than those of her rivals, this should be regarded as a sort of 'given' disadvantage like poor natural resources - or whether wages and the tariff policies of various countries were related. However the Commission argued, it was in difficulties. If it maintained that British trade unions artificially raised wages, necessitating a tariff to protect British industry from its consequent lack of competitiveness,² it would strengthen its opponents' case that the tariff was not at the root of Britain's problems. If it argued that protection abroad tended to lower real wages there, this would strengthen the case for a British tariff in terms of the 'reduction' argument, but would be likely to alienate working men who would be led to expect the same result in Britain should a tariff be imposed here. Furthermore, such an approach would scarcely have fitted well with the propaganda of Chamberlain and the Daily Express, that a tariff would protect labour. If the Commission attempted to sidestep these difficulties by concentrating on the American example, its critics would point to the opposite and embarrassing lessons from Germany.

It is likely that Hewins's intention to avoid this issue was all the more resolute in the light of earlier discussion. For this was not the

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1. Ibid., p. 22.
 2. There were periodic rumblings in the press on the effects of unions on British competitiveness. Best known was E.A. Pratt's anonymous series, "The Crisis in British Industry", in the Times, reprinted in Trade Unionism and British Industry, (London, 1904). More directly related to Tariff Reform was Chamberlain's exhortation to workers in May 1905: "Be Free Traders if you like; but you cannot be Free Traders in goods and not be Free Traders in labour". See C.W. Boyd (ed.), Mr. Chamberlain's Speeches, (London, 1914), II, p. 318.

first time the Commission had experienced difficulty in fitting the wages question into the 'reduction' process. A question on Form No. 1, relating to wages and hours abroad, had excited a large response from iron and steel firms.¹ The extracts of replies to this question, given in an appendix to Memorandum No. 5, provided a rather mixed picture. Thirteen firms felt that in their own trades British wages were significantly higher than those in rival countries, whereas seven felt the difference to be insignificant in itself, or insufficient to explain the difference between the prices of British and imported goods in the British market.² Though it is true that no firm felt British wages to be lower than those obtaining in continental Europe,³ Hewins was perhaps a little headstrong in asserting that there was "an absolute consensus of opinion that the workers in the iron and steel trades in Germany, Belgium, and the Continent generally, receive a lower rate of wages, and work a greater number of hours per week."⁴

Here there was a certain amount of confusion in the objectives desired of the 'scientific' approach. From the point of view of proving that the erosion of Britain's competitive position was the result of foreign tariffs and of no other significant factor (the 'reduction' process) it was perhaps embarrassing to find German wages so much lower than British. At the same time, however, and by a peculiar inversion of logic, it was also non-advantageous to the Tariff Reform position to admit to the existence of

1. Qu. VI on Form No. 1; see Appendix 5.
2. Mm. No. 5, Appendix V, pp. 19-20. Only three firms (F.312, F.1349 and F.1516) made any mention of productivity, even in the most simplistic way, and all three that did argued that the productivity differential worked in favour of the rival country. Only one firm was clearly anti-union, though several complained of the shorter and more defined hours worked by British labour, itself an implicit though soft-voiced criticism of labour gains through union organisation. Three firms mentioned either convict labour (F.972) or the employment of women in manual jobs (F.1000, F.1058) as contributory factors.
3. F.312 was the only one to point to the "extravagantly high" wages currently being paid in the US iron and steel industry, but thought (a) that the bubble was about to burst, and that "reductions varying up to 60 per cent are intimated", and (b) that in any case it was "well known that the tradesmen in the American steel works are doing far more work per unit than in the English steel works." Ibid., p. 19.
4. Mm. No. 5, pp. 7-8.

extremely low wages in a protectionist country which was a leading exponent of a policy of 'scientific' protectionism. Thus Harrison, the agricultural engineer, rather achieved the right answer for partially the wrong reasons when he argued "that you should put in the American rates of wages which Mr. Mosley's (sic) Commission would give you. Objections will be raised on the other side to leaving out America, which is the highest form of industrial success."¹

Maconochie, Mosely and Keen were all in agreement, especially since all three had discovered cases of highly skilled Pittsburgh steel-workers who earned wages as high as £16-£20 per week, and together with most other members of the Commission they greeted warmly the Secretary's assertion that he did not consider the evidence on wages furnished by the replies to date, or the data on wages in the "Fiscal Blue Book", to be "at all adequate on the wages question", and that the Commission should, in view of the importance of this aspect of the inquiry to the fiscal controversy, "take further steps to get better comparisons with French and American wages".²

Though high wages in the US might have been used to strengthen the argument that high wages in the UK were not the reason for relative decline, and might also have been used to gain working class support, the enthusiasm of the Commission for further efforts to obtain information was lukewarm. Charles Allen, in voicing his opinion that the wage figures presented in the memorandum were "undoubtedly misleading to a great extent", singled out the rate of 20-30 shillings per day, given in the document as representative for English forgemen. He felt that "It might surprise the Commission when I tell you that men - illiterate men - Rollers of armour plates, and that class of men, get £1,000 a year, and £1500 a year" even in England.³ Forgemen earned up to £3 per day, while certain "special" men forging 30 or 40 ton crankshafts often earned £4 per day.⁴ Allen himself claimed to be paying

1. T.C.M.(VT), 16 March 1904, p. 16; T.C.P.

2. Ibid.

3. Ibid., p. 17. It need hardly be remarked that such wages must have been extremely unusual, and probably short-term occurrences.

4. Ibid.

some manual workers £10 per week. The German figures, too, he maintained, were underestimates. Whereas the figure of 10-15 shillings was presented as typical in the memorandum, Allen stated that he had personal experience of forgemen in Germany receiving 20-30 shillings per day.

Though Allen endorsed the opinion of several responding firms that the difference between British and continental wage rates was a relatively unimportant factor in explaining differences in finished product prices, arguing that "even if the [British] men worked for nothing, in some cases you could not compete",¹ the Commission was by now losing its resolve. When W.H. Grenfell proposed that "we omit this wages question, as it is very incomplete and misleading ... [and] What there is of it tells against us", Hewins was willing to acquiesce that at least there should be "a separate memorandum altogether on wages", a move that had the support of the chairman.²

Discussion of the 'reduction' process occupied the Commission on several occasions. It is curious, therefore, that Hewins was subsequently to write that "we never once discussed the merits of Free Trade v. Protection on ... abstract lines".³ For, whilst the 'reduction' process was not abstract (i.e. theoretical) in the sense meant by Hewins, it was certainly an abstraction from reality in the same sense as was the body of economic theory that it was intended to replace.

Even today, it would be impossible to list all the factors necessary in a 'reduction' equation.⁴ There does seem, however, even allowing for the advantage of hindsight, one area of critical omission in the Commission's

1. Ibid.
2. Ibid.
3. W.A.S. Hewins, Apologia ..., I, p. 86.
4. On this account, we might liken the 'reduction' process to theory in that both require simplification as a prelude to analysis. This would, however, be regarded as a strength by the theorist and a weakness by the historicist and the advocate of 'reduction'.

coverage, that of entrepreneurial effort and quality.¹ The implications for deficiency here were, of course, manifold - overcommitment to old methods (especially the neglect of basic Bessemer)² and products (e.g. wrought iron), the lack of science-based expansion,³ and relatively slow adoption of labour-saving processes⁴ by no means exhaust the list.

But even those elements that were included in the Commission's 'reduction' process had been poorly documented by the replies of firms. Throughout its discussions, the Commission realised this. There had been no systematic information on resource costs, no convincing assertion that the technical education of the Rosebery-Haldane school was unimportant, no serious discussion of wage costs and their significance. But the Commission's optimism was such that they always believed that more information would answer their questions, or at least give them the proof that they needed. In the end, they looked to the witnesses.

It is to be remembered that all the witnesses⁵ were Tariff Reformers, or at least favourably disposed to the policy.⁶ Perhaps more important, most could only give their impressions of relative conditions in Britain and abroad: the careful statement of Jeans towers above the other evidence in its complexity, its detail, its length and, one suspects, its accuracy. Probably none of the others had travelled abroad on precisely the sort of enquiry that interested the Commission,⁷ though some had had overseas

1. The Tariff Reform answer to this charge would have been that insecurity of the home market and disadvantages when meeting tariff-fed export rivals in neutral markets caused disillusionment amongst some British businessmen. They would not have entertained the possibility of any autonomous deficiency in entrepreneurship. Given the chance to compete 'under fair conditions', British entrepreneurship was equal to any in the world.
2. As argued by D. Burn. See op. cit., p. 182.
3. Here, it is true, the 'reduction' process, in including technical education, did make a partial inclusion of entrepreneurial failing if it is assumed that the lack of such education reflected a lack of desire for it by entrepreneurs.
4. This omission was pointed out in "The Report of the Tariff Commission on the Iron and Steel Trades", Economist, 30 July 1904.
5. With the possible exception of Jeans, who remained uncommitted.
6. As noted by the Economist: "Report of Tariff Commission ...", loc. cit.
7. Jean's overseas visits on behalf of the British Iron Trade Association are well known. See B.I.T.A., Report of the Delegation ... on the

experience. And none had had Jeans' experience in assessing the industry as a whole.

On the difference in conditions of ore supplies and fuel costs, the majority of those mentioning them did so in a way that supported the Commission's 'reduction' argument. Hickman's experience was that "Neither in the United States nor in Germany are they in a better position as regards cheapness of extraction than we are", though he admitted that US ores were richer than British, and that there were regional variations in both countries.¹ Albert Barton thought "English ore is cheaper per unit of metallic iron" than both foreign ores used in Britain and US and German ores.² John Strain thought his position in regard to ore supplies just as favourable as that of the Pittsburgh ironmaster who used Lake Superior ores.³ W.H. Davies thought that raw materials costs worked against Britain in comparison with the US, but in favour of Britain when compared with Germany.⁴ Charles Allen thought the difference between American and British ore costs not significant.⁵ Jeans saw Britain as being under no disadvantage compared to Germany, in this matter, but he was less specific with regard to the USA.⁶ In his eagerness to present a balanced picture he gave a confusion of detail, the overall import of which is difficult to assess. Nevertheless, Jeans' own impression of the balance of his collected information is clear:

The present conditions do not appear to allow any one country, all considered, an overmastering advantage over others ... on striking a balance of the whole. Germany has in one district dear ore and cheap fuel, and in another dear fuel and cheap ore. The United States have cheap ore at the mines, but a transport of a thousand miles, more or less, and two breakages of bulk neutralises (*sic*) much of the gain from this source ... Great Britain is in most districts favourably

Iron and Steel Industries of Belgium and Germany, (London, 1896), and B.I.T.A., American Industrial Conditions and Competition, (London, 1902).

1. Iron and Steel Report, paras. 554-557.
2. Ibid., para. 597.
3. Ibid., para. 617.
4. Ibid., paras. 722, 731.
5. Ibid., para. 659.
6. Ibid., paras. 943, 947-962.

situated for sea transport, but both her ores and her fuel are getting dearer.¹

Generally, too, the witnesses supported the 'reduction' argument on the importance of technical education. Four witnesses² saw technical education as being an unimportant factor in determining the quality of the workforce, or not important enough to account for the prevailing differences. Hickman supported this argument in spite of his own predisposition towards technical education,³ by arguing that Britain had "made very considerable strides within the last 10 years",⁴ though it is to be doubted that he really thought British performance in this sphere on a par with continental practice. Three witnesses, including Allen, were not willing to see technical education as an unimportant issue, however.⁵

On railway rates and wages, there was less support for Hewins's attempt to make 'reduction' effective. The consensus seemed to be that Britain stood at a heavy disadvantage in regard to most transport rates.⁶ With wages, the evidence was almost uniformly that American rates were higher,⁷

1. Ibid., para. 998. The witnesses who mentioned coal were unanimous that America held the advantage (though several concentrated on the exceptional Connellsville mines), though Davie thought Belgian coal as expensive as Scottish and Gearing thought German coal more expensive than that in Yorkshire. Jeans agreed more or less completely with these evaluations. See paras. 495, 780, 984-985.
2. Barton (paras. 601-602), Strain (629), Kayzer (773), Gilbertson (902).
3. W.O. Henderson, "Origins of Technical Education in Wolverhampton", Wolverhampton and Staffordshire Technical College, College Studies in Local History, No. 1, April 1948, p. 4.
4. Iron and Steel Report, para. 564.
5. Allen (para. 694), Davie (509) and Davies (737).
6. This might, of course, be regarded as a typical manufacturers' complaint on a relatively trivial issue. In the witnesses' remarks, as elsewhere, there was confusion between rates per mile and total transport costs. Higher rates per mile were to be expected in Britain compared with continental land masses, and yet quite compatible with lower overall transport costs. Generally, however, witnesses also felt themselves at a disadvantage as regards sea freights, and some asserted that continental railway rates were lower for exports (i.e. to the ports) than for importers (i.e. from the ports). See remarks of Davie (para. 519), Hickman (523-529), Strain (617), Allen (671-674), Kayzer (769), Gearing (780), Lewis (819), Rylands (916) and Jeans (1055-1077).
7. Though Gearing pointed out that by using East European labour and mixing ethnic groups to prevent labour disturbances, some US firms got away with very low wages. He probably had Carnegie and the United States Steel Company in mind.

though opinion was divided between those who thought this was compensated by higher labour productivity and those who thought that it was not.¹ With Germany, there was again agreement on the absolutely lower level of wages, but a similar division was evident as to whether higher British labour productivity compensated for this or not.² Thus, railway rates seemed to tell against Hewins's argument, and wages did not provide hard evidence one way or the other.

In one sense, however, it is clear that there was a general belief among the witnesses that conditions in the three countries were approaching a rough parity. Barton did "not think that America enjoys any natural or physical advantage as against this country in the production of pig iron".³ Strain, talking of production of both pig iron and steel, "consider[ed] that we can produce quite as cheaply as the German or American producer".⁴ Allen postulated a rough parity in production costs of steel.⁵ Jeans thought that there was scarcely 2 per cent difference in production costs of pig iron between Pittsburgh, Cleveland and Westphalia.⁶

It seems likely that an approximate equalisation of resource costs was indeed the situation during this period, both for pig iron production and steel production.⁷ On this basis there was perhaps credence for Hewins's belief that the 'reduction' argument was well founded. With steel production, the Iron and Steel Report was equivocal. Jeans was to describe labour costs in the American steel industry as "phenomenally low",⁸ yet other witnesses such as Strain and Allen thought that in terms of total productivity

1. Cf. Strain (para. 625) and Jeans (1046) with Wrightson (581).
2. Davie, Allen and Jeans thought the difference insignificant (paras. 514, 685, 1049). Most witnesses spoke in terms of wages rather than wages per ton. The evidence is extremely imprecise.
3. Iron and Steel Report, para. 611.
4. Ibid., para. 616.
5. Ibid., paras. 640-1.
6. He did note, however, that production costs of British west coast iron would be about 10 per cent higher than this. See ibid., para. 966.
7. See P. Temin, "The Relative Decline of the British Steel Industry, 1880-1913", in H. Rosovsky (ed.), Industrialization in Two Systems, (New York, 1966), pp. 141, 146; also D. Burn, op. cit., ch. 9.
8. Iron and Steel Report, para. 1023.

there was little difference between the two countries.¹ The general tenor of the Iron and Steel Report seems to have been that the British industry could achieve US productivity levels when working at full capacity, but that the export policy of foreign trusts seldom allowed this.² In this sense, therefore, the Report mirrors in an imprecise way the recent and revisionist findings of McCloskey, who argues that his "crude" measures demonstrate "about 2 or 3 per cent average superiority for the American [steel] industry" in the years before the Great War.³

If we do not accept the still contentious findings of McCloskey, it would seem that any relative inefficiency in British steel production would have had to be the result of factors under one or another of three broad heads: (i) entrepreneurial weakness, (ii) market conditions and (iii) industrial organisation. The third heading, if taken to include the larger scale and superior mechanical handling of many overseas firms,⁴ would seem the direct factor. But, obviously, deficiencies in industrial organisation can reflect either entrepreneurial weakness, or market conditions, or both. The Tariff Commission opted for market conditions, as, in a rather different way, did Temin.⁵ But it cannot be argued that the Commission exposed entrepreneurship to the rigorous examination undertaken by McCloskey. Tariff Reformers generally tended to assume that, under the same conditions, British entrepreneurs were the equal of all others. Though the Commission was more cautious than most, it is difficult to ascertain, even in hindsight, whether the Iron and Steel Report had presented a fair case for the view that the 'reduction' process had clearly established that British management was

1. As above, footnotes 4 and 5, p. 225.
2. Iron and Steel Report, paras. 55-57, especially 57.
3. D.N. McCloskey, Economic Maturity and Entrepreneurial Decline: British Iron and Steel, 1870-1913, (Cambridge, Mass., 1973), p. 124.
4. See evidence of Jeans in Iron and Steel Report, especially paras. 1023-34.
5. Temin stresses the slow growth of demand for British steel in view of the slow growth of the British market and in view of German and American tariffs, and the much faster growth in demand for German and American steel. This in itself would produce a technological lag. Whilst the Commission could have agreed with him entirely on this point, he would not have agreed to the importance that the Commission attached to dumping. See Temin, loc. cit., pp. 142, 153.

not lacking, or whether, in common with other Tariff Reform literature, it assumed it. The traditionalist follower of Burn and Burnham and Hoskins¹ is unlikely to be satisfied by this aspect of the Iron and Steel Report.

The difficulty in the Tariff Reform mind was one of getting away from monocausalism. To Davies, British works were as good as those overseas: production costs were higher only because they did not work full time.² The tube trade witnesses felt that their German rivals could only produce more cheaply because of the large scale of operations made possible by the tariff.³ To Gilbertson, superior plant and large scale were the direct and inevitable result of a greater degree of market security;⁴ even so the difference between average British and American practice was apt to be exaggerated. Even Jeans could scarcely escape the logic of his own remarks: the most efficient US Bessemer converters and rolling mills exceeded the best British in output per year by three times. "The truth is," he noted, "that the British manufacturer would not at present know what to do with such a vast product if he had it".⁵

This is not the place to assess all the views on the causes of Britain's retardation in the industry. If the recent work of Temin conflicts with that of the more established treatments, it must be remembered that it fits in with the current fashion for rehabilitating the reputation of the British entrepreneur. It seems only fair to remark that market conditions were an autonomous situation facing the British steelmaker: it is scarcely realistic to argue that they were caused by entrepreneurial failure, and the implication of McCloskey's work, that entrepreneurial skill overcame market disadvantages completely,⁶ is unlikely to remain unchallenged by historians for long. Entrepreneurial failings there undoubtedly were

1. Another work which stresses entrepreneurial failure. See T.H. Burnham and G.O. Hoskins, Iron and Steel in Britain, 1870-1930, (London, 1943).
2. Iron and Steel Report, paras. 722, 726.
3. See especially evidence of Roland Lewis, ibid., para. 836.
4. Ibid., para. 863.
5. Ibid., para. 1024.
6. Indeed, the conclusions of McCloskey are that British entrepreneurship in the industry stood the test surprisingly well.

(and probably are in the most successful of industries), but even entrepreneurial failure is not entirely an autonomous event. Perhaps in many cases it was induced by the low morale in the industry.

Our conclusions, however, must be narrower than this. The 'reduction' process was crude, but in a way it was not entirely inaccurate. This was probably a period when Germany and the US achieved parity with the British industry in resource costs and pig iron productivity. Technical education, railway rates and absolute wage costs were probably relatively unimportant. If Britain was slipping, the largest part of her loss would seem to have been due to the larger scale of organisation abroad, and the superior methods of production that combinations frequently adopted. A fast growing industry embodies new technology more painlessly.

Yet the Commission proved its point too easily. 'The tariff is mother of the trust' was a widespread catchphrase at the time.¹ That the tariff was also guardian of efficient trustification was not precisely the same thing. Most witnesses saw trustification as an aid to large scale, and large scale as an aid to efficiency. Occasionally, a remark was made which questioned this view.² But, by and large, the quality of entrepreneurship concealed behind the more obvious features of trustification went unmentioned. It was the neglect of entrepreneurship that was perhaps the single most important weakness of the concept of 'reduction'.

III

As early as July 1903 the question of dumping had risen to central importance in the discussion of the industry's situation under free trade. If Tariff Reformers stressed the extent to which the British market was at risk from the incursion of German and American products, their opponents

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1. The American lawyer, Franklin Pierce, wrote that "Our protective tariff is the genesis of the trust. The trust comes out of it as naturally as fruit from blossom". See The Tariff and the Trusts, (New York, 1907), p. 51.
 2. See evidence of Hickman (para. 537), Jeans (1121-1122), Gearing (780).

were able to taunt them with the presence of the Canadian dumper in the British market. In part this was put forward as an answer to the (usually unspoken) belief of more naive Tariff Reformers that an Imperial union could be based on a complete complementarity of Empire economies. Chiding Sir Gilbert Parker for his own particular imperial vision, the Free Trader felt that "Nothing is more amusing than the parochial view which looks upon our colonies as suppliers of raw materials and good and obvious dumping grounds for our manufacturers".¹ In particular, the journal continued, Canada's rich deposits of iron-ore should, "according to the Zollverein ideal",² be shipped to the UK for manufacture into iron and steel, and then sold back to Canada at a profit. But more important to the Free Traders than Canada's desire to build up her own iron industry were the methods chosen to achieve it. It was embarrassing for Tariff Reformers to discover that in 1902 Canada exported £116,000 worth of pig-iron to the UK, an amount just over four times the level of UK imports from Germany,³ whilst in an unspecified period in 1901-2 the Dominion had sent Britain nearly as much pig-iron as had Germany, Holland, Belgium and the USA put together.⁴ It was noted that Canada was using bounties to encourage production. Even the perfidious Germans were not using direct government bounties in this particular industry. Canada had "unfortunately set an example to the world in this respect".⁵

Free Trade opinion at its most orthodox saw no danger in the introduction of bounty-fed iron into international markets. Chiozza Money felt that:

1. Free Trader, 31 July 1903, p. 2. The first part of the present section, dealing with the public debate on dumping, utilises this source almost exclusively. In view of the huge coverage of dumping in the national press, it has been felt unnecessary to duplicate sources, especially in view of the fact that our prime purpose here is to lay out the common Free Trade treatment and the type of propagandist argument that the Tariff Commission felt it had to answer. A survey of the Manchester Guardian has revealed that no Free Trade arguments of importance have been omitted.
2. Free Trader, 7 August 1903, p. 13.
3. Germany sent pig-iron to the value of £28,000 according to the Free Trader. Though this journal admitted imports of unwrought steel to the value of £105,643 from Germany, it sought to conceal this in its discussion; see ibid.
4. W.S.B. McLaren to Ed. Times, 24 November 1903, p. 10.
5. Free Trader, 7 August 1903, p. 13.

... it may be hoped that it [Britain's imports of £116,000 of Canadian pig-iron in 1902] will not be the last to come from the same quarter. One of the most considerable of the items under this head is unwrought steel, which we import to use as a material in sheet, hoop, wire, and other more highly advanced forms of industry.¹

But more cautious Free Traders were not inclined to follow his lead. At Bristol in November, Sir Michael Hicks Beach adopted a position rather closer towards that of Balfour, failing to see "why the policy of the Sugar Convention Act ... should not be also applied, where necessary, for the benefit of our own home industries".² The Free Trader reprinted portions of this tentative advocacy of counter-subsidy legislation without comment.³

Where dumping did not obviously avail itself of government assistance, there was still a certain ambivalence in Free Trade attitudes. On the one hand, economic liberals made much of the advantages of dumping to Britain and the disadvantages to the practising economy. But, on the other, they seemed anxious to dispel the view that dumping would be long-lived. At Paisley, Asquith reassured his audience that the present wave of dumping "cannot possibly last long".⁴

Many examples were used to demonstrate the differential advantage accruing to the British economy through foreign dumping.⁵ The Free Trader published the experience of a British firm which gained a contract to erect certain structural ironwork in Berlin. Critical to the firm's successful tender, it was maintained, was its ability to purchase German iron bars at a

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1. L.G.C.M. [L.G. Chiozza Money], "Preferential Tariffs and British Trade: II. The Fear of Imports - Materials, Raw and Other", Free Trader, 7 August 1903, p. 15.
 2. Hicks Beach at Bristol, 13 November 1903; in Times, 14 November 1903, p. 12.
 3. Free Trader, 27 November 1903, p. 137.
 4. Asquith at Paisley, 31 October 1903; reprinted in H.H. Asquith, Trade and the Empire, (London, 1903), p. 63.
 5. Most participants in the popular debate were very vague as to their own precise definition of 'dumping'. The most common usages appear to have been that of dumping as selling 'below cost of production' (loosely defined) in the country of origin, and that of discrimination between domestic and export prices, but there was some tendency for any price-undercutting to be so described. On the problem of definition see J. Viner, Dumping: A Problem in International Trade, (New York, 1966 edn.), ch. 1.

lower price than its German rivals. In September 1903 iron bars from the Rhenish-Westphalian ironworks were quoted at 95 marks per ton ex-works, but English customers could obtain them for 80 or even 72 marks f.o.b., this situation having "abolished the intended effect of the German import duty on finished iron".¹ The chairman of the Palmer Shipbuilding and Iron Company, Sir Charles McLaren MP, said at its Annual Meeting that for three years past the concern had been able to obtain German steel castings and forgings at 30 per cent below English quoted prices, and that this enabled it to secure export orders that would otherwise have been lost. The company could report a large increase in exports to both Germany and the USA.² James Cox, General Secretary of the Iron and Steel Worker's Union, voiced his opinion that cheap sources of unwrought steel enabled British crude steel users to "cut out the foreigner in the foreign markets" and so prevent closures and safeguard employment.³ Sir Christopher Furness, the prominent North Eastern industrialist, regretted the need to buy imported steel billets, but felt that the necessity to "supply the shipbuilder at such a low price" as was then obtaining obliged him to buy in the cheapest market.⁴ Even so, he argued that low-priced imports would have a beneficial long-run effect on the British industry:

Ten thousand tons of these billets came to a company in which he was interested ... He [Sir Christopher] had inquired into this matter, and asked half a dozen of the ablest steel experts whether Germany was able to make these billets cheaper than they could in the Cleveland district, and, if so, why? He was satisfied that the Germans were making a profit ... at 75s. a ton, and if they could deliver them to the very doors of British manufacturers for that sum, what reasonable man could object to such articles coming from Germany or anywhere else? He (Sir Christopher) had got in his possession accurate information ... that under a new process in Cleveland, where they owned their own mines, and their own wharf and river frontage, and had erected coke ovens, by-product plant, and all the latest improvements, they

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1. Free Trader, 23 October 1903, p. 21.
 2. Free Trader, 2 October 1903, p. 80.
 3. James Cox, in Ironworker's Journal, December 1903, p. 4.
 4. Sir Christopher Furness in a speech to his constituents in Hartlepool, reported in the Northern Press and cited indirectly in Free Trader, 1 January 1904, p. 3.

could make these billets, not at 80s., not at 75s., but at 60s. a ton. Thus the import of these billets had had the effect of stimulating them in this country to renewed efforts.¹

The corollary of the effect in the British market of a double pricing policy by German combines was the effect on German iron and steel users. In selecting one of their main examples, the Free Traders felt fortunate that Chamberlain had chosen the wire-drawing industry of Manchester, Warrington and elsewhere as one of his decaying industries.² Apart from the inevitable criticism that what Chamberlain regarded as a dying trade the Free Traders saw as a thriving and growing industry,³ it was also held that German wire-drawers, or at least those "pure" concerns which did not roll their own wire but merely purchased rolled wire for further processing, were being forced into an intolerable position. These establishments, it was maintained, were dependent for their raw material on a syndicate whose domestic price and whose export price were 250s. and 140s. per ton respectively.⁴ Being "threatened with extinction", the "pure" wire drawers were discussing the possibility of forming a "Drawn-Wire Syndicate" as a countervailing force to the "Half-Material Producers' Association".⁵

When, at Cardiff, Chamberlain addressed himself to the problem of the tinplate trade,⁶ the Free Traders found themselves in the unlikely position of diminishing the effect of the McKinley Tariff on the South Wales industry.

1. Ibid.
2. Chamberlain at Liverpool, 28 October 1903; in J. Chamberlain, Imperial Union and Tariff Reform, (London, 1903), p. 158.
3. Free Trader, 20 November 1903, p. 134. Free Traders saw fit to ignore their own evidence, gathered in another context, that German finished wire producers were under-cutting British in the home market. It was admitted that Kynochs Ltd., engaged in the wire nail trade, could not meet German competition in "commoner lines", but since the head of the company was a Free Trader and ascribed German success to reasons other than "unfair competition", this apparently ended the issue. Fiscal orthodoxists were nearer to recognising the partial contradiction in their approach when they admitted that several Norwich firms were dependent, in their successful production of wire netting, on imports of cheap drawn wire from Germany. See Free Trader, 14 August 1903, p. 20; also Free Trader, 15 January 1904, p. 17.
4. Free Trader, 23 October 1903, p. 102.
5. Ibid.; also p. 98.
6. Chamberlain at Cardiff, 20 November 1903; in Times, 21 November 1903, pp. 8-9.

As the US had for long produced large quantities of sheet steel, the relatively small move into tin-plating had been anticipated. "Welsh tin-plate makers for years previous ... had fully realised the situation", claimed Sir John Jenkins, an authority on the industry, whose experience went back to the 1850s, in the Westminster Gazette.¹ The slump in British exports that followed McKinley had been partly illusory, being "mainly due to the feverish activity created in South Wales by the prospect of the new tariff."² As the industry had found new markets in Latin America and Australasia, and in the rapid growth of home demand, it had been assisted, especially in recent years, by the dumping of German steel bars. In an interview in the Free Trader, Jenkins even adopted the extreme position of arguing that dumping was necessary to the existence of tinplate firms which possessed no facilities for the production of their own steel bars:

Of course we expect the people who make their own steel to say that it [the dumping of steel bars for use in the tinplate trade] is injurious, but there are a large number of tinplate makers who are obliged to buy their bars, and were it not for the German and American competition the steel makers would put up the price of bars to such an extent that it would be very difficult to (sic) those who are without forges to compete with them. We had one instance in the British Ferry Steel Company which put up the price to over £7 a ton. These high prices encouraged the dumping, but a most remarkable thing ... is ... that the people who denounce it the most are the very people who buy the largest quantity of dumped bars to make tinplate, and sell their own produce 5 shillings to 10 shillings higher than the price they give for the dumped bars.³

The other side of the coin - the effect of half-material dumping on the home tinplate industry - was to keep it in a relatively undeveloped condition: only 40 per cent of Germany's home consumption was supplied by domestic industry,⁴ whilst the US's 320 mills could do little more than supply their own home market.⁵ In other branches of the industry, the stimulus given to

1. Westminster Gazette, 20 November 1903, p. 2.
2. Free Trader, 11 December 1903, p. 157.
3. Ibid. It is perhaps unnecessary to remark that the dubious logic of the last sentence renders Jenkins's comments of little value except in illustrating his opinion.
4. Free Trader, 15 January 1904, p. 19.
5. Free Trader, 11 December 1903, p. 157.

the British exporter of more highly finished goods had a corollary effect on the foreign exporter. The British shipbuilder who benefited from steel billets "at such a low price"¹ had his counterpart in the American builder who was at the mercy of a "steel monopoly fostered by the tariff."²

Over-production of bars and billets was also a thorn in the flesh of German finished goods producers. The fine plate rollers of Hamburg found that their fellow semi-finished steel manufacturers supplied their rivals with steel at lower prices than they themselves could obtain them, and that it was difficult to export even with the aid of a bounty raised by their trade association.³ The producers of refined sheet steel had, for similar reasons, been forced into dumping 45 per cent of its products abroad, and German boilermakers and shipwrights were similarly hard pressed.⁴

German "pure" wire drawing firms (those which were dependent on a syndicate for their rolled wire inputs) were similarly said to be suffering from the "double-edged character" of dumping in worsening their export potential.⁵

But the deleterious effects of dumping were not seen as being confined to the finished goods sectors of the dumping country. At the same time as British Free Traders were congratulating themselves on their ability to receive large imports of cheap semi-manufactured steel, they gave stern warnings of the consequences of foreign export policy for the future health of overseas industry. Individual concerns which disclosed losses in their annual reports,⁶ or even merely did less well than was expected from their previous sales records,⁷ were held up as examples of a general law.

1. Sir Christopher Furness, cited in Free Trader, 1 January 1904, p. 3.
2. Nation (New York), cited in Free Trader, 6 May 1904, p. 138.
3. Cologne Gazette, cited in Free Trader, 22 January 1904, p. 25.
4. Free Trader, 1 January 1904, pp. 2-3.
5. Free Trader, 22 October 1903, p. 102.
6. See, for instance, the reporting of the £23,000 loss sustained by F.W. de Fries Hemer and Co., a prominent German screw, nut and bolt concern, in Free Trader, 4 September 1903, p. 43.
7. As was claimed to be the case with the huge US Steel Corporation; see Free Trader, 8 January 1904, p. 16.

Reports of closures of some US firms¹ and reductions of wages in others,² printed in the US trade journals Iron Age and New York Journal of Commerce, were cited in the British press with the gleeful assurance of a Job's comforter. There was even an inference that when the "clubbing of men away from work by policemen again became necessary at the steel works at South Sharon, Pa.," in March 1904, it was caused by US fiscal policy.³

From such reports it was a brief step to Free Trade predictions that the protectionist yoke was beginning to show signs of strain. In Germany consumers, whether of finished or semi-finished steel goods, were becoming restive. We have noted above the threat to counter the rolled wire syndicate with a "Drawn Wire Syndicate".⁴ German consumers of tin-plate, "groaning under the intolerable exactions of the Tinplate Syndicate", were reported to be combining to fight it through a newly formed "Union of Tinplate Consumers", which would establish "a central agency for the purchase of British Tinplate".⁵ The Cologne Gazette was noted to have appealed to the Steel Syndicate to aid the German independent rolling mills by ceasing to supply their foreign competitors with cheap bars and billets whilst maintaining high prices in the home market,⁶ and the Frankfurt Gazette echoed its criticisms of the "despotism" of the cartel and the "lingering process of extinction" being experienced by the Reinwalzwerke.⁷

But if Free Traders preached the good sense and good economy of receiving cheap imports, and the dangers of a cheap export policy through dumping, they were less than consistent when they perceived that the period of dumping was nearing its end. From their own argument that dumping could

1. "Depression in the American Iron and Steel Industry: Mr. Balfour's Argument Illustrated", Free Trader, 11 December 1903, p. 157. The title is sarcastic: Balfour had stated in his Economic Notes on Insular Free Trade (London, 1903) that protected countries were not affected by overproduction. See also Free Trader, 8 January 1904, p. 16.
2. Free Trader, 18 December 1903, p. 164; Free Trader, 8 January 1904, p. 12; Free Trader, 29 January 1904, p. 36.
3. Free Trader, 11 March 1904, p. 87.
4. See above, p. 232.
5. Free Trader, 15 January 1904, p. 17.
6. Free Trader, 22 January 1904, p. 25.
7. Free Trader, 5 February 1904, p. 42.

not be profitable to the dumper, especially when that argument was seen in conjunction with the semi-truths of propagandist classical economic theory, they were bound to arrive at the conclusion that dumping could not be carried on indefinitely.¹ But they showed little sign of sadness at the passing of a practice the only result of which could be to strengthen the prosperity of the British iron and steel industry at the expense of that of her rivals. Indeed, one notes a sense of relief when the Free Traders announced that an advance in prices of Pittsburgh pig- and bar-iron showed protectionist fears to be "unfounded".² The Steel Works Association being formed in Germany in March 1904 would "maintain uniform prices at home" and prevent "reckless cutting of quotations abroad"; that is, the "policy of dumping was to cease",³ this being "a moral on the unwisdom of premature predictions."⁴ Even the pig-iron producers of the Siegen district were to stop dumping, it was definitively pronounced.⁵ Indeed, in one admittedly uncharacteristic statement the Free Trader came close to giving a reason for its apparent satisfaction at what it perceived to be the end of a period of dumping: "Dumping might be so worked as to be an injury to the importing country, but it is unavoidably an injury to the country which practises it."⁶ Clearly there was an element of 'double-think' in the propagandist Free Trade attitude towards dumping.⁷

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1. In answer to the protectionist argument that overall profits might be maintained by a dumping firm even though overseas sales were at prices below cost, because of higher domestic prices, the Free Trader argued that "If this were so there would obviously be no reason for the interference of the syndicate to raise prices abroad. The policy of the Steel Trade Association therefore confirms the view taken by Free Traders that 'dumping' was unprofitable to the German iron and steel industry, and that sooner or later it would disappear." Free Trader, 18 March 1904, p. 90.
 2. "No Dumping from the United States", Free Trader, 4 March 1904, p. 78.
 3. Free Trader, 18 March 1904, p. 90.
 4. Free Trader, 8 April 1904, p. 106.
 5. "German Iron Manufacturers Stop 'Dumping'", Free Trader, 15 April 1904, p. 117.
 6. Free Trader, 11 December 1903, p. 153 (my emphasis).
 7. This was even evident in the more careful discussion of dumping by the (Free Trade) professional economist. See S.J. Chapman, "The Report of the Tariff Commission on the Iron and Steel Trades", Economic Journal, XIV, 1904, especially pp. 620-621.

IV

Given the large covering of dumping in the press campaign, it is not surprising that the Commission gave it serious attention. Hewins initially defined it as "the selling of goods at a loss to the seller", a practice made possible by "some compensating advantage in the price secured elsewhere, e.g. in his own home market".¹ From the beginning, the Commission experienced difficulty in obtaining incontrovertible evidence of dumping. In Memorandum No. 5 Hewins had included testimony from a Yorkshire pig-iron and steel firm employing 1500 men (F.312), which stated that German joists and beams were selling f.o.b. Antwerp at $82\frac{1}{2}$ marks less $2\frac{1}{2}$ per cent. Since the prevailing price of German basic pig (58 marks per ton) and the lowest conceivable prime cost of converting it into steel joists and beams (31 marks per ton) meant that the lowest economic price at which the Germans could have sold was 89 marks per ton, even this neglecting the fixed costs of conversion into steel, the example was put forward as a clear case of dumping. Sir Alfred Hickman, however, was quick to point out that the current price of basic pig was irrelevant: "The question is what the pig iron cost - not what the selling price of it was".² Perhaps Sir Robert Herbert was not alone among the Commissioners in failing to understand the significance of this, arguing that the German steel producer would have had to buy his pig at the prevailing price. He was corrected by Keen, who pointed out that "the [German] Manufacturers of Steel very largely make their own pig iron".³ Obviously, the Commission was hardly in a position to obtain detailed information of the internal production costs and accounting procedures of the large, integrated German firms. Of course, this is a difficulty which

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1. Mm. No. 5, p. 5. Tariff Reformers seldom looked further than the tariff (and its allowance of a dual pricing policy) in seeking to explain the financial ability of foreign trusts to sustain dumping. They neglected the possibility even of short-term losses of return on fixed capital, whilst they would have regarded as inconceivable the possibility of financing losses on prime costs out of reserves.
 2. T.C.M.(VT), 16 March 1904, pp. 10-11; T.C.P. (my emphasis).
 3. Ibid., p. 11.

has not diminished with time: today, mere evidence of dual pricing policies for export and import markets is taken as evidence of dumping by an importing country intent on control.¹ Hickman hastened to add that "I do not suggest that there is not truth in the fact (sic) that the finished article is sold at a loss; but the statement on the face of it does not bear that out".²

Some Commissioners felt that this presented little problem. All that was needed was more information. But Charles Allen was pessimistic in response to Pearson's suggestion that the responding firms should be contacted again and questioned more closely on this matter, since he saw dumping as having progressed from a spasmodic to a continuous operation, with the result that "The word 'dumping' has disappeared in the ... steel works, and it has become [regarded as] a perpetual and continuous competition".³ Though Maconochie and Hickman were correct in reminding him that "the trade being continuous [did not] at all interfere with the definition of dumping",⁴ there was probably more than a germ of truth in Allen's view that dumping, or at least some form of extreme price competition, had become so much a part of German export policy, and of British import experience, in the previous decade that it would be difficult to distinguish it from more legitimate practice, and that individual British firms would be unlikely to be able to provide proof of its existence if further enquiries were made.

In the Memorandum it was emphasised that German dumping was made possible by differential pricing in home and export markets. If, to the "estimated minimum cost" of joists (89 marks) was added $2\frac{1}{2}$ marks for freight and insurance, the total cost f.o.b. Antwerp stood at $91\frac{1}{2}$ marks per ton, so that a selling cost of $81\frac{1}{2}$ marks represented a loss of 9 marks per ton.⁵ Yet with the prevailing home market price of 105 marks per ton, this meant that approximately 62 per cent of total output could be exported at the

1. W.M. Corden, Trade Policy and Economic Welfare, (London, 1974), p. 235.

2. T.C.M.(VT), 16 March 1904, p. 11; T.C.P.

3. Ibid.

4. Ibid., p. 12.

5. Mm. No. 5, p. 6. containing an arithmetical error.

lower price and still leave the concern in a break-even condition, since the manufacturer could "sell $14\frac{1}{2}$ tons at the export price for every 9 tons sold at home, and be under no nett loss".¹ Thus, if exports constituted less than 62 per cent of total output the manufacturer would make a profit.

In spite of the fact that, in the memorandum, it was stressed that "The above estimates are given by way of illustration, and may not represent the actual conditions prevailing",² and in spite of the fact that Hewins pressed the Commission to discuss his reasoning,³ no one appeared to find the analysis in any way unreasonable. Nor were the Commissioners to dissent when he took the analysis further into the realm of "continuous running", an argument which was to become a favourite of the Commission and which lay at the centre of its study of the iron and steel industry:⁴

... a condition precedent to the successful exploitation of the foreign markets is the protection of the home markets. Though it means a higher price in the German and American markets than the respective export selling prices, it does not necessarily follow that the price is any higher than it would be if there were no export markets on which the surplus productions could be "dumped." The smaller output limited to supplying the demands of the home market, might and generally does mean a lesser economy of production; and the selling prices might again be the same as before. At any rate, it will be granted that the increased price to the home consumer is largely compensated for by the considerable increase in the amount of employment; in the continuous running of the works; and in the greater security it affords to the investment of capital.⁵

This introduction of a dynamic element into the analysis of dumping was prima facie a strong one: it countered the Free Trader's stance that the joists in question could be viewed as an input for other industries by arguing that without dumping the German cost of production might well be higher than with it, and, more importantly, that without being the victim of dumping the British industry might well be able, through an increase in

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1. Ibid. The figures are given in more detail, and include a small allowance for depreciation.
 2. Ibid.
 3. T.C.M.(VT), 16 March 1904, p. 14; T.C.P.
 4. See Iron and Steel Report, paras. 62-75, which in many respects bears a close resemblance to Mm. No. 5.
 5. Mm. No. 5, p. 6. (my emphasis).

output, to achieve lower costs of production.

Though Hewins could produce firms' evidence that dumping hit at the confidence necessary to ensure adequate future investment,¹ he had found little to go on in answers to the forms of inquiry about the magnitude of cost variation which could be expected under varying levels of output. His example, therefore, does not seem to have been backed by any direct evidence:

It should be further pointed out that "dumping" acts as a cumulative poison. In diminishing the output of the furnaces and the plant by the amount imported, it increases the cost of production of the remainder. A plant capable of producing, say, 1,000 tons of pig-iron per week at a cost of 52s. 6d. may find its nett costs run up to 53s. or 53s. 6d. if it be made to produce only 600 or 700 tons per week. The markets which it still commands become yet more difficult to hold, and therefore more susceptible of attack by the foreign producer.²

Yet it does appear that, as unbacked by empirical evidence as Hewins's thesis was, his figures commanded general agreement. Indeed, it was the opinion of two of the ironmasters present at the meeting of 16 March that the illustration considerably underestimated the likely situation. Sir Alfred Hickman thought that, in the example given, a 30-40 per cent reduction of output would raise costs by "a good deal more than 6d or 1/- a ton", and he did not seem entirely opposed to Sir Robert Herbert's suggestion that the phrase "several shillings" should be substituted.³ Charles Allen thought that the likely unit cost differential would be "at least 2/6 a ton".⁴ But in spite of such agreement, the argument being used in favour of full-capacity working, though not exactly "deductive" because of the element of observation which had played a part in its formulation, did rest on a sequence which was somewhat abstract, even theoretical.⁵ In this, of course, it was the child of a methodology alien to the publicised aims and

1. F.1507, a South Wales tinsplate manufacturer; F.742, a Scottish steel producer; F.1517, a Northumberland steel manufacturer.
2. Mm. No. 5, p. 7.
3. T.C.M.(VT), 16 March 1904, p. 14; T.C.P.
4. Ibid.
5. For the best roughly contemporary discussion of the distinction between "deductive" and "inductive" methods in economic science, and the impossibility of separating the two, see J.N. Keynes, The Scope and Method of Political Economy (3rd edn., London, 1904), passim.

methodology of the Commission. Sir Robert Herbert recognised the need for empirical support:

All this matter of dumping has so important a bearing on the enquiry, that we want suggestions as to the specific questions, which would be very useful after reading these comments ... We should be very glad to know what particular points ought to be brought out in examining the Witnesses, which is very much the object we have in bringing these points before you.¹

The Commission scarce had need to worry that witnesses would neglect the question of dumping when giving their evidence, and a substantial part of each cross-examination concerned the issue. Perhaps the most violent impact of foreign dumping on British producers was attested to by Sir Thomas Wrightson, who saw it as having operated most strongly in bars, blooms and billets.² Albert Barton, of the Carnforth Hematite Ironworks, had even had personal experience in organising dumping, being by his own admission "the instrument by which the first dumping of a quantity of American pig iron was put into force in Europe" in 1896-1897: with the assistance of specially negotiated railway rates in the United States, "the bulk of the iron was sold at just about its cost of manufacture under the most economical conditions".³

It has been seen above that there was a considerable element amongst the Free Traders who argued that dumping was ephemeral. What worried the Tariff Commission was not so much that dumping was a cyclical phenomenon - that is, that it would thrive when the home market was depressed and disappear when the home market revived⁴ - but that it would become continuous. In spite of the fact that the policy initiated by Barton and his associates was initiated by the US depression of 1894-1896,⁵ "The result of that operation was to

1. T.C.M.(VT), 16 March 1904, p. 14; T.C.P.
2. Iron and Steel Report, paras. 578-582 (Witness No. 4).
3. Ibid., para. 606 (Witness No. 5).
4. It is a common interpretation of American export policy during the period 1880-1914 that such business fluctuations lay behind the differing appeal over time to the US manufacturer of the export market. See W.H. Becker, "American Manufacturers and Foreign Markets, 1870-1900", Business History Review, XLVII, 1973, pp. 466-81.
5. For the 1894-1896 depression, see C. Hoffmann, "The Depression of the Nineties", Journal of Economic History, XVI, 1956, pp. 137-164.

induce other American manufacturers to adopt dumping as a steady policy".¹ We have seen above that Charles Allen was also of this opinion,² whilst W.H. Davies, giving evidence from his experience in the Skelton Iron, Steel and Coal Co., could see no end to the process of German dumping, since it had lasted "several years" already, and since German capacity was increasing so rapidly that the imperative that German ironmasters "must go outside and dump their surplus" seemed to him a permanent situation.³ The evidence of some witnesses was less supportive of this proposition. The three representatives of the British Tube Trade Association, though stressing the intensity of price competition in the international market, dwelt little on dumping per se, though not explicitly rejecting its importance.⁴ F.W. Gilbertson, who himself had purchased steel bars for tin-plating, had experienced (a loosely defined) dumping only since 1900; his remarks showed that he had no clear opinion as to whether dumping would become a permanent feature or whether it would eventually cease.⁵ J.S. Jeans, however, in a very cautiously worded submission that befitted his position as Secretary of the most important trade association of an industry considerably divided over the fiscal issue, was perhaps the only witness who gave any strong indication of a belief that dumping might well not prove permanent, though his arguments were cast solely in terms of US conditions. Starting with the reduction of US steel exports around the autumn of 1903, achieved levels of overseas sales had dropped considerably below the level of 1900-1901. According to the Pittsburgh correspondent of the Iron and Coal Trades Review,⁶ the United States Steel Corporation was dissatisfied with the attempts to dump semi-manufactures in the British market, and a policy which had begun under the "individual initiative" of as yet unamalgamated firms

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1. Iron and Steel Report, para. 607.
 2. See above, p. 238.
 3. Iron and Steel Report, para. 654 (Witness No. 8).
 4. Ibid., paras. 793-850. These were T. Harris Spencer of Wednesbury (Witness No. 11), Rowland Lewis of Wolverhampton (No. 12) and A.W. Hutton of Walsall (No. 13), all tube manufacturers.
 5. Ibid., paras. 851-902, especially 877-878, 886-887.
 6. Cited by Jeans (Witness No. 16), Iron and Steel Report, para. 1116.

might well soon be brought to a close so that the "hungry shareholders" of the new corporation could be "fed with profits".¹ But, even so, Jeans did not see the formation of US Steel as heralding the end of US dumping: all he did was to introduce a new constraint, that "The dumping of the future must be justified to shareholders".²

Though it is now evident that, in the short run at least, Jeans' careful words were an accurate prediction, and that there was to be no recurrence of dumping on anything approaching the 1900-1903 scale, at least down to 1914, the evidence taken by the Commission, though as inconclusive as any inquiry into this subject was likely to be,³ did show a general concern about the practice. Even Jeans had no hesitation in saying that "the dumping of foreign iron in British and Colonial markets has been a serious handicap to British exports".⁴ There is no doubt that many British businessmen were disturbed about the question in a way that the modern observer, acquainted with the events of the inter-war years and the spread of anti-dumping legislation since 1918, can more easily understand than could the Free Trader of the early twentieth century.⁵ There is a modern ring to Jeans' statement that dumping "may easily break the British market and entirely disorganise British conditions".⁶ It is perhaps not surprising that the mild xenophobia of those who interpreted the situation as rather more serious than did Jeans reached its peak during the depression after the Boer War. The growth of the German cartels seemed as rapid as ever, and in the USA there had for some years been a subtle change in the organisational and financial basis of big business. To the British

1. Ibid.
2. Ibid.
3. See J. Viner, Dumping: A Problem in International Trade, (New York, 1966 edn.), ch. 1, for the difficulties involved even in defining dumping.
4. Iron and Steel Report, para. 1124.
5. British businessmen were not alone: anti-dumping provisions were being considered in Canada at this time. To my knowledge, the Canadian tariff of 1904 sees the first appearance of such provisions. Australia followed in 1906. See A. Shortt, "The Anti-dumping Feature of the Canadian Tariff", Quarterly Journal of Economics, XX, 1906, pp. 250-8; J. Viner, op. cit., ch. 11.
6. Iron and Steel Report, para. 1098.

entrepreneur, brought up in an age when self-help and individualism still symbolised industry and efficiency, the new "lords of creation", mobilising the seemingly limitless resources of finance-capitalism, must have seemed far more daunting, far less familiar, than the unsubtle but straightforward "robber barons" who they were replacing.¹

In his autobiography, Hewins was to write that "One of the most interesting sections of this [Iron and Steel] Report was the presentation of the economic argument showing that dumping was profitable to the producer".² It is understandable that any such proof had great attraction for the Tariff Reformers, for this would demolish the Free Trade assertion that it was necessarily temporary, and would consequently cast doubt on their consumer-orientated view of its beneficial effects. If Asquith was wrong in thinking that dumping was a "suicidal policy", that it "could not possibly last long", his belief in the lasting supremacy of British industry was on less sure ground.³ Equally, the Free Trader who had told Hewins "that he would like to see an industry dumped out of existence before he would make up his mind" would surely get his chance.⁴

It should not too readily be thought, however, that Hewins's proof of profitability to the dumper emerged from the industrial enquiry. Hewins had been interested in the problem for some time. In the Times he had remarked that "'Dumping' is thoroughly good business from the foreign point of view".⁵ The treatment in Memorandum No. 5 had been a priori: he had admitted no less.⁶ But it is significant that this memorandum took the analysis of dumping further than did the Iron and Steel Report. In spite of the fact that additional information had been obtained from firms during the interval

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1. The terms, so accurate in metaphor, are of course taken from F.L. Allen, The Lords of Creation, (New York, 1935), and Matthew Josephson, The Robber Barons, (New York, 1934).
 2. W.A.S. Hewins, Apologia ..., I, p. 91.
 3. Asquith at Paisley, 30 October 1903; reprinted in Times (ed.), Speeches by the Rt. Hon. H.H. Asquith, (London, 1908), pp. 197-8.
 4. W.A.S. Hewins, Apologia ..., I, p. 91.
 5. W.A.S. Hewins, "Fiscal Policy of the Empire: IX", Times, 3 August 1903, p. 12.
 6. Mm. No. 5, p. 6; see also above, p. 239.

between the writing of the two documents, therefore, the final analysis of dumping was still essentially a deductive one, and one more cautious than the earlier version.

Extracting from both sources we find that Hewins's assertion of the nature and effects of dumping was threefold: (a) that 'long-term' dumping was possible, because dumping was profitable to the producer; (b) that 'long-term' dumping was only profitable if the home market of the dumper was protected;¹ (c) that 'long-term' dumping did not necessarily raise prices in the home market above what they would have been had there been no dumping at all.² It is necessary to test these assertions, none of which receives adequate proof in the two documents.

It must be admitted that, had the Tariff Commission confined its analysis to short-term dumping, it would have been difficult to test its statements using conventional micro-economic analysis. In a real world situation, with large cartels using accumulated financial reserves, subsidising one branch of their activities with revenues from others, and possibly receiving government encouragement, economic theory might well be unable to cope with the amorphous situation it meets. Obviously the theory of the firm cannot predict the actions of a firm which is prepared to make losses in any precise way.³

But the Tariff Commission view needed no such unpredictable behaviour. Dumping was a regular and persistent feature because through it the foreigner had a means of "increasing his profits thereby".⁴ The free trade case, that "dumping is merely a temporary expedient, unprofitable to the countries which practise it", was held to be fallacious.⁵

As far as it goes, the assertion of profitability to the dumping firm causes the modern student little trouble. It can be shown clearly, even

1. See Hewins's remarks above, p. 239,
2. As ibid. This assertion is omitted from the Iron and Steel Report.
3. We will return to some real-world qualifications of the present discussion below, pp. 254-5, 256-7.
4. Iron and Steel Report, para. 65.
5. Ibid., para. 66.

under the strict conditions of marginalist theory. It is simply the model of the firm under monopoly¹ which can separate two markets. The only proviso is that elasticity of demand (at the export-market price) in the foreign country is higher than it is (at the home-market price) in the home country. Otherwise, theoretically, 'reverse dumping' could occur.² In Fig. I (a) dumping in the modern sense, that is selling abroad at a price lower than home sales,³ is seen to be quite compatible with profit maximisation.

In Fig. I (a) the domestic and foreign demand curves are represented by $D_h D_h$ and $D_f D_f$ respectively; similarly with domestic and foreign marginal revenue curves, $MR_h MR_h$ and $MR_f MR_f$. The aggregate marginal revenue curve ($MR_a MR_a$) is obtained by horizontal summation of $MR_h MR_h$ and $MR_f MR_f$. Profit maximising output (OR) will be where the marginal cost curve (CC) cuts the aggregate marginal revenue curve. Of output OR, OH will be sold at home (at price $O P_h$) and OF in the foreign market (at the lower price $O P_f$).

It is to be noticed that export price is greater than marginal cost of production (i.e. $O P_f > R N$). The limiting case is represented in Fig. I (b). If foreign demand is infinitely elastic, export price will be equal to marginal cost of production. Even in the limiting case, therefore, export price cannot lie below marginal cost of production if the firm is to maximise profits.

Thus, assertion (a) - above, p. 245 - is easy to prove if we mean by 'dumping' the modern definition of discrimination between home and export prices. In this case, Hewins's statement that "dumping was profitable to the producer"⁴ was not only valid, but indeed something of an understatement.

1. The observation that the iron and steel industry operated under conditions of monopolistic competition need not detain us. As long as the firm can separate markets, the analysis is similar. In any case, German cartelisation by product group had the effect of approximating to monopoly within single product groups.
2. i.e. where export price is higher than home-market price.
3. The acceptance of this as the standard definition seems to have occurred in the 1920s and early 1930s. See G. Von Haberler, Theory of International Trade, (Eng. Edn. transl. A. Stonier and F. Benham, London, 1936), p. 296.
4. W.A.S. Hewins, Apologia ..., I, p. 91.

FIGURE I

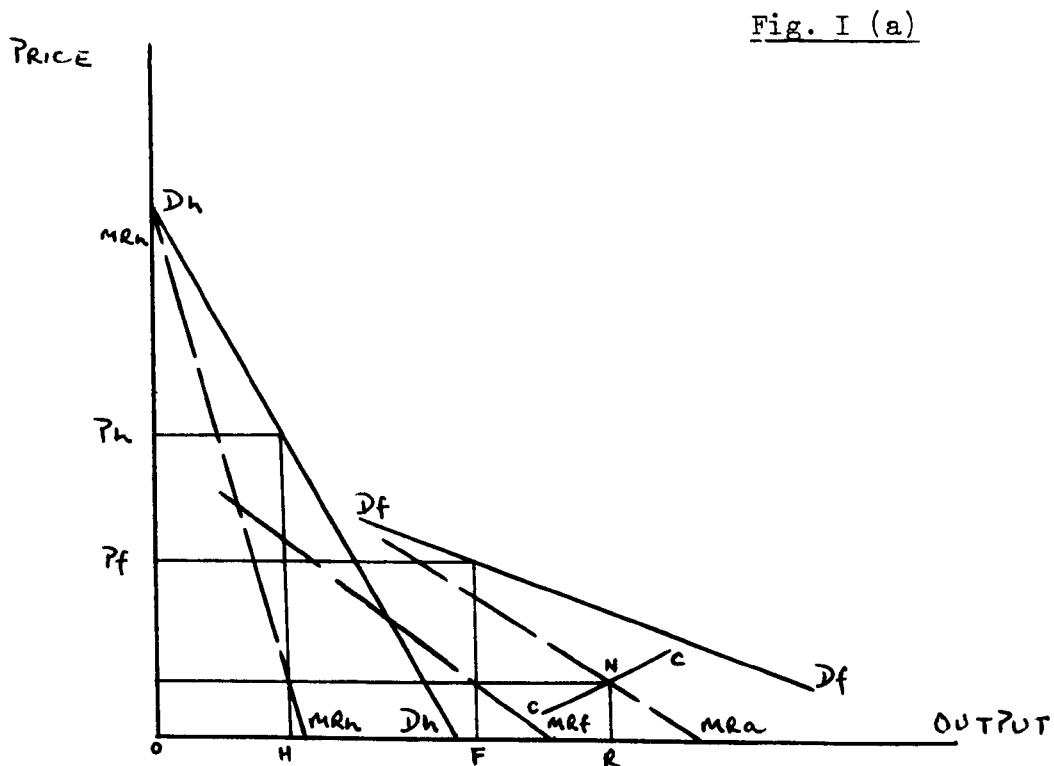
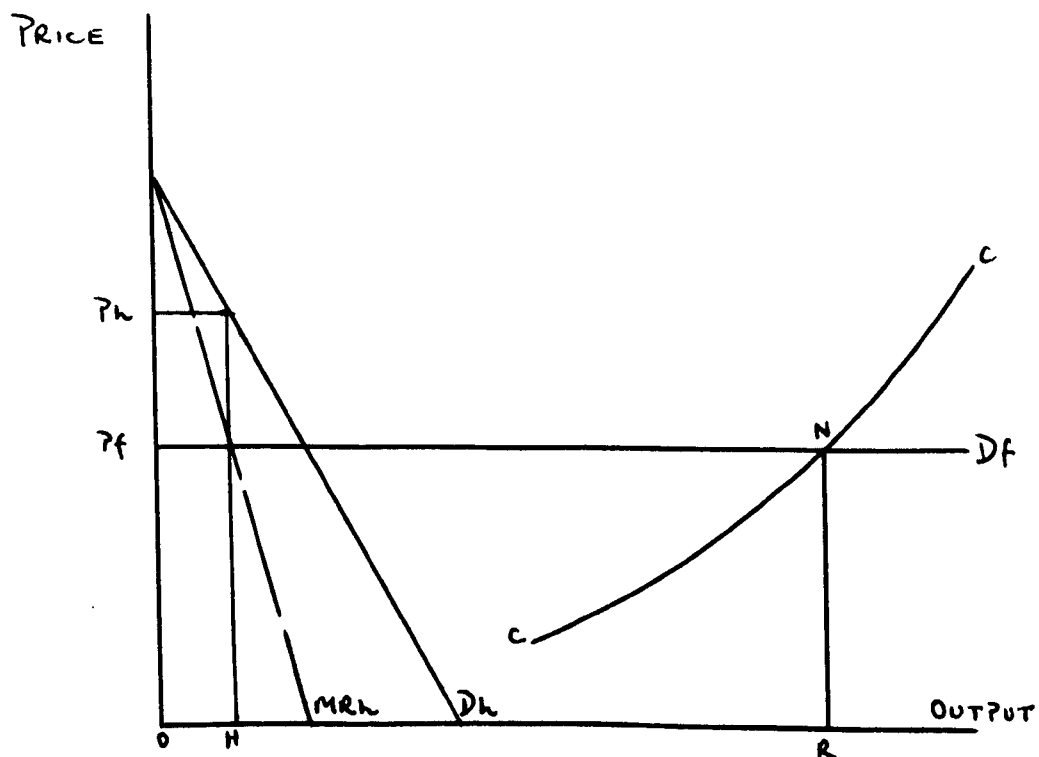
Monopolistic Price Discrimination in Home and Foreign Markets

Fig. I (b)



Source: The figures are taken from W.M. Corden, *op. cit.*, pp. 236-237. The first, especially, should be known to any undergraduate in economics.

Since a dumping firm could thereby maximise its profits, there is equal credence to his statement that dumping was a way of "increasing ... profits".¹

If, however, we adopt Hewins's own definition of dumping, that of selling "under the actual cost of production in the country of origin",² the conditions which allow profit maximisation become tighter.³ It is, of course, impossible to maximise profits by dumping abroad at below marginal cost: there is no evidence, however, that Hewins considered this a practical possibility. It is plain that he was considering dumping below average cost.

If a firm dumps at a foreign price lower than average cost, profit maximisation is possible only if the average cost curve is falling.⁴ It must be remembered that, given the tendency of capital intensive industries to work at undercapacity,⁵ this is a far from unrealistic condition.⁶

Furthermore, it is evident that the Tariff Commission did not require the profit maximisation condition. No doubt it was one that the Historical Economist and the pre-1914 businessman would have considered absurd.⁷ The example of Firm 312, given above,⁸ was designed to show that the dumper "could sell 14½ tons at the export price for every 10 tons sold at home, and be under no net loss".⁹ Elsewhere, this was brought out even more forcibly.

1. Iron and Steel Report, para. 65.

2. Mm. No. 5, p. 5.

3. It should be noted, however, that economists today consider Hewins's more restrictive definition of dumping as being without great analytical significance. See W.M. Corden, op. cit., p. 239.

4. W.M. Corden, op. cit., p. 239.

5. Furthermore, it would normally be the case that industries such as iron and steel enjoy economies of scale. That is, a larger plant will show a lower average cost than a smaller plant for a given degree of capacity utilisation.

6. Von Haberler notes: "When both marginal and average costs are rising, the foreign (dumping) price, which cannot be less than the marginal cost, is above the average cost. But this is of little importance, since dumping occurs mainly when costs are falling, and in that event average costs exceed the marginal costs". (op. cit., p. 312; Haberler's emphasis).

7. Of course, this begs the question of whether profit maximisation is unconsciously achieved through other forms of pricing policy.

8. See above, pp. 237-9.

9. The example is reproduced in Iron and Steel Report, para. 64, from which this quote is taken (my emphasis). In spite of slight numerical changes, it should be noted that the example still failed, as Hickman and Keen had noticed at the beginning, to provide incontrovertible evidence of dumping below cost.

In 1903 a British firm, which later supplied information to the Commission:

... produced 114,000 tons, the cost per ton in the conditions then prevalent being £4. 15s. Selling this at an average price of £5 per ton, their profit was £28,500. But if their works had been employed to their full capacity, namely 152,000 tons, the cost per ton would have been reduced to £4. 10s. This extra production of 38,000 tons could have been sold at cost price, and yet, owing to the all-round reduction upon cost of production, their profit would have become £57,000. Thus, it will be seen that they could have sold this 38,000 tons at considerably below cost, and still have increased their profits had there been any market in which they had been able to dispose of it.¹

We can certainly, therefore, agree with the assertion that long-term dumping could be undertaken profitably. Indeed, given the likely conditions in the iron and steel industry around 1903-4, with the likelihood of excess capacity and declining average costs,² dumping below average cost was probably not incompatible with profit maximisation. Casting aside the profit maximisation requirement, however, we can certainly agree with the argument that long-term dumping can be profitable to the dumper.³ Whether long-term dumping was being practised is, however, another matter, which we consider elsewhere.⁴

Assertion (b), the necessity of tariff protection as a condition for profitable long-term dumping, is hardly less acceptable to modern theory. The fundamental requirement is that elasticity of demand in the foreign market is greater than that in the home market over the relevant ranges of

1. Iron and Steel Report, para. 65.
2. It must be stressed that marginal cost may be rising in this situation. This is to be contrasted with the Commission's analysis of the price effects of a tariff (examined below, pp. 258-267) which tends to require falling marginal costs (or another improbable condition) in the short run. Rising marginal costs thus add to the realism of the argument on dumping being advanced here.
3. Burn feels it "fallacious to deduce from this, as was constantly done by the zealots, that the profitability of dumping abroad when surplus capacity existed would encourage the creation of more surplus capacity with a view to greater dumping". (op. cit., pp. 97-8). Though the Commission never explicitly propounded this view, it would seem a plausible extension of its analysis. (See fn. , p.). It should be noted that in terms of strict analysis, the "zealots" win the day, though in terms of reality Haberler (op. cit., p. 310) tends to agree with Burn.
4. See below, pp. 254-5, 256-7.

the foreign and home demand curves. This may merely be a function of price: the foreign elasticity does not have to be higher than the home market elasticity at the home price, as long as the foreign elasticity at the dumping price is greater than the home market elasticity at the home market price. The markets must therefore be separate.¹

It should be mentioned that not only tariffs, but also transport costs, can give the producer the ability to separate his markets. Little work has been done specifically on this issue, the recent research of McCloskey being confined to an examination of the effect of transport costs on competitiveness between the British regions.² As Corden has observed, today "tariffs are probably more important causes of market separation" than are transport costs.³ It is, of course, true that transport costs have fallen markedly since the early 1900s, but then, as Corden points out, so too have tariffs. It can safely be surmised, therefore, that tariffs were one of the main pre-conditions, if not the main pre-condition, for profitable long-term dumping in the early twentieth century. It should be remembered, however, that spasmodic dumping would not necessarily depend on the existence of protection in the home market. It is significant that Britain herself was occasionally accused of dumping in this period.⁴

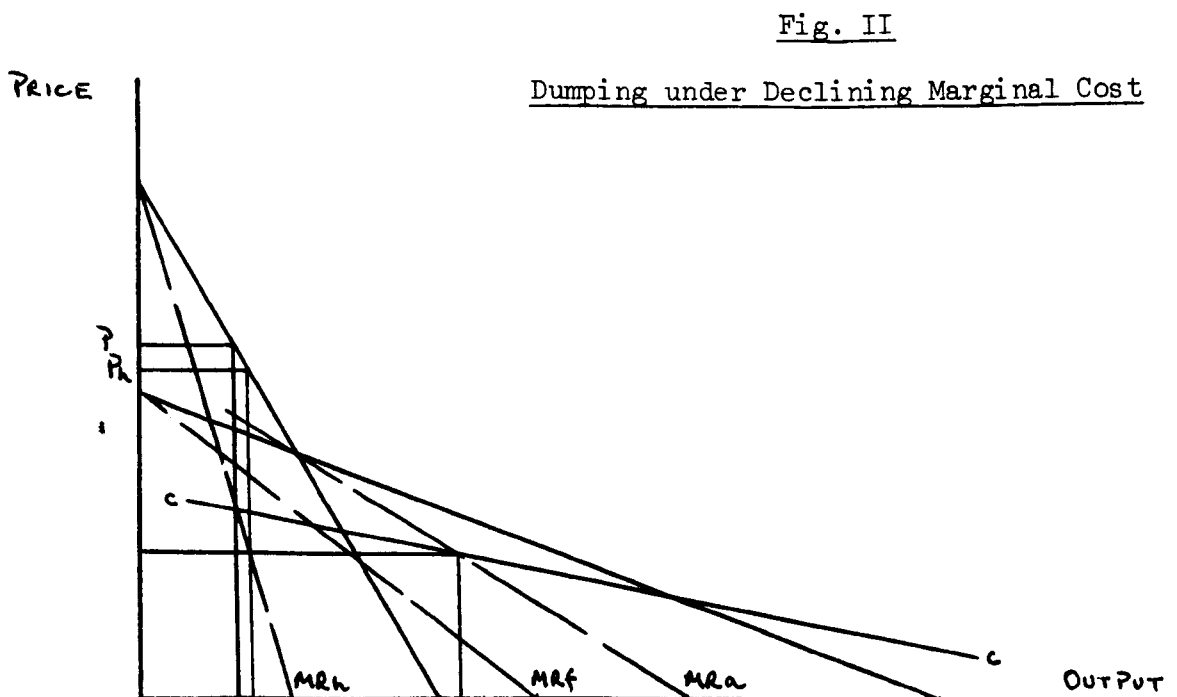
Now let us consider assertion (c). Is it possible that the act of dumping will reduce home price below what it would have been in the absence of dumping or, as Hewins had it, at least leave it unchanged? It is perhaps not surprising that the Commission finally decided to omit this statement, made by Hewins in Memorandum No. 5, from the final version of the Iron and Steel Report. It must have seemed to provide abundant ammunition for Free

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1. Or else goods dumped abroad could be re-exported to the country of origin.
 2. D.N. McCloskey, op. cit., pp. 29-34. McCloskey finds that only in the rail trade did transport costs allow a significant degree of local monopoly.
 3. W.M. Corden, op. cit., p. 238.
 4. See Henry Birchenough's remarks during the discussion of the Cotton Report, in Textile Committee Minutes (VT), 15 December 1904, p. 42; T.C.P.

Trade critics. Nevertheless, here again, we can show that under certain quite plausible assumptions, Hewins's argument is vindicated in a theoretical sense, though perhaps only in the long run. The assumption required is that economies of scale exist.¹

The dumper's condition of equilibrium is that his marginal revenue is equal in both markets. We assume that marginal cost is falling over the relevant range. If, therefore, the dumper were to deny himself his foreign market, his total equilibrium output would be reduced, and hence the marginal cost pertaining to that output would be higher. Hence the marginal revenue pertaining to that level of output which had been optimal when dumping was being undertaken is now below his marginal cost in the absence of dumping. Therefore domestic (now equals total) output must be reduced, and price raised, in order to equate marginal revenue with marginal cost and restore equilibrium.

This can be shown in terms of the model used above, redrawn in Fig. II with declining marginal cost over the relevant range:



1. The strict requirement is that marginal cost is falling. This is perhaps unlikely in the short run, unlike the assumptions required to prove assertion (a). Nevertheless, it is valid to switch our attention to the long run at this point, especially given Hewins's evident concern with long-run dynamics, and his tendency to see dumping as a well thought out weapon of strategic policy.

It can be seen that in the dumping situation aggregate marginal revenue is MRaMRa and the discriminatory price appropriate to it is OPh for the home market. Without dumping, aggregate marginal revenue reduces to MRhMRh. The single home-market price appropriate to this (given that marginal costs are now higher at the smaller output) is OP. OP is higher than OPh.¹

As long as we accept that assertion (c) is more probable in the long run than in the short, we can therefore consider that it has theoretical validity.² Nevertheless, after making its appearance in Memorandum No. 5, it was subsequently discarded, and no mention of it is made in the Iron and Steel Report. It is clear from the evidence of witnesses that it was unpalatable. Sir Alfred Hickman stressed that "I do not wish to emulate the example [similar to the example of Firm 312] I have given, which consists in maintaining a high price in the home market in order to be able to dump".³ W.H. Davies recounted the prevailing orthodoxy that dumping was possible because "the Germans have a protected market at home at a high price".⁴ Ernest Gearing of the Leeds Forge Company took a similar view of amalgamation in the US.⁵ Indeed, this sort of statement is ubiquitous in the evidence appearing in the Report. Most witnesses, whilst admitting the benefits derived from 'continuous running', saw protection and the dumping it allowed as constituting a dual impetus towards high prices in the dumper's home

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1. A dynamic exposition of the attainment of the equilibrium conditions shown in Fig. II is given in Haberler, op. cit., pp. 307-9. Following him, our analysis has considered the partial equilibrium case only. A change in German dumping abroad might conceivably cause a change in the degree of foreign competition in the German market, but it is difficult to construct cases where this would significantly affect the argument.
 2. It should be noticed that, in demonstrating assertion (c), we have shown only the modern case of dumping by discrimination between export and import prices. The use of Hewins's definition of dumping below average cost does not change the analysis, except to make it even less likely that assertion (c) will be probable in the short run. In any case, the authorities are agreed that, from the point of view of economic analysis, the concern over the relationship between export price and average cost is not of great value (W.M. Corden, op. cit., p. 239; G. Von Haberler, op. cit., p. 312). Nevertheless, Tariff Reformers regarded the point as a moral one.
 3. Iron and Steel Report (Witness No. 2), para. 544.
 4. Ibid., (Witness No. 8), para. 727.
 5. Ibid., (Witness No. 10), para. 781.

market. Surely it was obvious that without the need to subsidise dumping abroad the home price could be lower?

Assertion (c) was undoubtedly the work of Hewins.¹ The only witness who came at all close to his view was Allen. Whilst admitting that the Germans made "a very good profit by their protective duties",² he gave in a reverse form a vaguely worded approximation to Hewins's theory:

If we could prevent the Germans from dumping their surplus output into this country it would reduce their production, and would soon close many of their works. We should then be able to treat them as we are now being treated, because, by keeping our works fully employed, we should produce at a minimum price, as against their maximum ...³

Overall, however, the Commission felt it safer to delete assertion (c) from the text of the Report. Whilst they were ready to argue strongly the benefits of 'continuous running', whilst they were even able to accept the argument that tariff protection, in promoting economies of scale, would reduce home prices,⁴ they were unwilling to accept the logical extension of the argument, that the higher output attainable by pursuing a planned policy of dumping would reduce prices in the dumper's home market.

In terms of logical integrity, this was a shortcoming of the Report. We have seen above that the Free Trade attitude towards the effect of dumping in the home country was twofold: firstly, that it was unprofitable to the dumper and therefore only short-term, and secondly that in any case it caused higher prices in the dumping economy which put home users of the dumpable into jeopardy. It was the second of these attitudes, probably the more widely used of the two,⁵ that the subsequently omitted assertion (c) was meant to counter.⁶

1. It should not be forgotten that, unusually for a Historical Economist, Hewins was a mathematician of ability and undoubtedly familiar with Marshallian economics.
2. Iron and Steel Report, (Witness No. 7), para. 654.
3. Ibid., para. 702 (my emphasis).
4. See below, pp. 258-269.
5. See above, pp. 232-235.
6. Had the public debate ever reached this stage of sophistication, the Free Trader might have countered assertion (c) with the argument that dumping might reduce the dumper's home price below the no-dumping

The first argument, that of the inevitably short-term nature of dumping because of its unprofitability, had been more successfully attacked through assertion (a). Though impartiality and open-mindedness were not a prominent feature of the Tariff Reform campaign, the Commission's argument was reasonable: in Burn's words, "sound and important".¹ Yet it must be remembered that Hewins had no love for deductive and abstract economics. He believed in the study of "real events" and the "actual state" of the business community.² We must therefore ask how closely his arguments were supported by the empirical inquiry of the Commission.

The Iron and Steel Report³ urged the view that dumping was "likely to remain one of the permanent incidents of trade".⁴ But demonstration of the possibility of long-term dumping was surely not adequate proof for the historicist: what would be more convincing to him would be the demonstration that the dumping then being experienced was indeed long-term, and not sporadic, so that this trend could be extrapolated into the future. We have seen above⁵ that at an early stage in the enquiry the Commission felt a greater factual basis was necessary on this matter. Though several witnesses lent support to the existence of long-term dumping, others, including the dependable Jeans, were less sure.⁶ When we consider the answer to forms of inquiry on this question,⁷ the evidence is even more conflicting. Certainly some firms, on their own volition, endorsed Hewins's analysis of profitability explicitly or made some very close approximation

monopoly price, but that the combined effect of the tariff, monopoly and dumping might still mean that price would be higher than it would under Free Trade. It should be remembered, however, that Hewins saw the long-term result of a correctly engineered tariff and large scale as lowering price (see below, pp. 258-269), so that all three elements would eventually work in the same direction. It should be mentioned, however, that even the demonstration that dumping lowers home market price does not necessarily render it advantageous to the dumping economy as a whole. See W.M. Corden, op. cit., pp. 240-44.

1. D. Burn, op. cit., p. 96.
2. W.A.S. Hewins, Apologia ..., I, pp. 15, 86.
3. i.e. the main body of the Report, paras. 17-86, especially paras. 47-86.
4. Iron and Steel Report, para. 75.
5. See above, pp. 238, 241.
6. See above, pp. 242-3.
7. Iron and Steel Report, paras. 244-307.

to it.¹ But few stated explicitly that dumping was a long-term phenomenon. Only two firms, both from the same section of the industry, gave unambiguous support to this view: a wire-drawer whose experience was that "the price of wire in ... [the German and American] home markets is consistently far above the price at which such wire is exported", and a wire nail producer who thought dumping "a system which is carefully planned, and lasting, and not merely a temporary form of competition".² Though a few firms clearly had experienced only sporadic dumping,³ the majority gave no reliable indication of the longevity of the practice, though several firms mentioned the year 1900 as that in which it first started.

It may be that the dumping of the depression of 1900-1904 occurred in two overlapping phases, American dumping prevailing in the first phase and, after the first half of 1902, German dumping taking its place as the American home market recovered.⁴ Certainly by 1904 the replies to the Commission point to the German dumper more frequently. Yet, at the same time, conditions were improving, and although morale in the industry was not good, the frequency of complaints of dumping declined until the fear of downturn in November 1907.⁵ To the optimists, if there were many left in the industry, the worst was over by 1904.

Sidney Chapman, in a thoughtful and well-mannered (though inevitably hostile) review of the Iron and Steel Report, stated that, though dumping had caused "some dismay and confusion" in the industry, this was an:

... immediate and short period effect ... it remains to be seen whether any inconvenience will be experienced by our iron and steel industries in the long period, when they have accommodated themselves to the new conditions, if the latter continue.⁶

Here was a cautious statement to an academic audience, with no denial of the

1. Firms Nos. 275, 844, 862, 886, 984, 1408, 1508, 1512.
2. Firms No. 768 (para. 257) and No. 808 (para. 260).
3. Firms No. 276, 836 and 1263.
4. See, for instance, the remarks of Firm No. 1438 (para. 293).
5. J.C. Carr and W. Taplin, op. cit., p. 232.
6. S.J. Chapman, "The Report of the Tariff Commission on the Iron and Steel Trades", Economic Journal, XIV, 1904, p. 621.

validity of long-term dumping, but merely the comment that "the policy [of dumping] in its recent forms has not been sufficiently well tested to enable an unhesitating judgement" of its permanence.¹ At the same time it has a chill air, that of the professional scientist discussing the industrial base of the country with his colleagues as a laboratory experiment. It is perhaps to be likened to the position of the Free Trader who, according to Hewins, would like to wait and see before making up his mind.²

Certainly we must agree with Chapman that the Commission had not proved the existence of long-term dumping in an empirical way. Seldom did any of the factual information it obtained from firms go back further than 1900 and, though this is less important to the modern student, seldom did it give categorical proof of dumping below average cost.

But this does not mean that the Commission's half-proven, half-instinctive analysis was misplaced. Strong support has come from Duncan Burn in what is the only study of the British industry so far to face this issue squarely. In his fascinating treatment of the German steel rail trade, he shows clearly that "for over a quarter of a century [1881-1913] the two-price policy had been continuous save for three years (1898-1900) at the most", and that, surprisingly, the size of the price discrimination decreased after 1896.³ Furthermore, the reduced level of discrimination was far more a result of German home prices falling than of German export prices rising (could it be that Hewins's assertion (c) was playing some part in this improvement of the German rail consumer's position?)

Burn mobilises far more detailed information on selling prices than did the Commission, though his coverage is uneven. It is surprising that Hewins,

1. Ibid., p. 620.

2. See above, p. 244,

3. D. Burn, op. cit., p. 104. Burn extends his conclusions to other trades, including iron and steel bars and girders. In other lines, e.g. plates, he cannot prove discrimination before 1900 (see pp. 109-112). He adds that substantial price discrimination "is not equivalent to proving that export sales were made at prices 'below total cost' but it establishes a strong presumption that dumping of this type occurred". (p. 105; see also, pp. 105-107).

as a historicist, did not attempt a historical demonstration of price discrimination. Could it be that, as long as German efficiency in steel rail production was lower than British - until about 1895-1900 according to Burn¹ - British observers did not diagnose dumping as a persistent feature because the German dumping price was not out of line with British prices? Could it be that it was only when they achieved parity with Britain in production costs, and then surpassed her, that the British realised that their market was being dumped upon to a significant degree? Could it be that it was not long-term, continuous, planned dumping that was new, but a German achievement of parity in productive efficiency, so that now Britain was being dumped on by her equal, and not her inferior?

It matters little that Burn's treatment is biased towards the Bessemer section of the industry:² his evidence on long-term price discrimination in steel rails (themselves a Bessemer product) is incontrovertible, and his evidence of similar practices elsewhere is strong. Neither is it really important as to how deliberate German creation of surplus capacity was:³ it is the prevalence of surplus capacity rather than the intent to create it that is critical. Burn's work gives substantial empirical support to the Tariff Commission analysis. But it is a huge irony that the Commission, the apostle in Britain of the inductive method, should base its case so heavily on arguments that had far greater deductive strength than they had evidential backing, and that the empirical-historical proof of long-term dumping that so strengthens that case should be provided thirty years later by a scholar who walked corridors haunted by Marshall and still inhabited by Pigou.

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1. D. Burn, *op. cit.*, p. 108.
 2. As pointed out by P.L. Payne with regard to the entrepreneurship controversy. See his "Iron and Steel Manufactures", in D.H. Aldcroft, Development of British Industry and Foreign Competition 1875-1914, (London, 1968), p. 93.
 3. Payne's view is that dumping contributed to the industry's long-term difficulties "not because a conscious attempt was made to expand production in order to profit from dumping but because German manufacturers knew that if demand fell off in their guaranteed home markets they could always export surpluses by undercutting their competitors". See *ibid.*, p. 79 (Payne's emphasis).

After conducting its inquiry into the competitive position in the iron and steel industry, the Tariff Commission concluded that it was "necessary to curtail by the adoption of a tariff the advantages which our foreign rivals now enjoy in the British market."¹ The primary objective, therefore, was to establish a tariff of a level sufficient "to remove the present causes of irregular working and insecurity, or, at any rate, greatly diminish their force".²

It should be remembered, however, that even a tariff effective in causing a complete switch from imports to home products would not have eliminated overcapacity.³ Thomas Davie asserted that the concern of which he was Chairman, the Waverley Iron and Steel Co. Ltd. of Coatbridge, had worked on average 9 shifts out of a possible 11 in the previous two or three years,⁴ from which we can infer very crudely an achievement of 82 per cent capacity. Using the same approximate indicator, the Carnforth Hematite Ironworks, managed by Albert Barton, appears to have been working at 60-80 per cent capacity.⁵ John Strain, Chairman of the well-known Lanarkshire Steel Co. Ltd., gave a direct estimate which, it is pleasing to note, was not out of line with the labour measures used by Davie and Barton. He asserted that "our output for 1903 was one-fourth less than our furnace and mill capacity."⁶ Charles Allen estimated "that both the capital and productive power of labour have suffered something like 20 per cent of their total employment",⁷ appearing to have been talking of his experience of Henry Bessemer and Co. Ltd. rather than his less direct connection with the

1. Iron and Steel Report, para. 77.

2. Ibid., para. 79.

3. This demonstration involves the ceteris paribus simplification that a tariff would not have reduced iron and steel consumption in the UK: it therefore assists the Tariff Reform case and can be regarded as a reductio ad absurdum.

4. Iron and Steel Report, para. 490.

5. Ibid., para. 594.

6. Ibid., para. 615.

7. Ibid., para. 652.

Ebbw Vale Steel, Iron and Coal Co. Ltd. C.W. Kayzer, of the Sheffield firm of Kayzer, Ellison and Co. Ltd., gave his opinion that on average the Sheffield steel trade was working four days per week, "so that you might take it that one-fifth of the plant in the whole district is not working", though he did add that "you can work six days a week, and still not work on all your plant".¹

Such estimates are surprisingly consistent.² The shortfall in production in relation to capacity varies from 18 per cent in Davie's opinion to the rather vague 20-40 per cent of Barton's estimate. Neglecting the higher range of this last estimate, all lie between 18 and 25 per cent, with 20 per cent being a commonly quoted figure.

Thus it appears that even a complete removal of foreign iron and steel from the British market (in a ceteris paribus condition) would not have been large enough to achieve full capacity in the British industry. In Table 14 column (f) shows total iron and steel imports not as a percentage of home consumption, but as a percentage of home production prior to exports. On this basis, a completely effective tariff would have increased utilisation of capacity, even in 1903 and 1904, the years of highest imports:home production ratio, by less than nine per cent.

There is some credence, however, to the Report's assertion that such a tariff would "greatly diminish" the prevailing under-capacity,³ possibly by nearly half in the ceteris paribus situation. This argument might be applied with greater weight if we remember that we have so far made no mention of product differences. Above we have assumed that iron and steel goods are homogeneous, and that the overall imports:home production ratio (column (f) of Table 14) truly represents the degree of import penetration faced by each of the different branches of the iron and steel trade. This is unlikely to be the case. One witness, representing the Wolverhampton tube trade

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1. Ibid., para. 746.
 2. 3 tube trade witnesses, 1 tinsplate and 1 wire rope and netting manufacturer have been omitted from the above survey.
 3. Iron and Steel Report, para. 79.

(omitted in the above survey of witnesses) pointed out that the 25,000 tons of tubes imported in 1903 represented, "As near as I can work it out, ... 20 per cent of the production of this country."¹

TABLE 14

British Iron and Steel: Output and Imports 1896-1905

	<u>Pig Iron</u>	<u>Puddled Iron</u>	<u>Steel Ingots & Castings</u>	<u>Total</u>	<u>Total Iron and Steel Imports</u>	
	(a)	(b)	(c)	(d)	(e)	(f)
	'000 ton	'000 ton	'000 ton	'000 ton	'000 ton	%
1896	8660	1214	4132	14006	-	
1897	8796	1238	4486	14520	516	3.55
1898	8610	1116	4566	14292	591	4.14
1899	9421	1202	4855	15478	645	4.16
1900	8960	1163	4901	15024	800	5.32
1901	7929	974	4904	13807	924	6.69
1902	8679	998	4909	14586	1131	7.75
1903	8935	950	5034	14919	1304	8.74
1904	8694	936	5027	14657	1292	8.81
1905	9608	939	5812	16359	1356	8.29

Source: B.R. Mitchell, Abstract of British Historical Statistics, (London, 1962), pp. 134-136, 142. Columns (d) and (f) are simply derived from the others. Column (d) = (a)+(b)+(c). Column (f) is (e) as a percentage of (d): that is, it does not equal the import content of home consumption, but rather the shortfall of home production due to imports, assuming that (i) consumers in Britain would not have reduced consumption if foreign imports had ceased, and (ii) that exports would have remained unchanged even though imports had been curtailed.

It must also be remembered that dumping was seen as being particularly prevalent in a narrow range of semi-manufactured products - bars, blooms and billets have been frequently singled out not only by contemporaries but also by historians of the industry.² Thus, in certain branches of the industry the import:home production ratio may have considerably exceeded that overall level which hit a peak of 8.81 per cent in 1904.³ It should be remembered,

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1. Ibid., para. 826 (R.W. Lewis of the Patent Iron Tube Works); see also evidence of T.H. Spencer, a Wednesbury tube manufacturer, para. 809, for roughly comparable figures.
 2. See, for example, P.L. Payne, "Iron and Steel Manufactures", in D.H. Aldcroft (ed.), The Development of British Industry and Foreign Competition 1875-1914, (London, 1968), pp. 87-8.
 3. Unfortunately lack of statistics prevents us from taking this matter further.

however, that the fairly similar experience of Davie, Barton, Strain, Allen and Kayzer had accrued over a wide cross-section of the industry: respectively their principal activities were to be listed as manufactured iron, bar iron and steel rolling (Davie); hematite pig-iron and steel making (Barton); rolled steel girders and sections (Strain); common and high class steel, railway materials and marine shafting (Allen); and crucible steel, files and steel wire (Kayzer).

To state that a tariff would reduce under-capacity was, of course, insufficient to provide an adequate defence against likely Free Trade objections. Free Traders would argue that the expansion of output by British manufacturers would be achieved by an increase of price to the consumer. It is not surprising, therefore, that the Commission felt the need to go further than this, and seek benefits, through the implementation of a tariff, which would improve overall welfare: that is, to argue the likelihood of a situation where the improvement in the producers' welfare position would not be offset by a decline in that of the rest of the community. Thus it is argued in the Report that "having secured the home market from dumping, greater continuity of working and, therefore, reduced costs would result. The domestic competition of manufacturers would then bring prices down, probably below their present level."¹

Implicit in this assertion is the belief of the more committed Tariff Reformer that a tariff would have sufficient effect on business efficiency to reduce the protected price below the free trade market price. We have noted above² the emphasis laid by Hewins on externalities and economies of scale as a means by which market forces would bring about this result. With the analysis of conditions in the iron and steel industry, however, it appears that the Commission, led by Hewins, was not restricting its analysis to a long run situation, wherein a tariff raised prices in the short run before externalities set in to make the long run price lower than the short run

1. Iron and Steel Report, para. 80 (my emphasis).
 2. See chapter 2, pp. 56-57.

tariff price, and perhaps as low as or even lower than the pre-tariff world price. We will return to this situation shortly, but for the moment let us follow the short-run implications of the analysis that "greater continuity of working" would reduce costs and that "domestic competition of manufacturers would then bring prices down, probably below their present level."¹ We must immediately notice that the statement is, in terms of marginalist analysis, slightly ambiguous - does the competition that occurs happen in the short run, between existing manufacturers, or does it take place in the long run, allowing for changes in plant size and new entrants? Obviously we must analyse the argument both in the short and the long run.

Let us assume the existence of a profit-maximising firm under the neo-classical assumptions of monopolistic competition. This, in itself, raises the problem of whether it is legitimate to examine the analysis of Historical Economics using marginalist tools. One cannot help feeling, however, that Hewins was less distressed by the methods and tools of marginalist analysis than he was by the relative lack of development of its dynamic implications. Several of the Times articles of summer 1903 seem partially reconcilable with orthodox neo-classical methods.² When he was at Oxford, Hewins:

... did not think that political economy as then taught was particularly useful except as some sort of guide in the theoretical relations between the different branches of [economic] activity ... These so-called laws were probably approximately true under certain defined conditions, but they did not explain the complicated activities of the modern industrial world.³

There was a slight concession here. Hewins had not rejected orthodox economic method completely: rather he was arguing that the prevailing economics was not accurate enough to be used in the safe formulation of economic policy. This was not to deny a certain contempt on Hewins's part, towards orthodox economists' methods. It can perhaps be argued, therefore, that the Commission, in spite of its avowedly anti-theoretical approach, did

1. Iron and Steel Report, para. 80.
 2. See above, pp. 66-67.
 3. W.A.S. Hewins, Apologia ..., I, p. 18.

see as legitimate an extension and refinement of marginalist analysis, rather than a refutation of it. Put crudely, this might have been regarded as beating the orthodox economists at their own game.

In subjecting the Commission's approach to the model of monopolistic competition¹ we find an unexpected benefit. This refinement of the marginalist theory of the firm dates from a time later than the Tariff Reform controversy.² In much of their thinking, the Commission were stressing the imperfections in competition, factor pricing, etc., that faced real-world businessmen, imperfections given prominence by other questioners of economic liberalism,³ and admitted by other economists who made a qualified defence of Free Trade.⁴ This is not to argue that they were knocking at a door later opened by the more adept analytical key of Robinson and Chamberlin: the Commission's work, in the sense of theoretical involvement and precision, in no way went far enough for us to sustain the claim that it is to be counted amongst the pioneers of the theory of monopolistic competition.⁵ If it had insights, it did not apply them rigorously to the economist's world when its members felt that their presence, the presence of practical men, was needed in the real world. But the insights themselves do pose the interesting question as to whether the Tariff Commission argument can be at all invalidated by subsequent developments in marginalist theory. Was the Commission thinking in advance of its time, even if only at a very crude level?

Let us now consider a profit-maximising firm operating under conditions of monopolistic competition in the home market and confronted also with

1. This seems the appropriate model: the Commission received 458 returns from iron and steel manufacturers. See Iron and Steel Report, para. 10.
2. Notably J. Robinson, The Economics of Imperfect Competition, (London, 1933) and E. Chamberlin, The Theory of Monopolistic Competition, (Cambridge, Mass., 1933).
3. See, e.g., the thoughtful reflections of L.L. Price, "Economic Theory and Fiscal Policy", Economic Journal, vol. XIV, 1904, especially pp. 382-6.
4. J.A. Hobson, International Trade, (London, 1904), pp. 113, 121-45.
5. It must be mentioned that even today the literature relating monopolistic competition to international trade theory is "relatively sparse". See W.M. Corden, Trade Policy and Economic Welfare, (London, 1974), p. 201 n.

competition from imports. If such a firm experiences an increase in demand because a tariff has been imposed, under what circumstances will it charge a lower price in the manner suggested possible by Hewins? The answer turns on the interaction between two conditions: (i) the effect of the tariff on price elasticity of demand, and (ii) the short-run marginal cost curve. Figs. III and IV seek to isolate these conditions in turn.

Fig. III shows that, with constant marginal costs, the post-tariff price will be the same as the pre-tariff price if the elasticity of the old and new average revenue curves are the same at the original, pre-tariff price, i.e. if AR and ART are "iso-elastic".¹ In Fig. III, pre-tariff price (NE) and post-tariff price (NtG) are both equal to OP. But if ART is less elastic (at price NtG = NE) than AR, as is illustrated by ART (1) and mrt (1), then post-tariff price (Nt₁F) will be higher than pre-tariff price (NE). And if ART is more elastic (at price NtG = NE) than AR, as is illustrated by ART (2) and mrt (2), then post-tariff price (Nt₂H) will be lower than pre-tariff price (NE).

The importance of changes in the cost function is seen in Fig. IV. Here instances are given of constant, rising and falling marginal costs, but in all three cases the upward demand shift is now kept "iso-elastic". It can be seen that if marginal cost is constant (mc), post-tariff price (NtG) will equal pre-tariff price (NE). If marginal cost is rising (mca), post-tariff price (NtaF) will lie above pre-tariff price (NE). But if marginal cost is falling (mcb), then post-tariff price (NtbH) will lie below pre-tariff price (NE).

The above are simple cases in which each of the two variables are held constant in turn. Of course, both will tend to move in the attainment of a new equilibrium. It is, however, intuitively clear that if marginal costs are rising, price will still fall provided that the post-tariff demand is more elastic than the pre-tariff demand to an extent sufficient to more than

1. That is, graphically, if they meet on the y-axis. See J. Robinson, op. cit., pp. 43, 61.

Fig. III

Effect of a Tariff under Different Demand Shifts

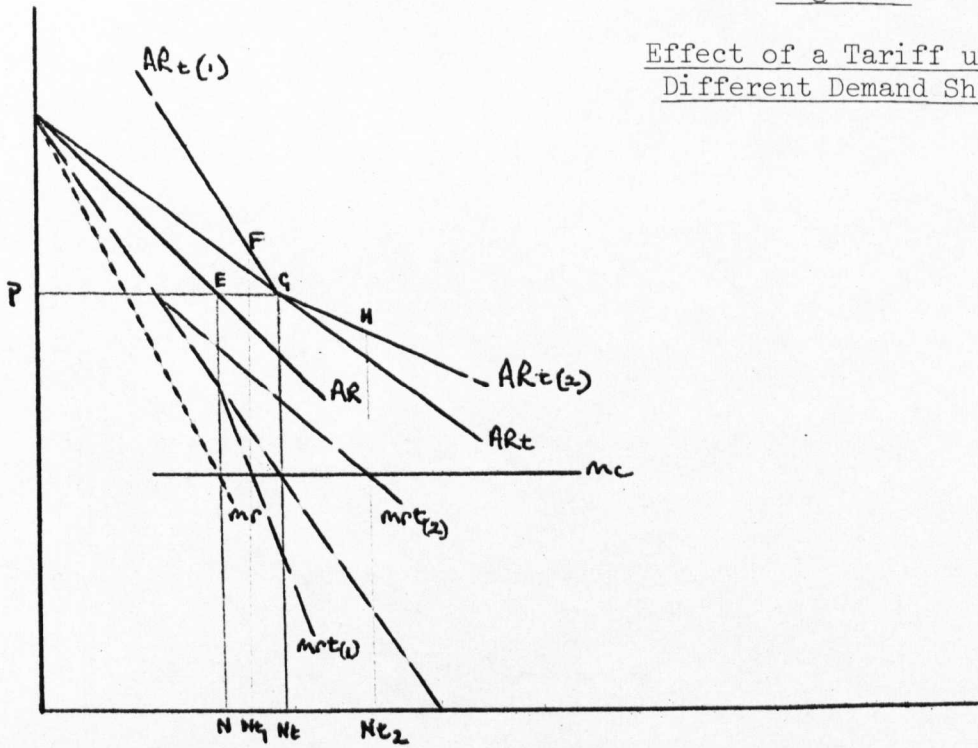
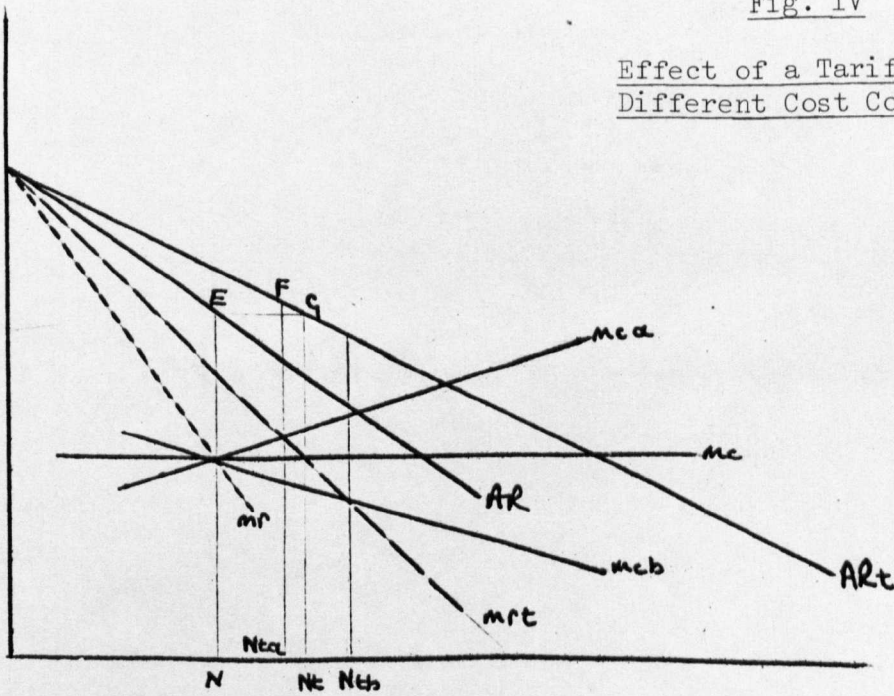


Fig. IV

Effect of a Tariff under Different Cost Conditions



compensate for the rise in marginal cost. Equally, if post-tariff demand is less elastic than pre-tariff demand, price will still fall if the marginal cost reduction is sufficient to outweigh its influence. Similar considerations apply in the case of a rise in price.¹

Thus, in the short run, Hewins's contention will not be realised unless either marginal cost is falling or unless price elasticity of demand for the product increases. With regard to the first of these conditions, firms in the iron and steel industry typically operate below capacity. Therefore average costs may fall as capacity is approached. But it is less likely that marginal costs, dependent as they are on variable elements of cost, will continue to fall over a sufficient range of output. Once marginal costs start to rise, even though average costs are still falling, the condition for a post-tariff price fall is broken.

Can we expect the second condition, that of an increase in price-elasticity of demand? Generally, it would seem not. The increase in demand for home-produced goods is due to the now higher price of imported goods. This will tend to reduce rather than increase elasticity of demand for the home product.²

Thus, in the short run, the conditions necessary to produce the results hoped for by Hewins seem relatively improbable. But it should be stressed that in profit-maximisation we have used a heavier burden of proof that Hewins would probably have required. Though he never explicitly stated his opinion on the pricing policy of manufacturers, we have already noted³ a passage in the Iron and Steel Report that suggests he might have considered some variant of full-cost pricing as more realistic and more characteristic of prevailing practice than profit-maximisation. Assuming that full-cost

1. Ibid., p. 61. Concave AR curves make it more likely that an upward shift in AR will increase elasticity, but otherwise the analysis is unchanged.
2. Ibid., p. 71, point (4). It should be mentioned that Mrs. Robinson's analysis, which we have adapted for this purpose, concerns itself only with an increase in demand under monopolistic competition, and not a tariff-induced increase.
3. See above. pp. 248-249.

pricing is what it appears to be,¹ the condition is relaxed and Hewins's hopes more likely to be fulfilled. As long as marginal costs, whether rising or not, are below average costs, such a pricing policy, say 'average cost plus ten', would allow price to be reduced.

To return to marginalist analysis, however, we must note that the long run is a much wider issue. If, before the tariff, firms were in equilibrium, they will be making abnormal profits after it has been introduced.² This will induce new entrants and cause demand, as perceived by each firm, to move back towards its original level (AR in Figs. III and IV). But whether or not original price is returned to depends on whether original demand elasticity are reproduced and original cost curves unchanged as firms retrace their steps backward along them. General theoretical considerations cannot answer this question. In particular, the shape of the cost curves cannot be considered to have remained constant over the period. Firstly, those firms which have increased the size of their plant will be operating on cost curves different from those in operation when the tariff was instituted. Secondly, over the long period the technology will have changed, not necessarily identically for existing firms and new entrants.

The model is now quite open, and dependent on many imponderables. But perhaps one over-riding supply-side consideration may be picked out: that of scale economies and new technologies. There can be little doubt that there were scale economies still to be exploited in much of the British industry: many Staffordshire and Scottish plants lagged far behind the progressive Cleveland manufacturers in technical and industrial evolution, even in that relatively humble branch of the art, pig-iron production.³ In steel-making,

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1. Supporters of marginalist pricing would, of course, argue that full costers are intuitively and unconsciously pursuing the marginalist equilibrium under hidden market pressures.
 2. Of course, many ironmasters in 1904 would have claimed they were not making normal profits.
 3. As Carr and Taplin note, "Between 1895 and 1914 the main technical question for British ironmakers was how far the larger furnaces and harder driving techniques of the United States could usefully be copied". They maintain that the "typical" US blast furnace in 1901 had double the capacity of the optimum furnace of 1890. Op. cit., p. 208.

not only would scale economies have existed, but the rarity in the UK of American methods of mechanical handling or German habits of fuel economy would suggest the possibility of tariff gains through both new technology and through a learning function, through "learning by doing".¹ Nevertheless, the scope for improvement depended in a sense on the degree of backwardness, and McCloskey has warned us against accepting too readily the orthodox assessment of an industry hampered by "old capital equipment embodying an antique technology".²

To point to the possibility of an improvement in the industry's welfare position, and to the potential for lowering long-run costs, is perhaps a relatively uncontentious step as long as we do not place too much emphasis on the role of a tariff in fostering inefficiency. In the long run, List's theory of "productive powers" served continental Europe and the USA well.³ But it is not the same as postulating a long-term fall in product price through the direct action of the tariff. It is interesting to note that Hewins himself did not believe that this was the inevitable result of the policy he advocated. His stated view was that prices would be brought down "probably below their present level".⁴ In terms both of its deductive probability and its empirical substantiation, the Commission's argument applied to the long term could hardly have been regarded as a reliable contribution to the great fiscal debate of the 1900s. It remained a possible, but untested and unproven assertion.

Nevertheless, the majority of Commissioners saw this issue as one of the cardinal discoveries of the enquiry into iron and steel, and one of the lynch pins of the Tariff Reform case. The questionnaires, the evidence,

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1. For a demanding introduction to "learning by doing" in a historical context, see P.A. David, "Learning by Doing and Tariff Protection: A Reconsideration of the Case of the Ante-Bellum United States Cotton Textile Industry", Journal of Economic History, XXX, 1970, pp. 521-601.
 2. D.N. McCloskey, op. cit., p. 105 and passim.
 3. F. List, The National System of Political Economy, (2nd English edn., 1904), Bk. II, passim.
 4. Iron and Steel Report, para. 80 (my emphasis).

and the memoranda constructed by Hewins had firmly converted them to the benefits of 'continuous running'. In a proof version of the Iron and Steel Report, it was stated that:

We find that this policy would diminish the cost of production, by enabling works to keep abreast of all improvements and to run more continuously at full time, and would, therefore, not materially or permanently raise prices; while at the same time it would give security to British trade, lead to the investment of capital in British works, and to the more continuous and remunerative employment of the working classes.¹

Mosely, in other contexts an astute observer, thought this assertion too weak. To him, "one point that the whole of this evidence has strongly brought out is that with continuous running of our works we should be able to reduce the price".² Birchenough had been similarly impressed, agreeing that "this is what has come out as clearly as any one fact in this inquiry".³ Indeed, the only disagreement on continuous running occurred when Allen sought to tie its benefits specifically to the promise of an increase in wages, even mentioning a figure of 10 per cent. At this, Harrison voiced the fears of a number of Commissioners. Taken to extremes, Allen's approach would destroy the credibility of the Commission as a neutral, scientific and empirical body. It was preferable "that we should avoid as much as possible ... anything in the Report that might be taken by our Opponents as merely electioneering".⁴ But on the issue of the effect of continuous running on prices, no one disagreed, and this was to lead to the stronger version incorporated into the final version of the Report.

VI

Much had been said by Hewins about the complexity of deriving a scientific tariff and the necessity of empirical study of the actual

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1. Conclusions of a proof report, paragraph 4, read out by Hewins at a Commission meeting. See T.C.M.(VT), 28 June 1904, p. 38; T.C.P.
 2. Ibid., p. 39 (my emphasis).
 3. Ibid., p. 40.
 4. Ibid., p. 42.

conditions of different industries and the relations between them. But when the draft report was submitted to a full meeting of the Commission late in June 1904 it was immediately evident that the last critical step in the investigation into iron and steel had not been taken. After due appreciation of the "very admirable Report which has been prepared for us by our Secretary", Chamberlain, chairing the meeting by courtesy of Sir Robert Herbert, quickly requested the opinion of the Commission on the form of the conclusions to be incorporated in the final version:

... I think that if this Report is to attract the attention we desire, and if its publication by itself is to give us great advantages in the preparation of subsequent Reports by allowing us to see what criticisms are forthcoming, it should, I think, end with a definite conclusion. In other words we should suggest a Tariff for the Iron and Steel Trades.¹

But if Chamberlain had once expressed his reluctance to be bound too closely to the future recommendations of the Commission,² the Commission was not prepared to be dominated by the statesman's wishes either. Sir Westby Perceval's immediate reply that the Commission should "content itself with a pure presentation of the facts which we have collected, without making any suggestions as to the remedy", was in similar vein to his attitude towards similar questions earlier in the enquiry.³ In the course of his remarks, however, it became evident that expediency and reluctance to expose the Commission to hostile criticism played an important part in his reasoning:

Personally I do not disagree in any way with the remedies that are suggested, and I take it that the majority of us are all of the opinion that those remedies are the logical outcome of the enquiry which we have made. But on the score of expediency I am a little doubtful whether the publication at this stage of those remedies enhances the value of the Report. This Commission as we know is supposed by a certain section of the public - quite improperly of course - to have axes to grind, and they naturally look for this Commission to make a recommendation of a tariff more or less stringent; but it seems to me that what the public are interested in are the facts in the first instance,

1. T.C.M.(VT), 28 June 1904, pp. 1-2; T.C.P.
 2. See above, p. 81.
 3. T.C.M.(VT), 28 June 1904, p. 6; T.C.P.

and what we want the public to do is to study these facts quite impartially.¹

Hickman, though close to Chamberlain in his political orbit² and close to the industry under discussion in his economic interest, endorsed Perceval's remarks in considering that "we should prejudice our cause by issuing a partial Tariff, (Hear, hear) especially a Tariff so partial as to refer to the iron and steel trades alone."³ Caillard too embraced Perceval's caution, this time on two counts. The first was that a tariff proposal for iron and steel, constructed without due consideration of related trades, might result in "serious errors"; the second was that even with this limitation the drafting of a tariff, properly executed, would take too long when most of the Commission seemed to want early publication.⁴ Caillard far preferred the production of a report which could stand criticism "with the utmost ease" to the production of a report in a hurry, especially since the Iron and Steel Report was "to be a model for all Reports that are to follow it, and which is to be unique in its construction, far better than anything any Royal Commission has ever drawn up".⁵ Vicary Gibbs saw dangers in presenting a report with provisional conclusions which would have to be modified as similar enquiries were undertaken in other fields of industry. J.J. Candlish thought it important to remember that the Cleveland ironmasters, particularly Hugh Bell, were publicising the flourishing state of ironworks which had been re-equipped along American or German lines, and that therefore the critical element of the Commission's task was not to recommend a tariff but to prove the disruption caused by dumping even to the most efficient plant. He did not preclude the desirability of stating that a tariff was recommended by

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1. Ibid. Reade's remarks were similar, that "an ill defined and not completely considered proposal" would put the Commission at the mercy of opponents who "say that this Commission are a body of Capitalists called together by you, Sir [Chamberlain], with the intent to impose protective duties upon the Country, which will oppress the people to increase their already swollen profits." Ibid., p. 22.
 2. Hickman was MP for Wolverhampton West, 1885-1886 and 1892-1906,
 3. T.C.M.(VT), 28 June 1904, p. 11; T.C.P.
 4. Ibid., p. 13.
 5. Ibid., p. 14.

the Commission as the only feasible way of fighting foreign export policy, but he vehemently opposed a detailed schedule:

... if you propose to put a tax on iron and steel of 10 or 15 per cent, the buyer of iron and steel would naturally expect that his price would be raised to (sic) that amount, and would say: "Where do I come in?" It would be much stronger to say to him at the finish, having regard to all the trades generally we suggest a certain Tariff with the full knowledge of how it will help everybody.¹

Gilbey and Henry Chaplin agreed in essence. Chaplin thought criticism of the scheme by Free Traders of minor importance, since "We are sure to be subject to that, and we shall have to face it, and no doubt we shall be able to bear it with considerable complacency."² But a published tariff might serve a more unfortunate purpose: it might alienate groups to whom the Movement looked for support. He cited in particular the agricultural interest, fearing that the publication of a detailed schedule "might create unnecessary anxiety, perhaps alarm, and even possibly prejudice our interests with that particular industry".³ Harrison thought this to be a plausible argument not only in relation to the agricultural interest but also in relation to agricultural machinery manufacturers.

At this point twelve Commissioners had aired their views, only two of them, W.H. Mitchell and Henry Birchenough, in favour of Chamberlain's proposal that a specific set of tariff proposals be included in the report when published. Chamberlain accepted the mood of the meeting, though he felt there were "certain disadvantages" in the approach evidently preferred by the Commission, and withdrew his suggestion.⁴

With regard to a general statement of the Commission's proposed remedies for the industrial situation revealed by its enquiries, however, Chamberlain's wishes met with warmer sympathy. Chamberlain's impression of the structure of the necessary tariff in June 1904 deserves quoting at length:

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1. Ibid., p. 19.
 2. Ibid., p. 20.
 3. Ibid., p. 21.
 4. Ibid., p. 24.

I express my own view that we should follow the example which has been found effective in the case of all other Countries ... we should have, in effect ..., three possible Tariffs. In the first place we should have this general Tariff which should be ... an extremely moderate one, and which should, if our views were accepted by the country, come into operation immediately and be applied generally with possibly, I think advisedly, the exception of the Colonies ... we should say that in the event of our negotiations with the Colonies being generally satisfactory that their manufactures should be allowed to come in free. (Hear, hear) I do not think that we need be afraid of that, but I make one exception which we have to take into consideration. At present manufacturers are not sufficiently developed in the Colonies for it to be likely for very many years to come that any considerable export of manufactures from the Colonies to this country would take place, but there is a conceivable supposition that, for instance, the Canadian iron industry will be developed and that the Canadians might dump iron on these shores, that is to say, supply iron at prices below the home cost. I think we should have a proviso that in any such case as that we should take the necessary steps to defend ourselves; but [otherwise] ... we should not ... put on any Tariff as regards them [the Colonies]. That, therefore, would be the second Tariff - the Colonial Tariff. Then the third Tariff would be ... a much higher Tariff, and we should go with the two Tariffs, the normal Tariff and the higher general Tariff, to the different countries with whom we have to contend and say: "Gentlemen, you can have your choice; you can take one or the other, but if you take the lower Tariff you must make us a proportionate reduction", and probably we might say as a general thing that wherever they would reduce their Tariff to the level of our normal Tariff, we should be quite ready to give them that normal tariff; but if on the contrary they continue their present high duties, then they would come under that higher Tariff.¹

Chamberlain's speech illustrates three aspects of his own attitude to his proposed three-tier tariff. Firstly, it was acceptable that colonial manufactured goods should enter the British market free, though a recognition that future industrial development in the dominions might result in a change in British commercial policy was necessary. Secondly, there was the requirement that the colonial tariff was not to be granted automatically on legal status: rather it had to be earned by reciprocal agreement.² Thirdly, foreign countries would have to enter a tariff-reducing reciprocal treaty to be allowed to encounter Britain's 'normal' (i.e. middle-range)

1. *ibid.*, pp. 3-4.

2. Whether the famous but nebulous 'offer', supposedly made by the colonial premiers and well publicised by Tariff Reformers, satisfied Chamberlain's criterion is not made clear in the present speech.

tariff, and that it would be a general rule that any country reducing its own import duty on British goods to the British 'normal' level would then be allowed that 'normal' level in reciprocity.

Though there are, of course, ambiguities of purpose and meaning in Chamberlain's remarks, it does appear that here was a distinct step beyond the Glasgow Programme in the direction of high protection, at least in Britain's economic relations with foreign countries, and perhaps in her economic relations with the colonies.

With the colonies, Chamberlain's proposals were not entirely clear. In stating the immediate objective that colonial manufactures should be admitted free, his perceived policy was more liberal than in the Glasgow speech, where even mere colonial preference had not been mentioned in this respect.¹ Yet in a longer term sense, the development of Chamberlain's colonial policy into one of high protection seemed more possible. Though Chamberlain saw fit to confuse his statement with regard to future colonial development by illustrating it in relation to dumping, it does seem that the possibility of an industrially developed colony continuing to enjoy free access to the British market had been reduced considerably. Even in the short term, immediate imposition of anti-dumping measures against offending colonial producers had been urged.

One cannot learn from his remarks how many countries Chamberlain considered would meet Britain's requirements to be accommodated under his 'normal' tariff - presumably the 10 per cent ad valorem measure of Glasgow days. To the Commission he had made two suggestions. The one, that a "proportionate reduction"² in the foreign country's tariff would be required, might have been easy for foreigners to meet or not, depending on the size of

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1. At one point in that speech Chamberlain had proposed "a moderate duty on all manufactured goods, not exceeding 10 per cent on the average." Chamberlain at Glasgow, 6 October 1903; reprinted in J.M. Robertson, "The Collapse of Tariff Reform": Mr. Chamberlain's Case Exposed, (London, 1911), pp. 61-62 (my emphasis).
 2. T.C.M.(VT), 28 June 1904, p. 4; T.C.P.

that reduction.¹ The other, that wherever foreigners would reduce their tariff on British goods to the level of Britain's 'normal' tariff (i.e. 10 per cent ad valorem on average) would have been very difficult for many countries to accept if it had been implemented as a necessary condition for access onto Britain's list of reciprocally treating countries. Many countries would thus have been forced onto the 'general' or fighting tariff, and Chamberlain had not yet stated his view on what that would be. Furthermore, if Chamberlain hoped that such measures would result in a multinational re-ordering of tariffs to the British 'normal' level, there was much about nationalistic aims overseas that he neglected. As W.H. Mitchell observed:

I am afraid that no retaliatory tariff we might adopt will at this stage do very much to improve our conditions of entering into the markets of the great protectionist Nations ... do what you will, you are certainly not going to persuade them to break down the industries they have built up.²

Nevertheless, if Chamberlain's (admittedly inconclusive) remarks did entail a movement towards protective tariffs of a higher level than anticipated in the Glasgow speech, the Commission was not inclined to oppose them. While unconvinced of the desirability of publishing a detailed schedule of duties at present, the consensus of the meeting was that the general outline of the proposed remedial measures should be put before the public. Mitchell's pessimism was confined to disillusioning the hope that Britain would ever regain her former market shares in the USA, Germany or France, or her position as "manufacturer for the World".³ Otherwise Chamberlain's scheme had his full support. It would be sufficient as a first step "to secure a preference in our own markets to people who have to maintain those markets ... and have to pay in their taxation for those markets."⁴ If a moderate tariff did not prevent imports on any large scale,

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1. If "proportionate reduction" is taken literally, it would have depended on the difference between Britain's 'normal' and her 'general' (fighting) tariff.
 2. T.C.M.(VF), 28 June 1904, p. 8; T.C.P.
 3. Ibid.
 4. Ibid. Woollens and worsteds had, of course, been severely affected by incursions into the home market in the 1880s and 1890s. See E. Sigsworth Black Dyke Mills: A History, (Liverpool, 1958), pp. 85 et seq.

then at least it would gain revenue which could be "used to lighten the taxation which already exists on our various industries, and especially on the great agricultural industry".¹ And if the moderate tariff imposed conditions of reciprocity too harsh for many countries to comply with, Mitchell for one had no objections to a "fighting tariff" which was "considerably higher".² Hickman, too, had little reservation in endorsing Chamberlain's "altogether admirable" three-tier plan, even though he disagreed with Chamberlain and Mitchell over the publication of a detailed iron and steel schedule.³ Sir Walter Peace thought it:

... quite sufficient for the purpose of the issue of a report, if we published the evidence, and gave a general conclusion that in the opinion of the Commission it would be found desirable to establish a minimum tariff, and a maximum tariff in general terms, such as you [Chamberlain] have indicated, but not stating what the tariff will be till we come to the end of our evidence. (Hear! Hear!)₄

On this second matter, of the publication of the Commission's views of the broad outline or principle on which a tariff should be constructed, it was Candlish, Gilbey and Harrison who were the most conservative. They were to argue that publication of the mere statement that a tariff was necessary was sufficient for the present purpose. But they were in a minority. Even Chaplin was prepared to accept immediate publication of the general principle of the three-tier tariff that Chamberlain had laid down.⁵ Charles Booth, too, spoke in the warmest terms of this course of action, and of the proof report as a whole:

I should very much like to associate myself with, and to say how entirely I concur with the general principles laid down by yourself [Chamberlain], that we should base our proposals on three degrees of Tariff intimacy with the rest of the world; the smallest Tariff, or no Tariff at all, it may be, with the Colonies; very moderate

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1. T.C.M.(VT), 28 June 1904, pp. 8-9; T.C.P. On the question of tax relief and revenue tariffs and their relation to agriculture, see below, pp. 400-403, 408-415.
 2. Ibid., p. 9.
 3. Ibid., p. 10.
 4. Ibid., p. 17.
 5. Ibid., pp. 18-24.

minimum Tariffs, for those who may be called our commercial friends, and much higher Tariffs for those who cannot be so counted. I see no reason why that principle should not be stated in this Report. It has been said that if we say as a fact we vary from so and so [an ad valorem duty] to so and so [an ad valorem duty] it means nothing: but I do not think that applies to a principle of this kind that has been laid down by our President. Therefore I think it is perfectly possible to introduce that without details. I do not say it will come very well with this Report, but I see no reason why it should not do so ... I do think this Report contains materials of the utmost value, and it is important that it should be put together in as finished a shape as possible. Its use is not for the next two or three months, but for certainly the next two or three years, and I think it ought to be information that will stand good for two or three Centuries, if we can make it. At any rate it has to be as good as we can possibly make it, and we must not count the days that are necessary for that Report.¹

Because the General Purposes Committee was still in the process of proof correction, the Commission on this occasion did not discuss the proof report in any detail. They did feel it desirable, however, to settle the question of how their preceding discussion had modified the relevant conclusion of the proof report, a conclusion which read:

Subject to further consideration after our survey of the trades of the country is complete, we are of opinion that so far as the iron and steel trades are concerned, a moderate tariff ranging up to 15 per cent ad valorem according to the classes of material, and leaving iron ore free, would go far to render inoperative the power for mischief of the export systems of foreign countries, while it would secure our home trade and enable us to develop trade with our Colonies.²

This raised again the question of just how specific the tariff proposal was to be. Herbert correctly divined the opinion of the Commission in urging the deletion of the percentage figure. But the substitution of a vague reference that the tariff should be "graduated according to the class of the material" was desirable since there was "a good deal of suspicion in hostile quarters that we do intend not only to tax food but [also] raw materials for manufacture".³ Follett was one of the few not to oppose

1. Ibid., pp. 24-25.

2. Conclusions of the proof report, paragraph 3, as read out by the secretary at the meeting. See *ibid.*, pp. 31-32.

3. Ibid., p. 32.

the idea that the Commission should publish its opinion that a specified range of duties would be applicable. Of these two courses, however, Chamberlain preferred that of Herbert - a vague reference to a range of duties would always be interpreted as the maximum. Dennis urged that it should be made clear that it was the intention of the Commission, when their work was completed, to base the schedule of duties on the foreign labour content of the imported goods, a feature which he took to mean the same as the concept of gradation "according to the class of material."¹ With this both Maconochie and Mitchell agreed: it was an important element in securing the support of working men for the proposals. "Our Opponents," remarked Mitchell, "will always attempt to persuade the Working men that it is a Capitalist's question. The working man is certainly quite ready to protect labour; and if they are quite sure it is a mere question of labour they would not be afraid of the word 'Protection' at all."²

Chamberlain saw some danger in any pledge to structure the tariff precisely in this way, because of the difficulties of finding out the precise labour cost of various products,³ though he was willing to acquiesce to a more generalised procedure that, as far as was possible, labour cost should in some way be taken into account. This was a realistic understanding of the difficulties the Commission was experiencing, and was later to experience,⁴ in obtaining accurate information, especially since it had been suggested that the basis of the tariff should be the foreign labour cost and not its British equivalent.

But if the 'class of material' criterion and the 'labour content' criterion were regarded as different in accuracy rather than principle, Sir Alfred Hickman was quick to point out that the principle itself might not be

1. Ibid., p. 34.

2. Ibid., p. 36.

3. Chamberlain had probably already been briefed on this problem by Hewins.

4. See below, pp. 460-463.

entirely desirable. If the most immediate purpose of a tariff was to safeguard British industry from dumping, it could not be assumed that a tariff based progressively on 'value added' possessed the required structure. With iron and steel, dumping had been predominantly in tinplate bars and sheet bars. In Hickman's words, "It is not so much as to the finished article as to the partly finished article that the remedy is really required."¹ When Chamberlain suggested that relatively heavier protection on semi-finished goods would merely result in a shift in the type of goods dumped, to finished articles, Hickman argued plausibly that this was unlikely because of the scale of activity necessary for successful dumping:

... in order to introduce the finished material [into Britain] they [foreign exporters] must get orders for 10 tons or 100 tons or 200 tons, or whatever it may be, whereas they have been sending in as much as 10,000 tons in one lot in one size of a particular [semi-manufactured] article.²

But Hickman's arguments, reasonable as they were, did not command the acceptance of the Commission. Perhaps they felt it acceptable to carry redundant high rates at the top end of the range of duties as long as the duties on semi-manufactures were adequate. But more probably Hickman's scheme was regarded as intuitively less appealing and less amenable to popularisation. It would also have strengthened Liberal criticism along the lines of taxing raw materials.

The result of the meeting of 28 June had been to give Hewins and the full time staff pretty definite directions. Whilst most of the Commissioners had stated their support for the recommendation that the Report should advocate a tariff, and nearly as many had extended their support to the inclusion of the general outline of a three-tier tariff as suggested by Chamberlain, all but Mitchell and Birchenough of those who spoke had declared

1. T.C.M.(VT), 28 June 1904, p. 37; T.C.P.
2. Ibid., p. 38.

the undesirability of publishing a detailed but not final tariff on iron and steel goods, and the impossibility of producing a definitive and enduring tariff at this stage of the enquiry. Whilst this course of action ran against Chamberlain's own inclinations, he made no attempt to influence the discussion after his opening remarks, and was content to accept the mood of the meeting when less than half of those present had spoken.

When the meeting was reconvened a fortnight later, Chamberlain again took the chair. He began by stressing the importance of immediate publication: otherwise Parliament would break up for the summer recess and there would be little point in publishing until the autumn. Fortunately the revisions made by Hewins and the General Purposes Committee had produced a revised report which needed little in terms of further modification.

What came next was a dramatic reversal of the events of the previous meeting. It started mildly enough. A vote had not been taken and there was perhaps nothing in the rules of procedure to prevent Chamberlain from resurrecting past business:

You will recollect that at the last Meeting I suggested earnestly that you should not allow this Report to go out without submitting, at the same time, something in the nature of a definite Tariff. It was not my idea, of course, that that Tariff should be final, but it was a Tariff which would indicate the sort of conclusion to which the evidence was bringing you, and arouse discussion, and criticism, which would be of material assistance to you in the further stages of your work ... I think it is my duty once more to bring before you the propriety of adding a Tariff - a provisional Tariff, making it perfectly clear that it is only a provisional Tariff ... Now I venture to suggest a new alternative. It is in effect a sort of compromise between the suggestion I put forward last time, and the objections that were taken by some of the gentlemen round the table ... The suggestion I make is this, to accept the Report practically as it stands with some verbal alterations, or the change of a word here or there which would be necessary to bring it into harmony with what I now propose, namely, that we should add this final paragraph:- "Sub-joined to this Report is a provisional scheme of Tariffs which at the request of the Commission, the Secretary Mr. Hewins has prepared on the lines laid down in the Report as an indication of the nature of the practical reforms which may be hereafter recommended. The Commission have not yet accepted these particulars; but will consider them further as soon as they have completed their enquiry into the trades which are closely connected with the Iron and Steel manufacture,

and meanwhile they will be glad to receive suggestions and criticisms from all persons interested in the subject. Communications should be addressed to the Secretary and will be tabulated for the information of the Commission before they proceed to the work of final revision["].₁

One wonders whether Chamberlain's suggested compromise was anything more than the suggestion of a form of words designed to placate the less committed members of the Commission: surely those who had held forthright objections to his plan at the previous meeting could not agree to this new proposal?

There is no doubt that the Commissioners were Chamberlainites in a personal as well as a political sense. Chamberlain commanded their respect and admiration, their affection, in many cases their friendship. But the previous meeting had given no indication of the reversal that was to occur on 11 July, a new direction that was set immediately by Hickman, the first to respond to Chamberlain's remarks. Hickman's deference (it could even be regarded as servility) was such that he did not even seek to exploit Chamberlain's proffered compromise:

... having considered those proposals [made by Chamberlain on 28 June] and the objections I come here fully prepared to withdraw any opposition which I on that occasion very diffidently ventured to offer ... if you [Chamberlain] still think, as I gather from the observations you have just addressed to us you do still think, that the original proposal which was different from that which you now propose as a sort of compromise between the objections and your own scheme, I venture to urge on you to go back to your own proposals, if you still think they are better. I submit that ... it is your scheme, and you ought to have the guidance of it, and that though we are here to assist you we ought by no means to attempt to dictate to you. We recognise that you have an unrivalled power and opportunity of acquainting yourself with the trend of public opinion ... I considered that iron and steel were the raw materials for very many industries, and that to issue a tariff that would apply only to those raw materials would be inconvenient; but now after consideration I am not at all convinced that I am right; but I am convinced that you ought to have your own way[.]₂

Maconochie too had changed his mind: "as he [Chamberlain] is a past master of feeling the pulse of the public, it may be if we do not create criticism

1. T.C.M.(VT), 11 July 1904, pp. 3-6; T.C.P.
2. Ibid., p. 7.

and discussion at the present time we may not have the assistance which is required".¹ Sir Vincent Caillard perhaps felt more keenly the subordinate position in which the new move was putting the Commission, but he exhibited extreme sanguinity when he attributed the events of 28 June to a misunderstanding:

I understood the tariff as proposed by yourself [Chamberlain] at the last Meeting to be a detailed tariff, that is to say a tariff on everything from a girder to a needle; but if it is only a heading of tariffs I never meant to raise any opposition whatever.²

Henderson too supported Chamberlain's original proposal, thinking it better than the "rather roundabout" compromise offered in its place.³ Vicary Gibbs announced his intention to defer to Chamberlain's "decided opinion" that it was necessary to publish a tariff.⁴

In spite of this surprising vote of confidence, Chamberlain was still unwilling to tie the Commission to a definitive tariff, either in its own eyes or in the eyes of the public. The proposed tariff might adversely affect allied or subsidiary industries, and might therefore require "further consideration",⁵ but its very publication would assist the Commission in producing a final tariff, by showing "in what direction our thoughts are tending" and by giving "the public an opportunity of criticism which they would not have if we confined ourselves to mere generalities".⁶ Though he preferred his original proposal to the compromise solution, since it was "straighter and more lucid", and put less of the onus of responsibility for the tariff on the secretary's shoulders,⁷ it was necessary to stress that any

1. Ibid., p. 8.
2. It must be admitted that the degree of detail in the schedules had not been discussed at the earlier meeting, but this would overlook the strong objections to the publication of any rates on that occasion, opposition in which Caillard had joined. See *ibid.*
3. Ibid., p. 9.
4. Ibid.
5. Ibid.
6. Ibid.
7. Ibid., pp. 9-10. Chamberlain felt that to accept the compromise was to "throw the responsibility of producing the tariff on Mr. Hewins, which of course is one way of making it absolutely clear that no individual Member of the Commission is beforehand pledged to adopt that suggestion, but there would be no difficulty, and no doubt it would be a still

schedule which appeared in print was to be subject to revision in the light of further enquiries. No voice of opposition was raised: the Commission was now determined to sweep even the compromise aside in their realignment with Chamberlain's original proposal. Sir Robert Herbert's remarks show that there had been much conversation on the events of 28 June in the following fortnight. R.H. Reade's contribution was pregnant with implication:

... the situation seems to me to have entirely changed since the last meeting ... Since that time there has been an adjournment during which ... you [Chamberlain] have been taking into consideration in your mind fully and thoroughly all the objections then urged, but you maintain your original opinion and you have explained the reasons which have actuated you. They are to a large extent convincing ... I submit my judgement to yours ... as to the trend of public opinion, and how that would be affected by what is published ...¹

Chamberlain had by now divined the opinion of the Commission sufficiently to risk a resolution, that the Commission "consider and ... propound a provisional Tariff", which was carried nem. con. without further discussion.² No evidence survives which would enable us to trace the fascinating offstage manoeuvring which enabled such a complete reversal to take place. Hewins said nothing in either debate over the form which the conclusions and recommendations of the Commission should take. In that, at least, he appears an exemplary model of the official servant of the Commission. On earlier occasions it had been he who had stressed the inter-related nature of a final tariff and the necessity of determining tariff levels for one industrial grouping in relation to the input requirements of another.³ Yet it would be hard to imagine that he had been uninvolved in the conversion of the Commission away from the ideas he had once propounded. Chamberlain, too, had presumably been active behind the scenes, probably pressuring Hewins into supporting a scheme for which he had less than total sympathy.

straighter course if we did exactly the same thing in the name of the Commission".

1. Ibid., pp. 11-12.
2. Resolutions were put forward in an informal manner and do not appear to have required a seconder. See *ibid.*, p. 13.
3. Ibid., p. 12.

Discussions of the proposed tariff were narrowed down by common consent to a discussion of the General Tariff. Detailed formulation of a Preferential Tariff was felt to be impracticable, even an "impertinence", until a British government was willing to undertake negotiations with the colonies. Chamberlain felt that the Maximum (fighting) Tariff should be discussed only after the General Tariff had been settled.

That there would be a change of heart of the Commission had been foreseen. On 8 July the Executive Committee had discussed a provisional General Tariff schedule, drawn up by Hewins, which was advanced enough to include detailed tariff rates. Though no copy of this schedule survives, it was apparently on the table in front of the Commissioners for the meeting of 11 July, and since at one point Hewins read from it we have a clear idea of the actual tariff rates suggested:¹

Pig iron	5	per cent	<u>ad valorem</u>
Ingots	6 $\frac{1}{4}$	per cent	<u>ad valorem</u>
Blooms, Billets, Rails	7 $\frac{1}{2}$	per cent	<u>ad valorem</u>
Plates	10	per cent	<u>ad valorem</u> .

It is evident from the ensuing discussion, however, that the schedule on the paper from which Hewins was reading rose beyond 10 per cent.² It appears that the Executive Committee might well only have seen the schedule as presented above, for Henderson remarked that 10 per cent "was the highest duty then suggested".³ It seems probable from the remarks of Sir William Lewis that Hewins and Charles Allen had inserted a further category of more highly finished goods into the schedule above plates, and had consulted Lewis about this step on the evening before the meeting of 11 July. Lewis's words leave us in no doubt that the schedule that now lay before the Commission ranged up to 15 per cent:

... I have given a great deal of attention to the draft report in conjunction with the Secretary and Colonel Allen,

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1. Ibid., p. 19.
 2. Hewins intended no concealment of the higher levels of duty, since all the others had the information that he left out, and began to discuss it. Though it is difficult to tell from typewritten minutes, it seems probable that he was interrupted before he could finish it.
 3. Ibid., p. 17.

and this particular question we discussed very fully last evening. At that time I had a good deal of hesitation about going up to 15 per cent ...¹

The problem that had arisen was, put crudely, the question of how high the maximum rate on the General Tariff should be. Put more accurately, the problem that had arisen was that of correctly gearing "scientific protectionism" within a limited range of duties, felt by most Commissioners to be desirable, given less than perfect information on costs of production. The grading of duties within the scheme was a critical element in the 'scientific method' as advocated by Hewins, and Allen stressed that industrial classifications for this purpose had been, in Germany, the subject of "scientific study for many years past".² At Glasgow, Chamberlain had suggested that a tariff on manufactures should vary "according to the amount of labour in these goods",³ and at Greenock, as frequently elsewhere, he had urged upon working men the importance of a tariff in maintaining security of employment.⁴ This consideration was frequently mentioned in the discussion of 11 July. Allen thought that the design of the gradation of the German tariff was "simply to protect their labour".⁵ To Boulton it was important that "it should go forth to the world that in this calculation we are protecting manufacturers, and we are trying to protect labour also".⁶ Booth thought it important to stress, in publication, that "the labour consideration will rule the intermediate scale",⁷ whilst Lyle even made the impractical suggestion that "instead of putting ... an ad valorem duty on the value of the articles we put it broadly on the value of the labour".⁸

But the straightforward intention of the Glasgow speech under-estimated

1. Ibid., p. 18.
2. T.C.M.(VT), 11 July 1904, p. 16; T.C.P.
3. Chamberlain at Glasgow, 6 October 1903; in J.M. Robertson (ed.), The Collapse of "Tariff Reform": Mr. Chamberlain's Case Exposed, (London, 1911), p. 62.
4. Chamberlain at Greenock, 7 October 1903; in ibid., pp. 82, 92, 98.
5. T.C.M.(VT), 11 July 1904, p. 18; T.C.P.
6. Ibid., p. 22. He added that this would "have a very great effect, I think, in converting the labouring classes, and Trades Unions, who at present are not with us so much as they ought to be".
7. Ibid.
8. Ibid., p. 22.

the problems of deriving a schedule objectively. Hickman felt that the classification discussed by the Executive Committee and extended by Hewins represented an oversimple compression of products into too few categories, and thought that a more detailed approach based on the product-grouping used in the Board of Trade returns should be adopted.¹ Allen was in favour, however, of a shorter classification, but one which nevertheless included the higher quality goods added by Hewins to the schedule. But while both Hickman and Allen envisaged a schedule based on the labour content of final products, it was apparent that Hickman considered that selling price adequately reflected this,² whilst Allen preferred, more correctly, to concentrate on labour cost per ton.³ To some extent the two could perhaps be approximated: Allen did indicate that he appreciated this to be more true of steel forgings and special steels than of lower qualities of product.⁴ To the extent that Hickman was using selling price, it is obvious that given the degree of dumping that appears to have been prevalent in the British market around the turn of the century, this must have been a questionable criterion. Thus it was Hickman's experience that prices of plates were fully £1 per ton more than those of rails, whilst Allen could not

1. Ibid., p. 15. Basing his remarks on his recollection of the Board of Trade classification, Hickman gave an impromptu version of the schedule he thought desirable:
 - (i) Pig iron and iron castings
 - (ii) Iron and steel puddles, bars, ingots, blooms, billets, slabs, sheet bars and tinplate bars
 - (iii) Rails
 - (iv) Girders, joists and beams
 - (v) Bars of all shapes, excepting rails, girders, etc.
 - (vi) Iron rods
 - (vii) Plates.
2. Discussing the relative position of rails and plates in the classification, Hickman argued that "The price of rails is something like £4 a ton. The price of plates is a little over £5 ... Plates should stand by themselves. They are much higher in price. They involve a much higher amount of labour in their construction". See ibid.
3. Allen remarked that "with due regard to Sir Alfred Hickman the labour on the two articles is nearly the same. I do not think there is above a few shillings a ton difference between the production of steel plates and the production of rails now-a-days". See ibid., p. 16.
4. T.C.M.(VT), 11 July 1904, p. 16; T.C.P.

justify a difference of "above a few shillings" in cost of production per ton.¹

Nevertheless, despite their imperfections, Hickman's amendments to the classification did not arouse violent opposition, and were subsequently to form the core of the rather more detailed schedule which appeared in the Iron and Steel Report.² Indeed, the difference of opinion and experience over the schedules had not deterred the Executive Committee from considering Hewins's provisional range of duties. Hewins explained that:

... this scheme that lies on the table incorporates all the suggestions that I have received, but before that was drawn up we had worked out in the Office careful calculations based on the labour involved in these different grades. We took the cost sheets which many firms had been good enough to place at our disposal, and we took these costs as a basis, and we then got the proportion of labour from pig iron up to plates, and starting with pig iron at 5 per cent we worked out a series of duties ranging ... to $6\frac{1}{4}$ per cent for ingots, $7\frac{1}{2}$ per cent for blooms, billets and rails, and 10 per cent for plates.³

When Hewins had earlier laid the information on labour costs before the Executive Committee, doubts had been expressed over its accuracy. There can be little doubt that Hewins was exaggerating the number of firms which had furnished material on costs in reply to the questionnaires; elsewhere he virtually admitted as much.⁴ Perhaps feeling that he was too sanguine in putting his trust in such information as he had got, the Executive Committee urged caution in recommending a skeletal plan, leaving only the 5 per cent

1. Ibid.

2. Iron and Steel Report, para. 88.

3. Henderson's account of the deliberations of the Executive Committee is worthy of note: "I do not know that the Commission generally have had before them that statement that has been prepared with regard to the amount of labour on these various items; but it is a fact that taking the amount of labour on pig iron at 100 per cent, the amount of labour on plates would be fully 200 per cent, and therefore there is a reason for the figures of 5 per cent and 10 per cent, and the intermediate items are also classified in the same way according to the amount of labour that is in them. I do not think this has been calculated, but it does show that taking pig iron at 100 per cent, when you get to ingots labour represents 141; castings 136 and blooms 166, so that it does not seem to me to be quite wise to propose that the duty upon pig iron, ingots, iron castings etc. should be all 5 per cent ...". See T.C.M.(VT), 11 July 1904, pp. 18-19; T.C.P.

4. See below, pp. 459-462,

on pig iron and the 10 per cent on plates to be published as concrete figures, and simply listing the intermediate items between them without specifying the duty that they would attract.¹

This was not subsequently endorsed by the Commission, however. Hickman saw no difficulty in publishing the intermediate rates on the basis of the information already before the Commission,² and voiced the opinion that a skeletal plan would seem to the public a rather lame result after six months' deliberations. Maconochie gave direct support, whilst Chamberlain, from the chair, felt that Hewins's tabulation of labour costs gave "a very defensible basis" for the specification of intermediate rates of duty.³ There seemed no substantial body of opinion on the Commission to support the Executive Committee's desire to suppress intermediate rates, though Charles Booth did stress his feeling that it was the basis on which the duties were calculated that was important, and that whether intermediate rates were published, whether even they were at present precisely correct or not, was of little consequence. Boulton agreed: the intention "to protect labour" would be effective in promoting the Tariff Reform cause amongst trades unionists and working men.⁴

This left unconsidered the question of high-quality steels, forgotten both in Hewins's presentation of his schedule in the meeting and in Hickman's impromptu expansion of it. Hickman's neglect of it may have reflected the nature of his business as an ironmaster,⁵ but his classification was certainly not one which would have corresponded closely with the products of Allen's firm, which had been a world pioneer of large-scale production of steel.⁶

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1. T.C.M.(VT), 11 July 1904, p. 17; T.C.P.
 2. It must be remarked that relatively few of the Commissioners appear to have seen Hewins's detailed list of the labour content of the various products. No such list seems to have survived.
 3. T.C.M.(VT), 11 July 1904, pp. 20-21; T.C.P.
 4. *Ibid.*, p. 22.
 5. Hickman's evidence before the Commission (Witness No. 2) concentrates on less finished goods and the dumping of these goods in the British market. See Iron and Steel Report, paras. 520-564.
 6. Henry Bessemer and Co. led the world in the casting of steel ingots of all sizes in the 1860s. See Sir Henry Bessemer, An Autobiography, (London, 1905), passim.

Since the Executive Committee meeting, Hewins had thought fit to introduce a classification of "forgings, steel castings and special steels" at a position in the schedule above plates, for which the Commission had now accepted his suggestion of 10 per cent. Even if the Commission did not publish a rate on special steels, which act in itself would have been at variance with what had been agreed with regard to intermediate goods, the position of high grade steels above plates in the classification would imply some duties above the 10 per cent level.

This would mean that the policy of protection had gone beyond a casual interpretation of the Glasgow programme. But not beyond a strict interpretation; if the Glasgow proposals allowed duties ranging up to (say) 15 per cent as long as the average level on manufactures was only 10 per cent, there was nothing in the Commission's discussion that had overstepped its limits.¹ Most of the members present were prepared to accept a move beyond 10 per cent. But many of them preferred that rates above 10 per cent, though conceded in principle as a necessary part of the scheme, should not be published. Henderson had, early on, made the suggestion that "we should indicate that later on having regard to the amount of labour that is represented in these special items such as special steel and steel castings that a higher duty would be applied".² Chamberlain later endorsed this as his view of "the desire of the Commission".³ Even members who had earlier been against exceeding 10 per cent were prepared to agree to a duty higher than 10 per cent if it was not directly specified. Lewis, who in private conversation earlier had disagreed with 15 per cent as a maximum, now thought it better not to go beyond 10 per cent "as a definite sum".⁴ Keen thought it "unwise to go to this 15 per cent; not but what we shall have to do it at a later stage, but if we invite criticism we had better invite it

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1. There was, of course, nothing in the formal terms of reference of the Commission to prevent it going beyond the Glasgow programme. See W.A.S. Hewins, *Apologia* . . . , I, pp. 75-76.
 2. T.C.M.(VT), 11 July 1904, p. 18; T.C.P.
 3. *Ibid.*, p. 20.
 4. *Ibid.*, p. 18.

on the lower scale".¹ Though it must be remembered that many members remained silent throughout the discussion, only Booth and Evans were unwilling to go beyond 10 per cent at all. Evans thought that "the 10 per cent should appear, and should be, the maximum", since a country with a long Free Trade tradition would suspect that "any industry that wants a greater protection than 10 per cent is one for which the Country is not fitted",² whilst Charles Booth did not favour "going at all above 10 per cent for the General Tariff, it being well understood that there is to be a higher tariff under certain circumstances ... I do feel very strongly that 15 per cent is too high for the highest figure of the General Tariff".³

When Chamberlain moved a resolution that the tariff should now be referred to the General Purposes Committee for final drafting for publication, and that the Committee should work within a maximum published rate of 10 per cent, but with an "observation that all highly manufactured articles may be hereafter subject to a higher duty", it was carried unanimously.⁴

We might wonder why Booth and Evans voted for this resolution, which was spelt out very clearly. The economic difference between a General Tariff with a range of (say) 5-15 per cent and averaging 10 per cent and one with a range of (say) 5-10 per cent and averaging around (say) 7½ per cent was probably trivial. The political difference was perhaps more significant: Evans certainly thought that "in talking of this matter about the Country, it will be of great assistance" if the General Tariff on iron and steel were limited to 10 per cent.⁵ There is some suggestion, however, that he did not regard the 10 per cent limit as inviolate for other industries.

Booth had voiced his opposition early: it may be that the concentration on labour cost as the reason for putting special steels, etc., above the 10 per cent limit influenced him to change his mind. It may be, on the other

1. Ibid., p. 19.
2. Ibid., pp. 21-22 (my emphasis).
3. Ibid., p. 14.
4. Ibid., p. 23.
5. Ibid., p. 22.

hand, that Booth's preference for a 10 per cent limit was not as adamant as he initially professed: he certainly did not withdraw from the discussion in disgust as others stated themselves willing to exceed the limit. A third alternative could be that he voted for the resolution and then carried on the fight against it in the General Purposes Committee.

There is no surviving account of the meeting of the General Purposes Committee that dealt with the final drafting of the tariff. It is immediately apparent, however, that significant alterations were made. The 10 per cent limit was re-instituted, and the higher quality goods that were to range up to 15 per cent were now put at that upper limit. Plates, previously 10 per cent, were moved down to $7\frac{1}{2}$ per cent, whilst blooms, billets and rails were moved down to $6\frac{1}{4}$ per cent to make room for them. At the same time other categories of goods, which had not figured strongly in the discussion of 11 July, were included at $6\frac{1}{4}$ per cent. Yet no corresponding reduction was made at the lower end of the scale. Ingots still attracted $6\frac{1}{4}$ per cent, and pig iron still 5 per cent. The result was that the lower intermediate rate of $6\frac{1}{4}$ per cent had now become very compressed, comprising four out of Hickman's original seven classifications,¹ though it should be remembered that two additional classifications had been added to the list.²

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1. Items (ii) - (v) in footnote 1, p. 286, above.
 2. Iron and Steel Report, para. 88. The schedule as published was:

Iron ores	free
Pig iron	5 per cent
Iron and Steel: puddled bars, ingots, blooms, billets, slabs, sheet bars, timplate bars, or similar partly manufactured materials	
Rails, sleepers and fishplates	
Girders, joists and beams	
Bars, round, square, flat, and sections other than above enumerated	
Slit rods	$6\frac{1}{4}$ per cent
Wire rods	
Plates	$7\frac{1}{2}$ per cent
Sheets	10 per cent
Nails, screws and rivets	
Bolts and nuts	
Tyres and axles	
Railway wheels and axles	
Crucible steel	Duties in no
and manufactures of Iron and Steel unenumerated	case to exceed
	10 per cent

The schedule as published in the Iron and Steel Report was, in a strict sense, not signed by Commissioners, since their signatures preceded it. It is unlikely, however, that this procedure was adopted to conceal any significant body of dissent. It is more likely that the procedure was adopted because no one intended that a provisional tariff on the first of several industries to be examined should be regarded as binding, not only on individual members but also on the Commission as a whole. But no member openly repudiated the schedule, or any of the Report, in the press.¹ Members had, tacitly or not, agreed to an average level of duties of 10 per cent, a recommendation in line with the Glasgow programme. But their final proposals as published urged less; an average level of 7½ per cent was a more moderate protection than that envisaged under a strict interpretation of the Glasgow proposals. Given, therefore, a hostile climate in which the Commission was regarded by many as the extreme manifestation of British protectionism, it would have been difficult personally for any members who asserted that its conclusions were too moderate. In addition, even if it had been possible to repudiate a tariff that was only provisional, there is little doubt that the great majority of members had no intention of creating divisiveness in the body on this issue, not only because of the danger of adverse publicity, but also because of their support of the general line of the Commission. This was even true of the imperial representatives. Although Chamberlain was at pains to point out that they were in no way obliged to sign the Report at all,² because "they would not wish to take part in making our [British] Tariff",³ the colonial members themselves evidently wished to sign.⁴ But Cockburn agreed that "those chiefly concerned with the Tariff ... should take a large part in the matter because they understand

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1. Sir George Ryder did not sign the Report, but on wider grounds than this. He did not attend any of the meetings concerning the inquiry into iron and steel. See Appendix 1, p. 577.
 2. Indeed, he stressed this so much that one might suspect he preferred that they did not sign the Report. See T.C.M.(VT), 11 July 1904, pp. 26-27; T.C.P.
 3. Ibid., p. 26.
 4. All eight signed the Iron and Steel Report: see para. 87.

their own requirements best".¹

Since Cockburn and the other imperial members wished to sign the Report but not the tariff, this paved the way for the solution finally adopted, probably at the subsequent meeting of the General Purposes Committee. When the Report was published later in July, the provisional tariff appeared after the signed body of the Report. Not only could imperial members sign, but so too could any member who was strongly dissatisfied with the reduction of duties that took place mysteriously after the meeting of 11 July.

Having decided, or so they thought, a General Tariff, the Commission discussed the conditions of the Maximum Tariff. Chamberlain had sketched out his initial conception that this would be "much higher" than the General Tariff at the meeting of 28 June.² Then he had intended to offer foreign countries one of two options in order to qualify for the General Tariff. The first, that the foreign country must "make us a proportionate reduction", was rather more nebulous than the second, that the foreigner must "reduce their Tariff to the level of our normal [i.e. General] Tariff".³ There is slight evidence that Chamberlain preferred the latter, which Britain might implement as "a general thing".⁴ A failure to treat on this basis would result in the foreigner being subjected to the British Maximum Tariff.

There was little disagreement over the Maximum Tariff, though Sir Alfred Hickman did voice a fear perhaps at the back of the mind of several others. He was of the opinion that the 15 per cent limit of the General Tariff was:

... high enough for all purposes, and I think it would be a very undesirable step to take even to mention any high, and extravagant rates, which would be absolutely, practically, inoperative. I do not think it would do any good. I do not think they are rates which any Ironmaster, or steel maker, would desire; and I think they would prejudice our case in the eyes of the Country.⁵

But, as Birchenough stressed, it was essential to Chamberlain's scheme as

1. T.C.M.(VT), 11 July 1904, p. 26; T.C.P.
2. T.C.M.(VT), 28 June 1904, pp. 3-4; T.C.P.; and above, p. 273.
3. Ibid.
4. Ibid.
5. T.C.M.(VT), 11 July 1904, p. 23; T.C.P.

outlined to the Commission in June that there was a Maximum Tariff. Since the General Tariff was not to be reducible,¹ it was only by having a Maximum Tariff that negotiating power would exist. Perhaps this convinced Hickman, who on earlier occasions had endorsed the principle of a Maximum Tariff² and stated his hope that Tariff Reform would restore generally fairer conditions of international trade.³ On the principle of a Maximum Tariff and on the publication of that principle there was general agreement. There was a familiar reluctance, however, to advocate any specific rates for the Maximum Tariff, not only on general lines but also in relation to the iron and steel industry. Sir Robert Herbert confirmed that this had been the view of the General Purposes Committee at its earlier meeting, that there should be "on no account ... any figures referring to a maximum Tariff", nor referring to anything but the General Tariff on iron and steel.⁴ Maconochie thought it "wise not to publish a maximum tariff, but I do not think it should not go forth that a maximum Tariff is not in order".⁵

In deciding not to consider the Maximum Tariff in any detail, the Commission was leaving a major part of its task undone. Nominal tariff levels among Britain's trading partners had been rising from about 1865-1870, and the turn of the century saw a world which regarded German tariffs of 20-30 per cent as moderate compared with those of the USA and especially Russia.⁶ Even if the British General Tariff was to have ranged up to

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1. This point perhaps deserves emphasis: reciprocity by foreign countries would not admit them to Britain's colonial (preferential) tariff or to any intermediate level between that and the General Tariff. As Maconochie pointed out, any reduction from the General Tariff would "defeat ... what you are trying to do, to increase the amount of labour in this Country". See *ibid.*, pp. 23-4.
 2. T.C.M.(VT), 28 June 1904, p. 10; T.C.P.
 3. T.C.M.(VT), 16 March 1904, p. 15; T.C.P.
 4. T.C.M.(VT), 11 July 1904, p. 24; T.C.P.
 5. *Ibid.* Though everyone agreed that the principle of a Maximum Tariff should be published, it is curious that it was Hickman who made the only suggestion that a more specific statement should appear: "it might be indicated that the maximum tariff would be based on the tariff of the Country against whom it is directed - German Tariffs against the Germans; and American Tariffs against the Americans". See *ibid.*, p. 25.
 6. It must be noticed that the level of effective protection may not necessarily rise with the nominal level of protection. Changes in relative rates on raw materials, semi-products and finished goods in

15 per cent, this would have been considerably lower than the duties levied by most of Britain's trading partners.¹ Few, if any, important economies would have entertained a reduction of their protective tariffs to an average level of 10 per cent and a maximum of 15 per cent, still less a reduction to a maximum of 10 per cent.²

Certain members of the Commission saw this clearly. Maconochie observed that "in almost every case the Tariff you propose will be considerably less than any Tariff of any other Country".³ Leverton Harris put the matter more pungently: the public reaction to Chamberlain's scheme would be to say:

You can always find an excuse. It is all very fine, your General Tariff; it is only to put us off the scent; your maximum tariff is the one you are going to enforce. You can always say to any Country 'You have not met us, and we are going to enforce our maximum Tariff.'⁴

Thus, although it was never stressed, the Chamberlainite policy was already, by July 1904, heading in the direction of a higher protectionism than was implied in the Glasgow programme, even if that programme did allow duties up to 15 per cent on the General Tariff. The Tariff Reform plan only maintained its moderacy as long as other countries would agree to sweeping

USA after 1861 have led G.R. Hawke to question the conventional picture of increasing protection in that country down to 1900. See "The United States Tariff and Industrial Protection in the Late Nineteenth Century", Economic History Review, 2nd Series, XXVIII, 1975, pp. 84-99.

1. Even with the most-favoured-nation clause in operation.
2. We might instance here the disillusionment of many Americans with the succession of reciprocity treaties that they had negotiated in the previous twenty years. Of course, circumstances were very different as most of the negotiations were with small, Central American primary producers. But in 1903 the authorities on US reciprocity commented that it "has been a failure so far as tariff reform through that means is concerned". See J.L. Laughlin and H.P. Willis, Reciprocity, (New York, 1903), p. 421.
3. T.C.M.(VT), 11 July 1904, p. 24; T.C.P. As a crude illustration we might take the duties levied by foreign countries on rails. Below are shown the specific duties on rails given in the Iron and Steel Report (para. 153) with ad valorem equivalents in brackets, based on Hickman's estimated selling price of £4 per ton, presumably a reflection of world price: Russia £4.18s.4d. per ton (123 per cent); Austria £2.10s.10d. (63.5 per cent); France, Spain and Italy £2.8s.9d. (61 per cent); USA £1.12s.6d. (40.75 per cent); Germany £1.5s.5d. (31.75 per cent); Belgium 7s.11d. (10 per cent).
4. T.C.M.(VT), 11 July 1904, p. 24; T.C.P.

reductions in their tariffs. Yet it would be wrong to see Chamberlain as being pressured by the Commission into accepting the principle of a Maximum Tariff, as being enticed by the wily capitalist further down Asquith's "inclined plane".¹ It was Chamberlain who had introduced the concept of the Maximum Tariff into the discussion, it was he who had suggested the criteria for invoking it, and it was he who stated that, although it would not be as severe as the average level of protection confronting British exporters, it would "be high enough in all probability to keep ... [foreign exporters] out [of the British market]".² Though he never made this element the focal point in his public pronouncements on policy,³ it did take its place in his public speeches. In his famous speech on the cotton trade at Preston, early in 1905, he stated:

I propose to increase your trade with the foreign protected countries by securing a revision of their tariffs. As long as their tariffs are what they are, you cannot largely increase your trade to them. But I believe ... that the result of saying to the Governments of those foreign countries, 'If you continue your exclusive and prohibitive tariffs we will pay you in your own coin,' will at once be a considerable amendment.⁴

The element of retaliation, on which the appeal to the cotton trade was to be largely based,⁵ had become a central element in Tariff Reform policy. It was an element which, in all probability, carried with it a far higher degree of risk than did the low General Tariff that was the descendent of the Glasgow policy.⁶

1. See above, p. 21.
2. T.C.M.(VT), 11 July 1904, p. 13; T.C.P. Chamberlain probably saw the threat of retaliation as one likely to be effective, so that the Maximum Tariff, which he saw as "a war tariff, and not a peace tariff", would not have been a normal condition.
3. This perhaps accounts for its neglect by historians of the Tariff Reform campaign.
4. Chamberlain at Preston 11 January 1905; in C.W. Boyd (ed.), Mr. Chamberlain's Speeches, (London, 1914), II, p. 293.
5. See below, ch. 6.
6. Chamberlain realised that this was a gamble, that his threat of retaliation might meet with less response than he argued would be the case at Preston. See Chamberlain to "Organised Labour Branch" of Tariff Reform League, London, 17 May 1905; in ibid., II, p. 324 (Chamberlain's emphasis).

CHAPTER 6

The Cotton Industry and Retaliation

The Lancashire cotton industry was probably the most cohesive industrial interest-group of any in the entire Tariff Reform campaign. With around 80 per cent of its output sent abroad, and with a long tradition stretching back well before the Anti-Corn Law League, the industry's attachment to Free Trade was an indefinable mixture of immediate practical utility and religious faith.

Aware of the difficulty of pursuing their enquiries within earshot of the Free Trade Hall, the Commission attempted a unique arrangement with a respected editor of the Manchester trade press. Though, through Pearson, the Commission had many allies in the Unionist press who were willing to devote large space to its opinions, and to summarise its publications at length, this is the only case known where an attempt was made to hide Commission propaganda behind the facade of objective or rather less especially interested, press comment. In March 1904, Pearson wrote to the publishers of the Textile Mercury:

I am now able to tell you that the General Purposes Committee of the Tariff Commission have decided to extend to the "Textile Mercury" the same subsidy as has been hitherto paid by the Federation of Master Cotton Spinners Associations. This subsidy is, I gather, £250 per annum, and we propose that it should extend from your issue of Saturday the 16th of April for one year. In return it is understood that two pages of every issue of the "Textile Mercury" are placed at the disposal of the Tariff Commission, which will make itself responsible for the matter with which these pages are filled. These pages will be in no way distinguishable from the ordinary matter pages of your journal.₁

1. Pearson to Marsden and Co., 23 March 1904; H.P.

The editor's reply shows clearly the constraints within which, as a Lancashire supporter of Tariff Reform who had nevertheless to avoid losing the goodwill of his readers, he had to work. Stressing the secrecy of the negotiations, he was determined to limit the degree of which his publication would advocate Chamberlain's policies:

I can see my way ... to meet you on the lines you now suggest ... that is, that the matter supplied should not be distinguishable from the other contents of the journal. This also I prefer, and it would be certainly more desirable from your committee's point of view ... I am prepared to advocate systematically in the editorial columns of "The Textile Mercury" the policy of retaliation. Beyond this ... (as I explained to you in my interview) it would not at present be advisable to go ... at any rate in Lancashire.

Any articles, therefore, going beyond retaliation ... would need to be dissociated with (sic) editorial matter. This might of course be done by their bearing the names of the authors; or being lectures, or papers, delivered or written under the auspices of the Commission or otherwise.¹

This was perhaps less than the Commission desired, and Pearson suggested that the arrangement should be made monthly instead of for the year, so that either party could terminate it "should they not find it adaptable to their purposes".² This was evidently acceptable to Marsden. Soon afterwards he wrote to Hewins requesting that material for inclusion be sent as far as possible in advance of the publication date, and advising him that "the readers of the 'Textile Mercury' appreciate short articles and notes ... more than lengthy articles".³

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1. Edward E. Marsden to Pearson, 26 March 1904; *ibid.*
 2. Pearson to Marsden, 28 March 1904; *ibid.*
 3. Marsden to Hewins, 7 April 1904; *ibid.*

I

The Commission's second industrial enquiry brought it face to face with its most concentrated, self-confident and entrenched opposition. Levinstein, aware of the personal hostility likely to be encountered in Manchester, preferred at the outset not to join the Commission "publicly and officially at the present time", for what he termed "purely local" reasons,¹ and it took several entreaties from Chamberlain before he agreed to change his mind. Even then he was far from happy. "I beg you", he wrote, "to publish my name as past president of the Soc[iety] of Chem[ical] Ind[ustry] and Vice President of the Soc[iety] of Dyers and Colourists, but not in connection with the Manchstr. Chamber of Commerce".² Shortly afterwards he announced that he had, doubtless to the Commission's severe disappointment, tendered his resignation as president of the Manchester chamber, since "I cannot ... hold both positions at the same time with entire comfort".³

Eckersley too has left testimony to the awkwardness in which Lancashire members felt that their new position put them at home:

When I agreed to become a Member [of the Commission], I had no idea that I should be the only representative of the Cotton Spinning interest and I feel the responsibility very much ... It does seem a little ridiculous that I should speak for the [entire] Cotton Spinning Trade of Lancashire.⁴

Though Hewins sought to allay Eckersley's fears by explaining that the large and complex structure of the industry necessitated a large effort to secure expert evidence from many different quarters, and that it was Eckersley's role "to advise the Commission as to the manner in which it should set about consultation of expert opinion representing all branches ... and ... as to the manner in which the Commission might select its witnesses",⁵ Eckersley, though slightly mollified, still feared that his assistance would be limited

1. Levinstein to Chamberlain, 14 December 1904; C-599, T.C.P.
2. Levinstein to Hewins, 3 February 1904; *ibid.* The correct date of this letter would appear to be 3 January.
3. Levinstein to Hewins, 8 January 1904; *ibid.*
4. Eckersley to Harrison, 1 January 1904; C-124, T.C.P.
5. Hewins to Eckersley, 4 January 1904; *ibid.*

and "liable to be misconstrued".¹ Throughout the enquiry he insisted, repetitively, that his knowledge was limited to cotton spinning, even to the extent that he underlined the phrase in correspondence as if in formal limitation of his own terms of reference.²

The appointment of a sub-committee on the textile trades, in removing the constraint of limiting the number of Commission members, was to Eckersley more than desirable. "I know little of tariffs and the export trade", he had commented when being invited to serve:³

Manchester Shipping Merchants are the people who understand these points, and I think it would be desirable to have two, at least, of these on the Commission, who are acquainted with the diff^t. kinds of Cotton Manufactures that are exported and the diff^t. Countries they are exported to. One merchant would hardly be able to embrace the whole field.

These merchants would be much more valuable than Cotton Spinners to the Commission.⁴

The Commission was faced with a new problem in its study of the cotton industry. With iron and steel, prominent manufacturers fought for large contracts overseas and were well aware of conditions in overseas markets where direct selling was a common occurrence. They could thus speak both of production (often having some knowledge of conditions abroad as well as at home) and of distribution. The degree to which the cotton trade was organised along direct selling lines was far smaller,⁵ though it is probable that in his anxious self-consciousness Eckersley exaggerated the parochial outlook of the spinner and manufacturer. It had, of course, long been the case that Lancashire's dependence on British export merchants and foreign import merchants was high, and that dry goods constituted a large part of

1. Eckersley to Hewins, 7 January 1904; *ibid.*
2. For example, he wrote that he would be "glad to know how I can be useful to the Commission as regards the Cotton Spinning interest". See Eckersley to Hewins, 11 January 1904; *ibid.* (Eckersley's emphasis).
3. Eckersley to Harrison, 1 January 1904; *ibid.*
4. Eckersley to Hewins, 23 January 1904; *ibid.*
5. Chapman noted that some cotton manufacturers marketed their own product abroad but that these were exceptional, the majority of export business in cotton yarns and goods being handled by shippers. See S.J. Chapman, The Lancashire Cotton Industry: A Study in Economic Development, (Manchester, 1904), p. 138.

the business of those merchants.¹

The other cotton representative on the Commission, Frederick Baynes, carried on business as a merchant,² though in evidence he gave no clear idea of the type of business he handled.³ Fortunately his partner, John Dixon, also gave evidence. Though his experience applied to the distribution of cotton cloth "in the different markets of the world", he noted that Baynes and Dixon "are not distributors or shippers. In many cases we do not know where our goods go".⁴ It seems likely, therefore, that Baynes and Dixon were agents between manufacturers and exporters, their agency having been built predominantly on the business of placing the products of the Furthergate and Knuzden Brook mills, but probably handling also the goods of other, perhaps neighbouring, firms.⁵ Of the six members of the Textile Committee who were not members of the original Commission,⁶ none was directly connected with the cotton industry, nor did they remedy in any way this absence of the export merchant on the Commission. Eckersley perceived the problem in its early stages: "it appears to me", he wrote, "that the way in which I could help the Commission is to obtain ... Experts as to the export trade in Cotton yarns [and] the effect which the tariffs of different Countries have had on these exports".⁷

But, of course, the export merchants made up the most cosmopolitan sector of a cosmopolitan industry, and the Commission realised this. Eckersley hoped that written evidence, supported by his own endorsement, would be sufficient, since "There would be a difficulty getting the Experts

1. See N.S. Buck, The Development of the Organisation of Anglo-American Trade, 1800-1850, (2nd Edn., Newton Abnot, 1969), chs. 2, 5-7; S.J. Chapman, op. cit., pp. 135-142; E. Helm, "The Middleman in Commerce", Transactions of the Manchester Statistical Society, 1900-1, pp. 55-65; D. Kinley, "The Promotion of Trade with South America", American Economic Review, I, 1911, pp. 50-71, especially pp. 62-67.
2. Cotton Report, para. 513.
3. Ibid., paras. 306-349.
4. Ibid., para. 513.
5. I am indebted to D.A. Farnie for this suggestion.
6. Two carpet manufacturers, two woollen cloth manufacturers, a manufacturer of tweeds, worsteds and flannels, and a flax spinner.
7. Eckersley to Hewins, 18 January 1904; C-124, T.C.P.

to appear be[fore] the Commission or a Committee, I am afraid".¹ He was especially enthusiastic when Pearson appeared to have found a Manchester merchant who was willing to serve on the Commission,² though Pearson's discovery never materialised. The dispatch of the questionnaire accentuated the weakness in the Commission's coverage. Forms following the pattern deemed suitable for the iron and steel trade were not likely to fit the more complex structure of the cotton trade:

These are intended for Manufacturers but I am afraid as far as the textile trades in Lancashire are concerned they (the Manufacturers) will not be able to give much information, as there are not many who do an export trade.

The Forms of Enquiry are for Manufacturers but I intend to use them for 2 or 3 Experts amongst the Shipping Merchants to answer these questions as far as they can, which I suppose will be satisfactory.³

Late in February Hewins was trying to locate the export merchants. Eckersley provided the names of 70 or 80 of the most important exporters of yarns, and to Baynes was left the task of doing the same for exporters of manufactured cottons.⁴

To Ivan Levinstein, a stern critic for many years of Britain's easy tolerance of a one-sided international patents system,⁵ the merchant was at the core of Manchester's hostility to Tariff Reform. "... it is the game of many of our merchants to set the foreign producer against the British in order to squeeze down prices," he commented. "They don't care whether the working classes are employed".⁶ Since Manchester was "a far larger distributing centre than manufacturing" it was "the most difficult city in England".⁷ Nevertheless, he realised the essential importance of securing evidence from this quarter, and he was the principal architect of Hewins's meeting with Manchester businessmen on 26 February. It is significant that

1. Ibid.
2. Eckersley to Pearson, 27 January 1904; *ibid.*
3. Eckersley to Hewins, n.d. but late January or February 1904; *ibid.*
4. Eckersley to Hewins, 1 March 1904; *ibid.*
5. Levinstein to Hewins, 10 October 1914; C-599, T.C.P.
6. Levinstein to Hewins, 8 February 1904; *ibid.*
7. *Ibid.*

both the daytime meeting in the Accountants' Hall and the evening meeting in the Memorial Hall were, according to the Free Trade press, thinly attended.¹

We cannot determine precisely the results of these meetings in obtaining witnesses, but certainly Levinstein was busy, in the weeks that followed, in trying to obtain representation of shippers. In March he informed Hewins that he had persuaded S.M. Bles² to join the Textile Committee. Bles was a "very good man", from a highly respected shipping firm with wide markets.³ But most of his business appeared to be with Holland the the Dutch colonies, and the recent Dutch proposal to increase duties on cotton yarn "must have got his rage up, because I have tried him before but 'Barkis was not willing.'"⁴ The Commission's evident pleasure at this report⁵ was, however, short-lived, for Bles changed his mind again, and did not even give evidence before the Committee. Levinstein met with failure again when he suggested that H.E. Wollmer, a late partner of Sir Jacob Behrens, be invited to give evidence. Doubtless he thought that the dissatisfaction that the house of Behrens shared with Levinstein over international patents legislation would ensure the Commission a friendly reception. But this was not to be, for Wollmer refused the approach.⁶ He even found difficulty with the home trade houses. Hewins acted on an urgent communication from Levinstein, to invite a Mr. Kendall of Messrs. George Peake and Co., one of the largest Manchester home trade houses. There can be little doubt that Levinstein thought there was good reason to expect Kendall's acceptance. But Kendall replied with a string of unconvincing excuses. One wonders if Kendall was in sympathy with the Commission, and was put off by the hostile atmosphere of his surroundings, for he did not hesitate to suggest, in his place, Walter Sparrow of Messrs. Sparrow, Hardwicke and Co. He wrote that "The business

1. Manchester Guardian, 27 February 1904
2. Of S.D. Bles and Sons, Chorlton St., Manchester.
3. Levinstein to Hewins, 11 March 1904; C-599, T.C.P.
4. Ibid.
5. See Hewins to Levinstein, 12 March 1904; *ibid.*
6. Levinstein to Hewins, 19 June 1904, and Hewins to Levinstein, 20 June 1904; C-599, T.C.P.

in which they are engaged lends itself to imparting the information desired, much more than our own, and Mr. Sparrow I know is in active sympathy with the objects of the Commission. Shall I ask him ...?"¹ Sparrow's tale is another curiosity: though he appears to have accepted a position on the Committee,² no more was heard of him.

With the exception of the peripheral Baynes, no cotton merchants were destined to sit on the Committee. With witnesses, the Commission had only slightly more success. Of the nine giving oral or written evidence, two, not including Baynes and Dixon, were merchants. One of them, F.B. Ross, had large interests in cotton spinning, handkerchiefs and printing cloth manufacture as well as in the Manchester shipping firm, Malcolm Ross and Sons. It also seems likely that he was a close acquaintance of Eckersley, being "A director and one of the founders of one of the largest cotton mills in France".³ He was, in any case, a Free Trader.⁴ The other, de F. Pennefather, was a Liverpool merchant who seems both to have imported US cotton and exported yarns and piece-goods. Nevertheless, in view of the considerable efforts to recruit manufacturers and, more especially, merchants, both through the Manchester meeting and the large-scale postal search,⁵ there can be no doubt that the Commission failed to interest a significant proportion of the industry in its project. But it must be emphasised that there is no strong evidence to support Levinstein's contention that producers were more in sympathy with Tariff Reform than were merchants. When Eckersley sent a list of the largest and most prominent spinning concerns for Hewins's use, he excluded some because he knew they would not respond. "I think all my Cotton Spinning friends are free traders, and believe in free imports",

1. Kendall to Levinstein, 27 June 1904, Levinstein to Hewins, 23 June 1904, Hewins to Levinstein, 24 June 1904; *ibid.*
2. Levinstien to Hewins, 29 June 1904; *ibid.*
3. Cotton Report, para. 392.
4. Ibid., paras. 406-407.
5. Knowing as we do the thoroughness of the Commission, there can be little doubt that all of Eckersley's 70 or 80 yarn merchants (see above, p. 302) were approached. The names of piece-goods merchants supplied by Baynes were doubtless similarly treated.

he commented, "and I think it is possible you will have no reply fm. many of the names I have given you".¹

II

The starting point of any enquiry was the establishment of an objective picture of the relative progress of the British industry. With iron and steel, erosion of British supremacy in world output had been easy to document. With cotton, the Commission had a less easy task.

One of Hewins's first statistical discoveries was that British consumption of raw cotton had undergone a short-term decline between 1898 and 1901, and a sharp decline between 1902 and 1903.² Eckersley noted, however, that consumption was an unreliable guide to plant utilisation, and warned Hewins against coming to "an erroneous conclusion" on the state of the industry:

... the Cotton Spinning Concerns are producing finer yarns than formerly ... you will readily understand that a given quantity of machinery producing fine yarns would turn out a much smaller weight than the same quantity of machinery producing coarse yarns.³

Though Hewins was quite ready to admit that the short-term decline since 1898 was of no significance,⁴ he clung to the view that the long-term decline of UK consumption as a proportion of the world total was an important indicator of Britain's relative position in the world's cotton manufacture. The UK's share of total US and European cotton consumption had fallen from 42 per cent in 1876-80 to 25.7 per cent in 1903.⁵ But he had to admit that a movement

1. Eckersley to Hewins, 9 May 1904; C-124, T.C.P.
2. The statistics of British cotton consumption used in the Cotton Report, paras. 9-10, Table I and Fig. I, do not correspond exactly with those used by B.R. Mitchell and P. Deane, Abstract of British Historical Statistics, (Cambridge, 1962), pp. 180-1, but the differences are not important.
3. Eckersley to Hewins, 1 April 1904; C-124, T.C.P.
4. A plausible explanation, later used by Free Traders, was that high raw cotton prices and narrow margins caused high finished goods prices which reduced the demand for them. This explanation would seem to be at least partially dependent on the view that the British raw cotton supply position was less favourable than that of other producing countries.
5. Cotton Report, paras. 11-12, Table II and Fig. II.

towards finer counts was a more plausible explanation of this long-term decline than it was of the short-term one since 1898. Study of the Factory Returns lent support to Eckersley's contention that utilisation of capital and labour was not declining; indeed, there had been "an appreciable increase".¹ Hewins realised the apparent tendency towards finer counts would reduce the relative deceleration of the British industry compared with its rivals, particularly Germany, India, Japan and the mills of the southern US, which tended to concentrate on coarse goods. Hewins suggested that international comparisons of consumption per spindle might be indicative, but he realised that such figures would be inconclusive as long as the "average number of days they were in full employment during the last 10 years" was unknown.² Eckersley thought it impossible to obtain such information: the trend towards finer counts was "generally known ... but ... there has been no record kept giving particulars of what has actually been done".³

There can be no doubt that contemporaries generally accepted that a move towards finer counts was occurring in the industry, and that it was a long-term and general phenomenon.⁴ The disproportionate growth of fine counts output was even credited with causing a strike amongst Oldham spinner.⁵ Yet not all experts were convinced of the existence of the trend.⁶ And, though of course Britain spun yarns far finer than those produced by most countries,⁷ it was the relative trend, and its magnitude, that mattered. Though the Commission was not prepared to incur the hostility of the large

1. Hewins to Eckersley, 8 April 1904; C-124, T.C.P.
2. Ibid.
3. Eckersley to Hewins, 11 April 1904; *ibid.*
4. "Finer Counts in Oldham and What They Are Indicative Of", Textile Mercury, 16 August 1890, p. 104; "The Spinning of Fine Counts in Oldham", Textile Mercury, 17 September 1892, p. 195; Textile Recorder, 14 January 1893, p. 239; Textile Recorder, 15 January 1896, p. 321; E. Enever Todd in Manchester Guardian, reprinted in Textile Recorder, 15 September 1911, p. 143.
5. Textile Recorder, 15 May 1896, p. 3; 15 July 1896, p. 188.
6. See, e.g., H.B. Heylin, Buyers and Sellers in the Cotton Trade, (London, 1913), p. 104.
7. See S.L. Besso, The Cotton Industry in Switzerland, Vorarlberg and Italy, (Manchester, 1910), pp. 10-11, 19.

majority of those in the industry who believed in the existence of the trend, it was not able to agree that the magnitude of the trend was significant. Of course absolute British consumption had increased from 10.95 m. cwt. in 1877-1880 to 13.95 m. cwt. in 1904,¹ but consumption per spindle, showing a rise to 1890, had declined since that date.² Since this had been accompanied by a small shift towards Egypt as a source of supply,³ it was accepted by the Commission that "there has been an increase of fine spinning since 1890".⁴ The Commission, however, held this to be of small significance - according to "a leading Lancashire spinner" (Eckersley) the decrease of 0.8 lbs. (2.6 per cent) in consumption per spindle between 1890 and 1903 was equivalent to a change from an average of 31s to one of 32s,⁵ hardly a change of great significance when it is remembered that the Commission was in broad agreement in considering counts above 80s as fine and counts in the range 50s to 80s as medium.⁶ Furthermore, it was realised that there were two imponderables - differences in the amount of short time worked and increased speed of machinery - which made it very difficult to establish whether there was such a trend towards finer counts. As Hewins remarked, "on going into these figures I do not think it is possible to be very dogmatic on the subject"; Baynes agreed, adding that "you can only estimate".⁷

On the whole, therefore, the Textile Committee supported the view that there had been a movement towards finer counts. Whilst Eckersley felt this to be of substantial importance, Baynes and Levinstein thought it to be of only limited significance. Baynes' experience was that "For the last ten years I certainly think the counts have been quite as coarse", though he admitted that there had been a short-term increase in count in 1903-1904,

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1. Cotton Report, Table V, para. 20.
 2. Ibid., paras. 27-28.
 3. Ibid., Table VI, para. 22. No way was found of separating Sea Island cotton (the other long-staple fibre) from US cotton. See Textile Committee Minutes (VT), 30 May 1905, p. 10; T.C.P.
 4. Cotton Report, para. 28.
 5. Ibid., para. 28, 28 n.
 6. Textile Committee Minutes, 30 May 1905, p. 19; T.C.P.
 7. Ibid., p. 20.

partly because of the active demand in Canada for finer goods.¹ Even so, to him it was of far greater significance that raw cotton consumption in Britain had fallen by one-sixth between 1903 and 1904.² Levinstein stressed the recent erection of fine spinning mills on the continent and what he claimed to be a reduction in British exports of fine yarns.³ He cited Austria, where the survival of fine spinning depended entirely on tariff protection.

It was what Baynes felt to be "a strong difference of opinion"⁴ on this issue which led Hewins to remark that the general state of the industry was "almost the only point in regard to the cotton evidence upon which there is a difference of opinion".⁵ He seems to have disagreed with Baynes' dismissal of the trend towards finer counts, but to have held doubts that acceptance of the trend was sufficient to prove the historical growth of prosperity:

We are quite familiar with the statement in all sorts of cotton publications that the counts are getting finer, and therefore the consumption of cotton is not a good test [of the growth of the industry]. But the question we proceed to ask here is to what extent have they grown finer, and how will the degree of fineness affect the statistics? ... figures relating to the consumption of cotton are not a thoroughly good index of the state of the cotton trade: because, although they may vary in the same direction, they do not vary in the same degree as the variation in the trade itself.⁶

Thus, maintained Hewins, it was necessary to take "a variety of tests" of industrial prosperity and progress.⁷ But the most obvious of the alternatives, spindleage, seemed to be on the increase according to the

1. Textile Committee Minutes (VT), 18 May 1905, pp. 11-12; T.C.P.
2. Textile Committee Minutes (VT), 15 December 1904, p. 26; T.C.P. Baynes' figure was an exaggeration. Mitchell and Deane, *op. cit.*, p. 179, show a decline from 1,617 m. lb. in 1903 to 1,486 m. lb. in 1904, a decrease of 8.1 per cent.
3. Textile Committee Minutes (VT), 15 December 1904, p. 30; T.C.P. Though the Board of Trade Returns do not differentiate between export of different counts of yarn and we cannot therefore categorically refute this statement, it does seem most implausible, except perhaps in one or two very short, depressed periods.
4. Textile Committee Minutes (VT), 18 May 1905, p. 11; T.C.P.
5. *Ibid.*
6. *Ibid.*, pp. 12-13.
7. *Ibid.*

Commission's estimates. As Table 15 shows through a comparison with figures provided by Mitchell and Deane, the Commission's long-term upward trend probably concealed not insignificant short-term declines. The comparison shows the Commission's figures to be approximately correct overall: Hewins computed an increase between 1885 and 1903 of 9.5 per cent in spinning spindles and 7.9 per cent in total spindles, whilst Mitchell and Deane's figures give an overall increase of 7.9 per cent in total spindles. It does seem, however, that qualitative impressions of the current improvement in trade led the Commission to exaggerate the increase in spindleage associated with the early part of the boom after 1903.¹

TABLE 15

Estimates of Cotton Spindleage

	<u>Tariff Commission</u> (i)			<u>Mitchell & Deane</u> (ii)
	<u>(UK)</u>			<u>(Lancashire)</u>
	<u>Spinning</u>	<u>Doubling</u>	<u>Total</u>	<u>Spinning & Doubling</u>
1875	37.5	4.4	41.9	
1878	39.5	4.7	44.2	
1885	40.1	4.2	44.3	41.3
1887-8				40.9
1890	40.6	4.0	44.6	41.4
1894-5				43.2
1898				41.8
1903	43.9 (iii)	3.9	47.8	44.6
1904	47.0	-	-	45.2

Sources: (i) Cotton Report, Table VII, para. 26. The Commission's own sources are not revealed, except as under (iii) below.

(ii) Mitchell and Deane, op. cit., p. 186.

(iii) Estimated by Eckersley. See Textile Committee Minutes (VT), 30 May 1905, p. 17; T.C.P.

Notes: Mitchell and Deane's figures are complete from 1882 onwards, but have been included here only in selected years to show that the Commission's haphazard time intervals may have concealed a decline in spindleage due to the depression of the mid-eighties and the world stagnation in the industry in 1895-1898.

1. This is at least so if we assume Mitchell and Deane's figures to be accurate.

Though it is perhaps ironic that the Commission adopted such an optimistic estimate for 1904, there is no doubt that both the short-term increase of spindles associated with recovery and the long-term increase of the previous years were a factor to be faced. Baynes suggested that the incidence of short time had increased. Recent years had seen "organised short time ... four days a week, and if those spindles are running short time you use more spindles."¹ Mosely, however, pointed out that short time, by Baynes' own admission, had been a feature only of the previous four years, and could not be counted as a sufficient test. Also, he pointed to the increase in the speed at which the spindles were run,² though of course the relatively declining trend of raw cotton consumption meant that this could work either way.

The Commission could not refute its own figures of an 8 per cent increase in spindleage over the period, but it was inclined to dispute that increase as an indicator of prosperity. To Baynes, the "extension is by outsiders, the speculative builder, and machinist (sic) and engineer", an opinion endorsed guardedly by Hewins, who felt that "To a certain extent ... the condition of the engineering industry has made it desirable to put up spindles".³ Baynes felt this speculative mill building to have been a common feature of the previous decade: "There are only three new mills in North East Lancashire that I know of built by the [cotton] trade [itself] in the last ten years".⁴ To Mosely's objection that the speculative activities of the textile machinery manufacturer and the builder would have to result in a final sale to the trade, this act in itself showing the cotton spinner to have a favourable impression of prevailing and prospective demand conditions, Baynes argued that the speculator could always run the establishment

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1. Textile Committee Minutes (VT), 18 May 1905, p. 13; T.C.P.
 2. Ibid., p. 14.
 3. Ibid., p. 16.
 4. Ibid. It appears, in fact, that speculative building was on the decline in spinning, though on the increase in weaving, after 1875. North-East Lancashire was indeed its centre. See D.A. Farnie, The English Cotton Industry and the World Market, 1815-1896, (Oxford, 1979), pp. 291-5.

temporarily to show an apparent profit: "You can always make good returns for the first few years: you do not depreciate sufficiently, and so on - not put down enough for maintenance".¹ Though several of the Committee members endorsed Baynes' experience, it was not entirely convincing. Moreover, it was felt by some to be a view difficult to popularise convincingly. As Birchenough noted, "not one person in five thousand" would realise the role of the speculative mill-builder in the current expansion of capacity.²

The Commission was still, however, strongly influenced by the much more rapid growth of cotton consumption in the US and continental Europe than in the UK between 1876 and 1904,³ and by the break in trend of UK consumption per spindle in 1890.⁴ This latter feature, particularly, led the enquirers to search for other evidence of climacteric around that date, and they felt this search to have been successful. The Commission found that UK power looms had increased by 19.6 per cent between 1878 and 1890, but by only 11 per cent since then. The corresponding figures for yarn consumption were 30 per cent and 6 per cent.⁵ It is tempting to argue that 1878 was chosen as a depression year,⁶ and 1890 as one of boom.⁷ Though there is some justification for this argument, it is well to remember that in the case of power looms the Commission's own figures, from official statistics, show a marked numerical increase between 1874 (supposedly a relatively good year)⁸ and 1878.⁹ The significance of the years around 1890 was reinforced by the introduction of census material on employment: it appeared that employment had started to decline in the industry around that date.¹⁰ The Commission

1. Ibid., p. 17.
2. Ibid., p. 23.
3. Cotton Report, Tables I-II and Figs. I-II, paras. 9-13.
4. Ibid., paras. 27-28.
5. Ibid., paras. 34-36, Tables 11-12.
6. 1878-1879 were the worst years of the depression of 1874-1879. See W.W. Rostow, British Economy of the Nineteenth Century, (Oxford, 1948), pp. 208-211.
7. The effect of the Baring crisis, in autumn 1890, was only slow to develop. See R.S. Sayers, Bank of England Operations, 1890-1914, (London, 1936), pp. ix-x.
8. W.W. Rostow, op. cit., p. 202.
9. From 463,118 to 514,911. See Cotton Report, Table XI, para. 34.
10. The Factory Returns put the decline from c. 1895. See B.R. Mitchell and P. Deane, op. cit., p. 188.

argued, cautiously, that the least that could be said was that employment opportunities in the industry had not kept up with the growth in population in the previous 20 years.¹ A table on gross and net values of output in the industry,² worked out by Rosenbaum, further reinforced the Commission's perception of a stagnant industry. Baynes stressed "that with all this great increase in spindlage, and in looms, the net value as it remains to Lancashire varies very little".³ Hewins thought this table "one of the most useful things we have got in the Report",⁴ to which Leverton Harris, chairman of the Textiles Committee, agreed, though he added that "It is a very technical Table. I have no doubt our staff can defend it if it is challenged".⁵ The table of growth of net value of output as presented appeared to give the same impression of climacteric, occurring this time in the quinquennium 1886-1890, but this time with a markedly better performance in the home trade than the export trade, both before and after the climacteric:

TABLE 16

Net Value of Output (% Change)

	<u>Home Trade</u>	<u>Export Trade</u>	<u>Total Trade</u>
1876-80 to 1886-90	+36.0	+2.7	+7.6
1886-90 to 1896-1900	+15.0	-0.3	-2.5

Source: Cotton Report, Fig. VII and para. 43.

With exports, too, the Commission found something of a climacteric in the late 1880s; given the stagnancy of the US market and the long-term decline of export-volumes to Europe, the piece-goods export performance was determined very largely by the state of demand in British India. This had

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1. Cotton Report, paras. 37-38, and Table XIII.
 2. Gross value included the value of raw cotton used, whilst net value did not, thereby approximating more closely to 'value-added' by the British industry. See Cotton Report, para. 39.
 3. Textile Committee Minutes (VT), 30 May 1905, p. 26; T.C.P.
 4. Ibid., pp. 25-26.
 5. Ibid., pp. 26-27.

declined between 1888 and 1893, and had only recovered slowly thereafter.¹ Since 1892-1896 the volume of yarn exports had contracted sharply and the volume of piece-goods exports had increased by only 4.5 per cent. By value, British exports of cotton manufactures (excluding yarns) had increased by 25 per cent between 1891-1895 and 1902, compared with a similar increase for Switzerland but with an average increase of 66 per cent for the Board of Trade's group of "protected countries".² Further statistical material was presented to show the healthy increase of Indian and Japanese production and export.³

Generally, asserted the Commission, the evidence provided by the witnesses and the 942 responding firms (employing 272,073)⁴ supported the statistical analysis. The revival of trade after 1903 was "regarded by witnesses as exceptional and transient ... Looking at normal conditions, the general view of witnesses is that the trade as a whole is stationary, but not necessarily going backwards".⁵ The export trade in yarns was declining, though less rapidly in finer yarns. Overall, the weaving trade was stationary, though against the stagnation in plain calicoes and the severe foreign competition in prints, towelling and flannelettes was to be set the increase in business in fancies and novelties.⁶

The Commission had exercised care in its statistical researches into the 'state of the industry'. Contemporary Free Traders, in their initial reactions, were forced to admit that, by and large, "the statistical review seems to be accurate",⁷ though it contained "some noticeable gaps".⁸

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1. Cotton Report, paras. 44-45 and Fig. 8.
 2. Ibid., Tables 18-20 and paras. 50-54. The "protected countries" comprised Germany, Holland, Belgium, France, Italy, Austria and the USA.
 3. Ibid., paras. 55-61.
 4. Ibid., para. 5. This seems quite a high response from a Free Trade industry. It unfortunately cannot be checked, on account of the curious fact that the returned forms from the cotton industry no longer exist in the Commission's papers.
 5. Ibid., para. 63.
 6. Ibid., para. 66.
 7. S.J. Chapman, in Manchester Guardian, 6 June 1905, pp. 7-8.
 8. S.J. Chapman, "The Report of the Tariff Commission", Economic Journal, XV, 1905, p. 420.

Though at times the Commission would have been more accurate in talking of slower growth rather than stagnation and a stationary state, subsequent historians have corroborated much of the specific detail in the Cotton Report. The Commission claimed to discover breaks in the trend of several relevant indices around the year 1890: notably in cotton consumption per spindle, the number of power looms employed, exports, and Rosenbaum's estimates of net value of output. In general, Tyson confirms the first of these climacterics: cotton consumption per spindle fell by 2.6 per cent between 1890 and 1903.¹ The number of power looms in the industry, which had risen from 485,264 in 1882 to 606,585 in 1890, rose to only 647,372 in 1903.² Exports of yarn hit their peak in 1884, whilst the rate of growth of piece goods exports slackened after 1888, with grey cloth reaching a plateau in 1890 and thereafter being displaced relatively by bleached, printed and dyed cloth.³ If the industry was not stagnant, its growth in the quarter century prior to 1905 gives some general credence to the pessimistic tenor of the Cotton Report. The annual rate of growth of production was 1.4 per cent between 1873 and 1896, only about a quarter of the rate achieved between 1780 and 1872.⁴

Though the general tone of the Report's statistical review is pessimistic, it must be remembered that, from the standpoint of 1904-5, it was by no means wholly unwarranted. It is only when the trends established for 1880-1903 are extrapolated down to 1914 that the prognostications go seriously wrong. If, with hindsight, we can agree with S.J. Chapman that the Report was "unduly alarmist",⁵ it is perhaps due to our knowledge that Lancashire was on

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1. R.E. Tyson, "The Cotton Industry", in D.H. Aldcroft (ed.), The Development of British Industry and Foreign Competition, 1875-1914, (London, 1968), p. 108.
 2. The Lancashire Textile Industry, (J. Worrall Ltd., Oldham, 1956 edn.), p. 147.
 3. D.A. Farnie, op. cit., p. 185; A.J. Marrison, "Great Britain and her Rivals in the Latin American Cotton Piece-Goods Market, 1880-1914", in B.M. Ratcliffe (ed.), Great Britain and her World, 1750-1914: Essays in Honour of W.O. Henderson, (Manchester, 1975), Table 13.1 (p. 312).
 4. D.A. Farnie, op. cit., p. 187.
 5. S.J. Chapman, "The Report of the Tariff Commission", loc. cit., p. 420.

the eve of one of her biggest ever cyclical booms. Nevertheless, we might still wonder whether deceleration after 1870 was not inevitable: many would argue that to expect a continued expansion at the rate achieved over the period 1780-1873 was completely unrealistic.¹

Furthermore, it should be mentioned that the Commission almost certainly under-estimated changes in product quality not reflected in volume indices. Whilst the general decline in the rate of growth of British piece-goods exports is not in question, Sandberg has demonstrated that, if export qualities are adjusted by his own index of average quality, the real slump in the rate of growth is concentrated in the decade 1885-1894.² Whether this is accurate or not, the Commission lost perspective in concentrating its energies on the fine counts problem, a problem for which there remains no adequate solution. But there were other elements in quality, notably finish, and, as the present writer has argued elsewhere, there are good grounds for believing that these were, in low income markets at least, more important than count.³ In particular, the consistent trend towards dyed goods between 1880 and 1914 should be remembered.

Yet, in hindsight, we can see some reason for the Commission's neglect

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1. Of course, an important plank in such an argument would have been that overseas industrial development and tariff protection were important elements in the 'inevitability' of British retardation. On such issues the Tariff Commission would have agreed completely, given the absence of a retaliatory British tariff.
 2. The percentage increase of average annual British cotton cloth exports is given as follows:

	<u>Uncorrected</u> <u>for Quality</u>	<u>Corrected</u> <u>for Quality</u>
1865-1874	41.2	36.9
1875-1884	34.0	41.3
1885-1894	19.6	10.8
1895-1904	6.4	19.6
1905-1913	20.1	19.0

Source: L.G. Sandberg, Lancashire in Decline: A Study in Entrepreneurship, Technology and International Trade, (Columbus Ohio, 1974), Table 21, p. 140. For details of the derivation of the quality index on which the right-hand column depends, see ibid., Appendix C, and L.G. Sandberg, "Movements in the Quality of British Cotton Textile Exports, 1815-1913", Journal of Economic History, XXVIII, 1968, pp. 1-27.

3. A.J. Marrison, loc. cit., passim.

of quality. Escape from competition, whether from indigenous producers or rival exporters, by moving to higher qualities was not seen as a long-term basis for the supremacy of Lancashire. Economic historians end their books in 1913. The story is resumed after 1918 with new rules, on new ground, and, all too often, by different scholars. The Tariff Reformers had no good reason to assume that the trends they observed would suddenly be declared redundant in 1914.

Thus, a quality shift was seen as an impermanent solution. Witnesses before the Commission laid much stress on the rise of foreign competition, itself the result of overseas development of the industry behind tariff walls. Britain's trade with the more advanced producers such as Germany and the US had already become one in "highly expensive goods, fancies and novelties", high in aggregate value but low in volume.¹ Britain supplied the residuum, lines that foreigners would not, or in times of boom temporarily could not, make. The Commission regarded this trade as somehow less wholesome, and certainly less stable, than the older staple lines that were being displaced:

In general, manufacturers have been forced into novelties, fancies and specialities instead of their old trade in staple lines. But these cannot so readily be made to stock; and it is impossible to look far ahead. In such circumstances, costs tend to increase and the competing power of British manufacturers is diminished.²

This trade "depends ultimately in the view of witnesses on the rapidity and skill with which British manufacturers can invent new designs, and stimulate the tastes and demand of other countries for such designs", so that "The trade tends to become merely a trade in patterns".³ It was also likely to be an impermanent one, as foreigners eroded Lancashire's superiority in finer cloths.⁴ Furthermore, indigenous foreign industries soon became

1. Ibid., para. 69.

2. Ibid., para. 73.

3. Ibid., para. 69.

4. This picture of import-substitution through successively higher and higher grades is, of course, a familiar one, and harmonizes well with the concept of a tariff adopted for the purposes of "learning by doing". See M.T. Copeland, The Cotton Manufacturing Industry of the United States, (Cambridge Mass., 1912), p. 240.

exporting rivals in neutral markets, displaying there the same sequential progress up the quality spectrum that they had earlier demonstrated in their own home market. The China market was already threatened by the US, India and Japan, whilst Italy and Germany stood poised to conquer the Levant. Only in South America was the UK "still on the whole more than holding her own".¹ Relative displacement was even characteristic of British colonial markets, whether by indigenous producers of lower counts as in India, or by foreign exports as in Canada.

III

In its cotton enquiry, the Commission felt it needless to place great emphasis on the 'reduction' process that had been so prominent in the iron and steel enquiry. Though Hewins held it "impossible to reduce the [international] comparisons of costs to a statistical basis", there was a large measure of agreement, both amongst witnesses and Commission members, that "the cost of production in Great Britain including the cost of building and equipping mills is, on the whole, lower than on the Continent, or in the United States".² Though it was not conceded that Britain's relatively slow adoption of ring spinning and the Northrop loom was a mistaken policy,³ it

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1. Cotton Report, para. 71. See also A.J. Marrison, loc. cit., for confirmation.
 2. Cotton Report, para. 81. Unlike the iron and steel industry, the cotton industry has been little subjected by historians to international comparisons of absolute differences in productivity levels, a task in any case made less than wholly appropriate by the different ring:mule ratio in different countries. G.T. Jones, Increasing Return, (Cambridge, 1933), parts III and IV, and L.G. Sandberg, Lancashire in Decline, op. cit., ch. 5 concern temporal productivity changes in Lancashire and Massachusetts rather than time-specific comparisons of absolute international differences. R.E. Tyson, loc. cit., pp. 118-125, relies mostly on (nevertheless very authoritative) contemporary observers.
 3. Baynes felt the wisdom of Britain's reticence to move in these directions open to question. See T.C.M.(VT), 31 May 1905, p. 21; T.C.P. It is of significance that he was not a fine spinner. The case for 'economic rationality' in Britain's adherence to traditional methods in spinning is well demonstrated in L.G. Sandberg "American Rings and English Mules: The Role of Economic Rationality", Quarterly Journal of Economics, vol. LXXXIII, 1969, pp.

was admitted that there were perhaps a few technical shortcomings: for instance, the speed of machinery in some branches was lower than in the USA. And there was some questionmark against the efficiency of the methods of raising capital prevalent amongst Lancashire firms, though Caillard succeeded in muting the final version of this criticism in the Report.¹ But overall the Report stated its satisfaction with the British industry's comparative efficiency both in its technical and its administrative and distributive practices.²

This analysis, essential to the Tariff Reform case in that it uncovered no instance of autonomous British weakness, would not have surprised contemporaries,³ nor will it be considered unsound by modern scholars,⁴ though it perhaps dealt too lightly with the rapid technical progress in the USA that Baynes alone among the Commissioners had stressed in discussion.⁵ But there was a strong feeling that economic as opposed to technical efficiency might be put in jeopardy in future by low wages overseas. Whilst "the vast majority of witnesses and firms" saw the technical education of operatives to be of little or no value except in the sense of training within the work environment, they realised the high efficiency of British labour: pieceworkers had "maintained their weekly wages through improved machinery and extra exertion".⁶ But there was "no more general ground of complaint

1. Textile Committee Minutes (VT), 30 May 1905, p. 43; T.C.P.
2. See Cotton Report, paras. 80-97, especially 87-88, 90-94. Levinstein's criticism of the merchant (above p. 302) was not sustained in the Report, which saw the reliance on the shipper as giving Lancashire a commercial organisation superior to that of her rivals.
3. See G. Von Schulze-Gaevernitz, The Cotton Trade in England and on the Continent, (London, 1895), pp. 147-163, and F. Merttens, "The Hours and Cost of Labour in the Cotton Industry at Home and Abroad", Transactions of the Manchester Statistical Society, Session 1893-4, pp. 133-145.
4. See, e.g. Tyson, loc. cit.
5. Ibid., pp. 121-124; T.M. Young, The American Cotton Industry, (London, 1902), especially chs. 14 and 15. It is significant that, by the turn of the century, the US manufacturers had not sought to build up a large, professionalised export machine in cotton goods, and that their main overseas markets were China and Latin America, the former being under threat from Japan by 1913. See Tyson, loc. cit., p. 113, and Marrison, loc. cit., pp. 329-335.
6. Cotton Report, paras. 95, 89.

amongst manufacturers" than that of low wages and long hours abroad, a situation "practically indistinguishable from the sweating system".¹

The chief offenders were seen, not unnaturally, as India and Japan, with Japan exciting most comment. Hewins had wage figures of as low as 2½d (1p) per day for a ten hour shift in 1890, though Kaye and Corah had difficulty in accepting these as possible.² Hewins reminded them that "they do not pay wages in Japan according to our notion", and that the "total National income of Japan is only about one fifteenth of that of this Country".³ Corah conjectured on "How many pounds of beef" a Japanese in receipt of such wages would be able to buy, only to be informed by Leverton Harris that the Japanese ate rice and fish.⁴ Hewins's figures were, on his own admission, so "striking" that Corah, still bemused, remarked, "It shews you we ought to have protection. We shall have Japanese stuff here very shortly".⁵

The Commission took pains to separate the question of low wages in the East from the accusation of dumping. Indeed, unlike in the iron and steel enquiry, few instances of even possible dumping had been uncovered - two rather rare exceptions being a consular accusation of Italian dumping of prints into Constantinople⁶ and a vague reference to US dumping in Australia.⁷ Perhaps more important in contrast to the iron and steel enquiry, there had been no significant dumping of cottons in the British market. Hewins had diagnosed this in the Forms of Inquiry as early as December 1904,⁸ though Levinstein persisted in his belief that there was dumping of velveteens both

1. Ibid., para. 74.

2. Textile Committee Minutes (VT), 30 May 1905, p. 39; T.C.M.(VT), 31 May 1905, pp. 22-23; T.C.P.

3. Textile Committee Minutes (VT), 30 May 1905, pp. 39-40; T.C.P.

4. Ibid., p. 40.

5. Ibid.

6. By Consul Waugh. See Diplomatic and Consular Reports, Annual Series, No. 3140 (1904). The Commission's reporting, as ever, was correct.

7. Cotton Report, para. 180.

8. Textile Committee Minutes (VT), 15 December 1904, p. 42; T.C.P. The discussion on this occasion shows the difficulties experienced in the treatment of dumping, even after the experience gained in the enquiry into iron and steel. It is reproduced below, in Appendix 7.

in the British and in neutral markets,¹ and Baynes produced isolated examples of dumping by Austria and Russia.²

Though the evidence supported such instances, they were recognised to be trivial. Hewins did "not think the witnesses suggest that dumping is responsible for the present condition of the cotton industry; in fact, most of them distinctly say it is not".³ Leverton Harris emphasised that "In the leading lines of cotton, particularly, we have no competition".⁴ Though Mosely, evidently slightly annoyed at this absence, sought to emphasise the view that dumping in neutral markets would "indirectly affect us ... to the extent that it destroys what was formerly an industry here", Baynes was reluctant to agree that competition in foreign markets frequently took the form of dumping: "... we may be beaten on our merits in these markets", he reminded the Commission.⁵

Hewins maintained that the case of dumping in neutral markets was well-established in the evidence, but even if this was so he held that this "does not establish a case for a tariff", whilst Birchenough thought that "No power on earth can prevent dumping in neutral markets".⁶ But Caillard and Mosely sought to explore the dynamic implications of this situation after the fashion of the Iron and Steel Report. Mosely argued that dumping overseas might prevent attainment of "maximum production" in the British industry by its effect on British exports, whilst Caillard stressed the model of discriminatory pricing: "By their tariff they [foreign producers] keep up their prices and get more profits on the home trade, and so can afford to export very cheaply."⁷

The weakness of this argument, of course, was that even abroad the cotton industry was not as concentrated or as monopolistically organised as

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1. Textile Committee Minutes, 15 December 1904, pp. 7, 42-7; T.C.P.
 2. Textile Committee Minutes (VT), 18 May 1905, p. 34; T.C.P.
 3. Ibid., p. 26.
 4. Ibid.
 5. Ibid.
 6. Ibid., pp. 26-27.
 7. Ibid., p. 27.

was iron and steel. The model of market differentiation was less applicable, but probably not in the real world entirely inapplicable.¹ Hewins did mention "the greater integration" of foreign industries compared with the British, but did not make explicit the theoretical implications for the dumping model.² Rather, he preferred to stress the trade:output ratio. The home market was so much more important to continental cotton industries than it was to the British that the dumping of marginal production was possible. If, he argued, the German industry grew so much that its dependence on overseas outlets was comparable to that of British producers, then its capacity to dump would disappear. But at present Lancashire's capacity to dump, even under tariff protection, was negligible: "You cannot have it: you cannot get it".³ Right from the start of the enquiry he had been well aware that the export-orientation of the cotton industry "gives a different line to the argument" that had been adopted for iron and steel.⁴

Mosely's argument concerning the desirability of continuous running was not, however, only applicable to a situation where dumping was practised: it was equally relevant to a situation of shrinking markets for whatever reason. Gilbey thought the supposed failure to achieve satisfactory output levels in relation to capacity was insufficiently stressed in the draft report: he spoke of witnesses testifying to the "enormous increase" in costs as output was reduced, but admitted that the cotton witnesses had brought this out less than had other textile witnesses:

We had had - I do not know so much from the cotton - but from some of the textile manufacturers the most extraordinary figures in that respect - that when working two thirds time against full time the cost is increased something like 25 per cent.⁵

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1. It is to be remembered that the Commission's arguments did not have, in their own eyes, to the profit-maximising condition. Furthermore, it would be fatuous to suppose that internal competition within, say, the US cotton industry reduced home market price to world price.
 2. Textile Committee Minutes (VT), 18 May 1905, p. 30; T.C.P.
 3. Ibid., pp. 29-30. Mosely and Caillard remained unsatisfied. Caillard thought that Britain would be able to dump if she had a tariff, whilst Mosely pointed out that in absolute size the British home market was as large as the German.
 4. Textile Committee Minutes (VT), 15 December 1904, p. 26; T.C.P.
 5. T.C.M.(VT), 31 May 1905, p. 31; T.C.P.

Here he had support from Allen, though Pearson felt the matter implicit in the draft report, whilst Chamberlain thought it had been "very fully argued in the Iron and Steel Report ... I do not know whether we need to repeat it in this Report".¹

The real reason for Chamberlain's reluctance to stress the importance for cost reduction of continuous running was undoubtedly that "It has not been proved in the case of the cotton trade by the evidence".² In this he followed Hewins as seeing relevant a distinctly different line of argument from that followed in the Iron and Steel Report. Baynes concurred: it was only in the last three years that short time had been widely experienced. Before that the cotton trade had worked to stock when orders were low. But others were less satisfied, and Candlish secured from Baynes the admission that recent short time had "immensely" increased unit costs, whilst Mosely obtained Baynes' agreement to the assertion that "permanent short time would put us out of the market in competition with other countries that run full time".³ To Kaye the important thing was not that the previous three years were the only important recent instances of short time, but that they might recur, with "disastrous" consequences.⁴

Grenfell felt this matter to be "the cardinal point of our whole enquiry", and "the foundation of our whole policy",⁵ an opinion to a large extent justified by the Iron and Steel Report. Chamberlain, however, now aware that perhaps the majority of the Commission desired some reference to continuous running in the present report, hoped that any such concluding remarks should maintain that the "element of quantity is of enormous importance" in the textile industries as a whole, without singling out cotton in this respect.⁶ Clearly he was reluctant to introduce an argument he felt unbacked by the evidence of witnesses before the Commission.

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1. Ibid.
 2. Ibid.
 3. Ibid., p. 32.
 4. Ibid.
 5. Ibid., pp. 31-32.
 6. Ibid., p. 32.

IV

It was clear to the full-time staff from early in the enquiry that the cotton trade was not clamouring for protection: even the self-selecting bias that may have been responsible for the character of the returned questionnaires in the iron and steel enquiry was not strong enough to outweigh the Free Trade orientation of the cotton industry. Hewins made his position clear at the outset: "I ... do not think there is much case for a tariff on cotton yarns. There is not much case for a tariff on cotton at all",¹ though his subsequent remarks made it clear that he did not include more highly finished goods in this statement.

It is perhaps surprising that he did not encounter serious opposition, either in the Textile Committee or in the full Commission itself. There was only a slight instance of log-rolling, when Levinstein, himself a manufacturer of textile dyes, secured the secretary's agreement that "highly finished goods" were in a different category.² "Right up to plain cloth", amended Hewins, "I do not think any case for a tariff is made out".³ But Eckersley, the fine spinner, could not agree "that there is no case for any tariff on plain cotton yarn", and was able to secure Levinstein's concession that "When it comes to bleaching it is different", though Levinstein seemed to include bleached cloth in his schedule but not bleached yarn.⁴ Mercerised yarns, however, the only yarns imported into the UK in any volume, were admissible for duty, since in Hewins's words "That is a case for a tariff on other things made out of cotton".⁵

It is evident that the exclusion of less finished cottons from the schedule was seen as politically advantageous. "The sooner you can make this known the sooner you will kill Mr. Asquith", beamed Levinstein, "and the more satisfactory it will be for Lancashire".⁶ Eckersley, a doubtful

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1. Textile Committee Minutes (VT), 15 December 1904, p. 52; T.C.P.
 2. Ibid.
 3. Ibid.
 4. Ibid.
 5. Ibid., p. 54.
 6. Ibid., p. 53.

member of the Commission in its early days and acutely aware of his position in Lancashire, gave positive approval to this Tariff Reform moderacy, even though it seemed to include bleached yarn from consideration.

Subsequently the Textile Committee experienced even less disagreement. The draft report containing the words "No duties are at present required on yarns, or grey cloths" passed without comment on this particular, perhaps partly because of Eckersley's absence due to illness, but doubtless also because the Committee saw an extremely moderate tariff as a way of promoting the Commission's reputation for objectivity and probity.¹ The Commission itself endorsed this moderacy. Chamberlain, whilst regarding the tariff recommendations as "in one sense ... the most important of all" recommendations in the Cotton Report,² accepted the schedule laid down by the Committee³ without comment. Curiously it was Kaye, a Huddersfield woollen manufacturer and member of the Textile Committee only, who was the only member to question the proposals:

Assuming we are seeking the employment of our own people why should we suggest that cotton tissues grey should come in free, if yarns and twists even are free[?] It is a question of employment. This is the key of all our efforts and desires. Raw cotton of course should be free, but why these things free[?]₄

Though this was in line with the comments made by Booth (who was not present at the full Commission meeting to discuss the cotton trade) and others in the iron and steel discussions, it is equally possible that Kaye was fearful lest the moderacy of the cotton tariff should set a precedent for the other textile industries. Chamberlain, however, was determined to support "The Textiles Committee [who had come] ... to the conclusion that there was no evidence to justify a Tariff in those cases", and at the same time showed

1. Textile Committee Minutes (VT), 30 May 1905, pp. 2, 45; T.C.P.
2. T.C.M.(VT), 31 May 1905, p. 34; T.C.P.
3. Raw Cotton Free
 Yarns and Twists of All Descriptions Free
 Cotton Tissues - grey Free
 Other Cotton Tissues and Manufactures ... Duties in no case to exceed
 10 per cent.
- See *ibid.*, and Cotton Report, para. 113.
4. T.C.M.(VT), 31 May 1905, p. 34; T.C.P.

that he was well aware of those political advantages of moderacy alluded to elsewhere by Levinstein. "It is a good thing", he maintained, "to show how moderate we are, and that we are not asking for anything to raise prices, or make a profit, but only where it is absolutely necessary to defend our trade".¹ He turned to Baynes for confirmation that "the overwhelming majority of the people engaged in these trades do not want the tariff".² Baynes knew the opinion of Lancashire to be divided, but thought "the bulk of Lancashire look for cheapness of cost", whereas only a minority stressed the state of the market: the predominant view was that "we have had markets in the past and might have them again".³ He further supported the Committee's recommendations by arguing, along lines laid down earlier by Hewins, that since 80 per cent⁴ of British cotton production was for export:

... we should feel it [competition] more in the neutral markets at first. The question is asked why tissues should come in with no duty. I do not think we shall be attacked in our home trade until we have been attacked first in our neutral markets - our export trade. It is in the 80 per cent, the export trade, that we are peculiarly liable to be hurt by foreign tariffs in our particular trade more than in any other trade in the country.⁵

As sensible as this may have sounded, the Commission had side-stepped an important issue in terms of its own brief. Yarns, twists and grey cloths had for many years been undergoing a relative decline in British cotton production, at least if exports are taken as a reliable guide to total output. This trend is shown in Table 17. It can be seen that the goods which the Commission regarded as dutiable, the more highly finished cottons, constituted the majority of the industry's product. Furthermore, they were increasing relatively, comprising 58 per cent in 1890-1894 and 66.11 per cent in 1900-1904, though this proportion did not change markedly during the world

1. Ibid., p. 35.

2. Ibid.

3. Ibid., p. 36.

4. Deane and Cole's figures of exports as a percentage of value of total output are 78.6 per cent for 1894-1896 and 78.8 per cent for 1899-1901. See P. Deane and W.A. Cole, British Economic Growth, 1688-1959, (2nd Edn., Cambridge, 1967), Table 43, p. 187.

5. T.C.M.(VT), 31 May 1905, p. 35; T.C.P.

boom that succeeded the Commission's enquiry. Whilst the Commission had agreed to recommend exempting one-third of Lancashire's output from duty, it had not come to a concrete decision on the ranking of the other two-thirds.

TABLE 17

Quinquennial Exports by Type of Cotton Good⁽ⁱ⁾

(Percentage Value)

	<u>1890-4</u>	<u>1895-9</u>	<u>1900-4</u>	<u>1905-9</u>	<u>1909-13</u> ⁽ⁱⁱ⁾
Yarns)					
Ubleached)					
Grey PG ⁽ⁱⁱⁱ⁾)	41.99	38.65	33.88	34.70	33.39
Bleached PG)					
Printed PG)	47.00	48.98	52.59	52.90	55.73
Dyed PG)					
Misc. Mfgs.	11.00	12.36	13.52	12.39	10.82

Notes: (i) "Cotton Waste", appearing in the Returns in 1908, and "Mixed Goods (Cotton Predominating)", disappearing from them in 1905, are excluded from this table.

(ii) Four years only.

(iii) PG = piece goods.

Sources: Annual Statement of Trade of the United Kingdom, 1890-1913. It is not possible to take this analysis back beyond 1888 in this precise form.

This grading, as we have seen above, was at the heart of the matter when deriving a 'scientific' tariff as envisaged in the Glasgow programme.¹

Chamberlain dismissed this shortcoming lightly:

In the case of Iron and Steel the same thing took place. The iron ores were free; pig iron 5 per cent; then the puddled bars etc. 6¼ per cent; wire rods 7½ per cent. We have not gone into so much detail here, but I understand that is because of the number of specialised products.²

Undoubtedly it was the failure of the Commission to gain a very clear insight into the cost-components of the bewildering variety of cotton goods produced in Lancashire³ that lay behind this failure. Hewins himself gave

1. See above, pp. 284-289.

2. T.C.M.(VT), 31 May 1905, p. 35; T.C.P.

3. See, e.g., Cotton Report, para. 576.

testimony to the complexity of the industry's structure when he explained the changes in the Commission's system of card-indexing that had been necessitated by the cotton enquiry:

In dealing with the iron and steel trade, you are dealing with a trade which, as compared with textiles, is comparatively simple. It is all simple and straightforward. But the textile industry consists of innumerable branches of a most complicated character, and it was impossible to summarise the textile evidence in that particular form [used for the earlier enquiry].¹

Though there is evidence that the Commission had arrived at and was working to a classification of cotton goods,² no copy has survived and Hewins seems to have been reluctant to subject it to public scrutiny. When asked by Levinstein whether it was intended to include a classification in the report he remarked:

As I explained ... what we wanted the classification for was initially the logical and practical arrangement of all the evidence so that the argument, whatever it is, may be developed in the right order. We do not want necessarily to publish a classification. It is of very great value if we can, but the classification of an industry is a subject on which, as Mr. Levinstein knows, scarcely two experts would agree.³

Though Levinstein had pressed for at least a generalised classification Hewins had remained sceptical.

Thus the cotton enquiry had not succeeded in producing a scientifically graduated tariff, according to labour content or any other criterion: its labours in this direction had been limited to distinguishing between goods in which there was virtually no competition in the home market (these to be allowed in free) and goods in which the degree of competition was somewhat higher. The second group remained undifferentiated: their relative

1. Textile Committee Minutes (VT), 18 May 1905, p. 4; T.C.P. See also Hewins, Apologia of an Imperialist, (London, 1929), I, p. 96.
2. Hewins to Mitchell, 8 November 1904, and Mitchell to Hewins, 21 November 1904; C-741, T.C.P. Mitchell disagreed strongly with the cotton classification, but his own suggestions for the woollen classification and his concentration on "processes" rather than "products" suggests that the cotton classification was at least drafted on the right lines.
3. Textile Committee Minutes (VT), 15 December 1904, p. 10; T.C.P.

position in the allotted range of tariff rates, from 0 to 10 per cent, was still to be decided. By contrast the relatively simple iron and steel tariff ranked as a considerably greater achievement.¹ But to the Commission this was perhaps of small importance: its appeal to the cotton trade was to rely on retaliation and reciprocity rather than the promise of protection.

V

The Mosely-Caillard argument that overseas tariffs and the competition they promoted in neutral markets resulted in the British cotton industry working at below optimum output levels relative to capacity would be difficult to prove, especially in an industry comprised of numerous relatively small firms. The more straightforward argument of Hewins, that the 'reduction' approach showed Britain under no natural or technical disadvantages and that this therefore pointed to overseas development related to tariff policy as the main threat to the British industry, is less contentious. Few today would deny that these factors hit Lancashire's potential for expansion hard. But the discussions over retaliation show that the Commission's fear was for the future: the emphasis on climacteric and stagnation was less to prove the woeful condition of the industry than to imply an extrapolation into decline. This can be shown clearly in the debates on the retaliationist aspects of the Commission's report.

Baynes realised that the British cotton industry had escaped serious

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1. It is not, of course, meant to imply that the Commission was in any real way failing to emulate the 'scientific' tariff formulation of other countries, though Hewins may have exaggerated the foreign lead in this respect and worried that this was the case. It was easy for a protectionist government to produce very elaborate schedules whose arbitrary nature was concealed by their scientifically detailed appearance. One broker's privately published handbook to the US tariff of 1913 had a schedule 557 pages long. See W.W. Rich (ed.), Handbook of the United States Tariff, (F.B. Vandegrift and Co., New York, 1913), pp. 352-882. There is little doubt that Hewins underestimated the crudity of the ways in which foreign tariffs were arrived at. As Taussig pertinently observed even a decade later, "the advocacy of a 'scientific' settlement of the tariff does not carry us far". See F.W. Taussig, Free Trade, The Tariff and Reciprocity, (New York, 1920), p. 180 (originally written in 1916).

competition in its home market in the past, but felt "we are on the eve of it".¹ The growing strength of foreign cotton industries in Japan, India and the USA was perhaps less serious to the British home market in the near future, but there was a vital necessity to prevent the incursion of European cottons. Soon a tariff would be necessary to prevent European manufacturers "having two free markets - their own and ours".² So far continental production had been largely for domestic consumption, but "They have now overtaken that and any increase on the Continent must be for export".³ In essence, Hewins agreed. He felt that "however prosperous the cotton industry might be at the present it is in a very jeopardised position in view of foreign conditions".⁴ But though the public needed "a very strong word of warning" on this future threat,⁵ the recommendation that no tariff was yet necessary would be "a very efficacious way of converting Lancashire to protection",⁶ especially given Chamberlain's hold on parts of South-East Lancashire. "Lancashire is going to be the head quarters of protection", he warned darkly.⁷

But in terms of exports, rather than imports, the situation in the Far East was recognised by the Committee to be quantitatively and potentially more important than that in Europe.⁸ The Commission's own data had shown the historical dependence of overall exports on the state of the Indian market,⁹ whilst incredulity over Japanese wage levels had given way to fear over their inevitable implications. American competition in China might be just beginning but it was not regarded seriously because, as Mosely remarked tersely, "Japan will have it".¹⁰ The ruthless drive of Japan into the

1. Textile Committee Minutes (VT), 15 December 1904, p. 54; T.C.P.
2. Ibid.
3. Textile Committee Minutes (VT), 18 May 1905, pp. 39-40; T.C.P.
4. Textile Committee Minutes (VT), 15 December 1904, p. 55; T.C.P.
5. Textile Committee Minutes (VT), 18 May 1905, p. 40; T.C.P.
6. Ibid., p. 40.
7. Ibid.
8. In 1900-4 this market took 25.3 per cent of Britain's yarn exports and 67.4 per cent of her piece goods exports (by volume). See Tyson, loc. cit., Table I, p. 105, and Table IV, p. 110.
9. Cotton Report, paras. 44-45 and Fig. 8.
10. Textile Committee Minutes (VT), 18 May 1905, p. 41; T.C.P. This was indeed to be the case.

Chinese market, shown paradoxically by the improvement in Britain's trading position there in the Russo-Japanese War, led, when combined with the large progress being made by Indian manufacturers, to the strong presumption, stressed by Baynes, Mosely, Corah and Hewins, that the British presence in the Far East would be "fairly well wiped out".¹ Later, the Commission exhibited the same fear of the Japanese threat. Chamberlain had, he maintained, "always thought myself it [Japanese competition] has not begun yet".² Whereas Baynes thought that Far Eastern markets would keep the Japanese busy for some time to come, Chamberlain feared the spread of Japanese cotton into western markets: "after having done that [dominated the Japanese and Chinese markets] they will come to England and the Continent".³ Kaye and Leverton Harris thought that India and Australia would come next, but all agreed with Kaye's final remark that "It would gradually come West".⁴ But, in view of the political expediency of recommending a moderate tariff, the threat could be met when it came. The British tariff, noted Chamberlain, could be "altered from time to time, and when the pressure comes I suppose the people will wake up in the cotton trade".⁵

In December 1905 Hewins had remarked that a tariff might be necessary for purposes of "breaking down hostility in other [i.e. foreign] markets", but that the tariff might well be "on other things" than cotton.⁶ That was "the difference between the intermediate and the final Report".⁷ By the next meeting of the committee, analysis of evidence had gone far enough for Leverton Harris to conclude:

I suppose the point really of the cotton industry is this - that it is far more important for us to use our fiscal system for reducing the tariffs of foreign countries than for actually imposing a tariff on goods coming into this country ... if there is one particular

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1. Ibid.
 2. T.C.M.(VT), 31 May 1905, p. 14; T.C.P.
 3. Ibid., p. 15.
 4. Ibid.
 5. Ibid.
 6. Textile Committee Minutes (VT), 15 December 1904, p. 54; T.C.P.
 7. Ibid.

industry where reciprocity or retaliation ... would be useful, it is the cotton industry.¹

Yet Hewins was bound to report that responding firms had failed to paint an optimistic picture of the gains from such policy. Witnesses were unanimous in the view that "there is not the remotest chance of getting down the tariffs of anybody", and those with factories in France, such as Kersley and Ross, had been particularly insistent on the point.² Here there was disagreement. Mosely thought it a valid forecast of the European response, whilst Baynes reminded the Committee that about 30 per cent of French cotton exports came to Britain. Birchenough thought there might be a case for a reciprocity treaty involving a (post-British tariff) "sacrifice" of silk, fancy woollens and certain agricultural products.³ Unfortunately, the time-honoured expedient of threatening the French wine trade, suggested by Mosely, was unlikely to be successful in view of its declining importance within the French economy. Hewins's own opinion on the likely success of the threat of retaliation was fatalistic: "You never know until you try. If you cannot do it, there is a rather poor look out for cotton".⁴

This was really the logic behind the plea for retaliation. The Commission had little to go on, and limited its discussion to endorsing the framework of the tariff formulated in the iron and steel enquiry, the low 'general' tariff, the higher (retaliatory) 'maximum' tariff and the lower preferential tariff.⁵ The preferential aspect of the plan was almost as big an unknown as was the retaliatory aspect. The Cotton Report urged that "Whilst trade with the Continent is declining or stationary, trade with British colonies and dependencies is increasing, and has been encouraged by preferential tariffs".⁶ But its figures were less strong than they appeared, for if the Board of Trade's group of "Principal Protected Countries"⁷ were

1. Textile Committee Minutes (VT), 18 May 1905, pp. 38-39; T.C.P.
2. *Ibid.*, p. 39.
3. Textile Committee Minutes (VT), 18 May 1905, p. 41; T.C.P.
4. *Ibid.*, p. 39.
5. Cotton Report, para. 110.
6. Ibid., para. 111 (No. 8). See also paras. 46-47 and Table 16.
7. Germany, Holland, Belgium, France, Italy, Austria and the USA.

removed from the total of foreign countries, then the colonial market's rate of expansion was relatively less impressive.¹ Yet, according to the Commission, witnesses and responding firms were "practically unanimous in their view that preferential tariffs, so far as they have been adopted by the Colonies, have had a beneficial effect".² Forty-four replies from firms on this matter were published in the appendix,³ and it is true that of these 27 were firmly in favour of an extension of preference (or firmly convinced of the results up to 1905) and another six moderately in favour. Only three were decidedly hostile whilst nine made neutral or irrelevant remarks.

The Textile Committee had concerned itself little with the matter. Eckersley, Baynes and Mosely had endorsed its extension whilst Corah had claimed that his hosiery firm normally worked short time in December, but was "working now till nine o'clock at night, and I do not know how to get through our orders, and it is all for the Colonies".⁴ In drafting the report the Committee had, however, made much of the expansion of trade under preference: in the words of an early version "experience proves that such expansion would take place".⁵

Chamberlain took exception to this. "I do not like that", he remarked, "In the first place we have had very little experience. The preference given in some cases, as for instance in South Africa, is so small that I believe it has no effect at all at present".⁶ A 25 per cent preference on an average tariff level of 10 per cent gave Britain an advantage of only

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1. Indeed, even the Commission's own figures showed this in an unobtrusive way:

Average Annual UK Exports, 1892-6 to 1902-3 (volume)

	<u>Yarns</u>	<u>Piece Goods</u>
To Principal Protected Countries	-26.6%	0
To Other Foreign Countries	-39.3%	+5.2%
To British Possessions	-31.4%	+4.6%

Source: Cotton Report, paras. 50-52, Tables 18 and 19.

2. Cotton Report, para. 109.
 3. Ibid., paras. 1063-1107.
 4. Textile Committee Minutes (VT), 15 December 1904, p. 54; T.C.P.
 5. T.C.M.(VT), 31 May 1905, p. 29; T.C.P.
 6. Ibid.

2½ per cent. Cockburn did point out that New Zealand's preference appeared to be benefiting British trade, as shown by the Commission's evidence and by recent remarks by Prime Minister Seddon, but Chamberlain, whilst admitting that trade with New Zealand did show "some increases", maintained that the only impressive experience was from Canada, trade with which country "we know has increased".¹ Maconochie agreed with the strength of the Canadian case: his trade with the Dominion "had practically died out ... [but] we are now doing more in Canada than we ever did before", but also agreed that it could scarcely be said that "experience proves" the success of preference.² Australia and South Africa were especially weak examples. With South Africa the problem was simply that the tariff was too low, and Corah was provoked into complaining that since Britain, having "had all the expense of the War" and now "being the conquerors", should force an upward tariff revision on the colony.³ "Whom did we conquer?" chided Chamberlain, "The majority of the people are British now, I mean excluding the Boers. My own expectation is that we shall get better, but this is a free gift from the Colonies and we cannot force it".⁴

Again, the inductive approach had not been able to assemble enough data to facilitate future policy prescription clearly. There is some evidence that, in the early volumes of the industrial series of reports,⁵ all the answers given by firms to the Forms of Inquiry were printed in the appendices.⁶ If this is so, it implies that most firms responding to the questionnaires on the cotton industry either could not or did not wish to comment on Imperial preference; only 44 answers to Question 13 on Form No. 7 were printed, though the number of firms supplying the Commission with

1. Ibid., (my emphasis).

2. Ibid., pp. 29-30.

3. Ibid., p. 30.

4. Ibid.

5. At least until the reports on the minor textile industries and probably, in view of its bulk, including the Agricultural Report as well.

6. In May 1906, when discussing future reports, Hewins suggested that "we need not laboriously print, as we have done in the past, replies to the questions given by all the firms". See T.C.M.(VT), 17 May 1906, p. 5; T.C.P.

information numbered 942. Thus it was that the inductive approach was thrown over, and Chamberlain's suggestion that the future benefits of preference should be stressed was warmly approved.¹

VI

The arrangement with the Textile Mercury ensured that retaliation, at least, had a platform in the Manchester trade press. Further than this its editor was reluctant to go, and in several exchanges with Harold Cox of the FTL he violently rejected the label of protectionist.² Nevertheless the Mercury reported regularly upon the activities of the Commission and its Textile Committee,³ giving progress reports on the issue of questionnaires similar to those frequently carried in the Tariff Reform press.

Other Manchester newspapers and journals were, however, largely silent on the activities of the new Commission, and there can be little doubt that the arrangement with the Mercury was used deliberately by Hewins and Pearson to publicise and legitimise the Commission in Lancashire. On several occasions the journal's readers were urged to return the questionnaires and so contribute to a "public benefit of the greatest importance".⁴ As the Textile Committee started to examine witnesses, short pieces in the Textile Mercury kept this business too in the minds of its readers.⁵

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1. Chamberlain suggested the following form of words: "The British Colonial markets are capable of indefinite expansion, and in our opinion the adoption of a scheme of preferential arrangements within the Empire would secure the largest proportion of this growth for British trade". See T.C.M.(VT), 31 May 1905, p. 30; T.C.P. A rather muted version of this statement appeared in the Cotton Report, para. 109.
 2. "For the past fifteen years we have advocated the resumption of fiscal powers wherewith to persuade Protectionist nations to be free traders, but we have never gone beyond that limit, to favour either a protective or a preferential tariff". Textile Mercury, 6 February 1904, p. 102.
 3. From its formation in January 1904. See Textile Mercury, 23 January 1904, pp. 60-1.
 4. Textile Mercury, 14 May 1904, p. 378; see also 7 May 1904, p. 360.
 5. There can be little doubt that in the summer of 1904 the Mercury was teetering on the brink of openly espousing Chamberlain's full programme. In July there was full and favourable reporting of the Iron and Steel Report, and the fiscal poems and cartoons that first appeared in April often had the moral of Imperial preference.

When the Cotton Report appeared the Mercury heralded it as "a splendid record of thorough investigation",¹ devoting four lengthy articles to it. The Free Trade press was less charitable, not least in the space it was prepared to devote to the Report. In a brief few lines, the Manchester City News contented itself with the ambivalent remark that a body subjected to "a good deal of ridicule" in the past had produced an "elaborate and carefully compiled" document.² Even the Textile Recorder gave a less than wholehearted treatment, remarking that spinners and manufacturers "have received the report in a very easy spirit, and have not given very serious thought to the remedies suggested".³ Only the Manchester Guardian gave the Report the emphasis that Tariff Reformers doubtless thought it deserved. An editorial pronounced it:

... a monument - though perhaps a ponderous one - to the ability, ingenuity and indefatigable energy of Mr. Hewins, economist-in-chief to the Tariff Reform party and secretary to the Commission. What it would have been without him we tremble to think ... we must do the Tariff Commissioners this justice: they have had a very hard nut to crack in the cotton industry, and they have made a very courageous attempt upon it.⁴

One of the main thrusts of Free Trade criticism of the Report was a disagreement over the healthiness of the cotton industry: to the Guardian there was "something rather comical in the exercise of such elaborate art in the effort to persuade a robust and reluctant industry to accept assistance from the taxpayer".⁵ In a review article Professor Chapman of Manchester admitted that "On the whole ... the statistical review seems to be accurate, and the secretary is to be congratulated on an impressive piece of work", but nevertheless thought the presentation of the statistics, in places, to be "unduly alarmist".⁶ He criticised what he considered to be the over-emphasis on raw cotton consumption, and its corollary, the underemphasis on

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1. Textile Mercury, 10 June 1905, p. 401.
 2. Manchester City News, 10 June 1905, p. 4.
 3. Textile Recorder, 15 June 1905, p. 33.
 4. Manchester Guardian, 6 June 1905, p. 6.
 5. Ibid.
 6. Ibid., pp. 7-8.

the shift towards finer counts, in the Commission's review of the relative decline of the British industry. There was also the tendency to quote export values at current rather than constant prices: the Commission's twenty-year stagnancy (exports of £40.6m p.a. in 1876-80 and of £41.6m p.a. in 1895-1900)¹ became a healthy expansion (£40.6m p.a. in 1876-80 to £56.7m p.a. in 1895-1900) if prices were held constant. Chapman admitted, however, that his own calculation, as "an index of exported real values, makes our trade seem too favourable",² an admission that led one irate Free Trader to complain that he had "concede[d] a point to the enemy unnecessarily"³ and led to a controversy between the two.⁴

Whilst Free Traders thus fell to arguing amongst themselves, J. Roy Campbell of the Manchester TRL pressed the argument that the rate of growth of the British cotton industry had fallen well below that of its rivals. Though admitting the absolute expansion of spindleage and exports to be larger in Britain than anywhere else, he urged the need to distinguish between "brute figures and tendencies".⁵ H. Smalley was unimpressed. During the years 1899-1903 a 5½ per cent increase in US, German and French exports had yielded those countries increased sales of £14,000 p.a., whereas a mere 1½ per cent increase had resulted in a growth of Lancashire's shipments by £250,000 p.a. "Mr. Campbell and his tariff friends may prefer the percentage increase," concluded Smalley. "I prefer the actual increase."⁶ Furthermore, he maintained that the current boom in Lancashire went unrecognised in the Report, and that it should be remembered that 3m spindles

1. Cotton Report, para. 40.
2. Manchester Guardian, 6 June 1905, pp. 7-8.
3. J.W. Hartley to ed., Manchester Guardian, 8 June 1905, p. 5.
4. Whilst J.W. Hartley thought exports at constant prices showed the "growth of real earnings", Chapman preferred the "increase of real value, measured by the quantity of labour (or, of labour and capital combined) to which the output of the trade is equivalent", thus necessitating the deduction from the growth of real earnings "that part which is due merely to the general progress of industrial efficiency". Hartley thought Chapman's method an "over-refinement". See J.W. Hartley to ed., Manchester Guardian, 16 June 1905, p. 4.
5. J. Roy Campbell to ed., Manchester Guardian, 10 June 1905, p. 7.
6. H. Smalley to ed., Manchester Guardian, 13 June 1905, p. 3.

and 20,000 looms were currently in course of erection.¹

In September Chapman published a review of the Cotton Report in the Economic Journal. Much of the same ground was covered. His criticism of the Commission's calculations and assumptions on yarn fineness was confined to the abrupt assertion that "there is no doubt that the average fineness of exported yarns has risen considerably".² His observation that, with piece-goods, the presentation of simple yardage figures obscured the fact that dyed goods, the most expensive, had been gaining in Lancashire's export product-mix,³ rested on firmer ground.⁴ Thus he was able to question the Commission's apparent regret⁵ that trade in mixed goods, fancies and novelties was taking the place of the old trade in plain goods, since the new lines were "more remunerative to all concerned",⁶ though in fairness to the Commission it should be remembered that much of this change was because British exporters were being forced out of staple lines by indigenous industries abroad. He admitted the greater percentage growth of foreign cotton exports over the recent past, but considered that "Absolute increases are more important if the object of the figures is to show the relative successes of different countries in their competition with one another in world markets".⁷ Overall, he viewed competition in world markets with little alarm: "Our trade grows and we still hold the lion's share of the trade of the world".⁸

These arguments were restated at length in Chapman's book-length criticism of the Cotton Report, published by the FTL in October.⁹ This

1. In truth the Commission had attempted to include current extensions in their figures (see above, pp. 308-310) and were well aware of trade recovery in Lancashire since c. 1903.
2. S.J. Chapman, "The Report of the Tariff Commission", Economic Journal, vol. XV, 1905, pp. 420-1.
3. Ibid., pp. 420-1.
4. A.J. Marrison, loc. cit., Tables 13.1 (p. 312) and 13.2 (p. 316).
5. Cotton Report, paras. 69, 73; see also above, pp. 315-317.
6. S.J. Chapman, "Report of the Tariff Commission", loc. cit., p. 421.
7. Ibid., p. 423.
8. Ibid., p. 425.
9. S.J. Chapman, A Reply to the Report of the Tariff Commission on the Cotton Industry, (Manchester, 1905). Hereafter cited as Reply.

was regarded by Hurd as a "most elaborate document and in its way a compliment to the T.C. though it seems to have fallen very flat in the press".¹ In public, the Textile Mercury expressed annoyance at criticism of a "merely niggling character", and marvelled at the "stamp of unity rather than the marks of unification" that allowed 65 FTL vice-presidents of widely varying experience to associate their names with the volume.²

In Chapman's Reply over 100 pages were devoted to a reappraisal of the 'state of the industry'.³ In all but complexity most of the argument had been heard before, except that now Chapman seemed to be prepared to accept that a relative decline of the cotton industry within the British economy might have been taking place. As long as such a decline brought no hardship to those in the industry it was in the interests of the country, and "ought not ... to be checked".⁴ Thus, his treatment of the Cotton Report's assertion that "opportunities for employment in the cotton industry have certainly not increased in proportion to the growth of population"⁵ was more in the nature of explanation than refutation.⁶

The details need not detain us. It is certainly true that the Cotton Report was unduly pessimistic in a number of ways - in its dismissal of the improvement of piece-goods quality over time as "merely a trade in patterns",⁷ in its omission of sewing cotton, in its concentration on current rather than constant prices, and in its relative neglect of technical advances and higher labour productivity. But, by the same token, the Free Traders too gave only part of the picture. The rate of growth of British industry did decline after 1870. The decline in yarn exports between 1870 and 1904 did provide an indication that more serious competition would be faced in manufactured goods in overseas markets in the future. There was a growing threat from

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1. Hurd to Hewins, 18 October 1905; 48/89-91, H.P.
 2. Textile Mercury, 28 October 1905, p. 330.
 3. S.J. Chapman, Reply, pp. 3-108, especially pp. 3-55.
 4. Ibid., p. 53.
 5. Cotton Report, para. 38.
 6. S.J. Chapman, Reply, pp. 40-2.
 7. Cotton Report, para. 69.

India and the Far East. And at times within the period piece-goods exports did exhibit the stagnancy that the Commission so readily ascribed to the years 1880-1900 as a whole.¹ Free traders never squarely faced the partial logic of the Commission's 'reduction' approach, that the technical and organisational superiority of the Lancashire industry should have allowed it to achieve growth rates similar to those abroad but for the existence of overseas development behind tariff walls.² Indeed, those using the unwelcome hindsight of the 1920s could well have argued that the Tariff Commission foresaw the future of the cotton industry more clearly than its opponents. For the moment, however, in the earliest stages of Lancashire's greatest ever boom, the Free Traders used the strongest arguments, and they could well heed Chapman's advice to reject the "percentage fallacy".³

Thus, we can see that both sides produced elements of truth in their analysis of the health of the cotton industry. But, as Chapman noted, "the case for tariff reform does not stand or fall with the growth, stagnation, or decline in magnitude, of our trade or industry".⁴

The Cotton Report's remedies were heard with less patience than its statistical-historical analysis. Few critics wasted effort on the suggested cotton duties themselves. Of more concern to the cotton industry was the effect of a general protective tariff on its input costs, a matter "apt to be overlooked when each industry is reported upon in isolation".⁵ Chapman's Reply contained a detailed examination of the effects of a general tariff on the building and running costs of an 800 loom weaving shed in East Lancashire and an 80,000 spindle mill in Oldham, though the analysis was admitted to be extremely "provisional" given the incompleteness of the Tariff Reformers'

1. See R. Tyson, loc. cit., pp. 101, 104-8, 108-15, 127.
2. Indeed, it is significant that Chapman's Reply seemed to regard the Tariff Commission's statements of the efficiency of the British industry as an admission of weakness on its part. This may have demonstrated his lack of recognition of the 'reduction' process at work, or his intentional neglect of it. See Reply, pp. 25-9.
3. Ibid., p. 3.
4. Ibid.
5. S.J. Chapman, in Manchester Guardian, 6 June 1905, pp. 7-8.

proposals.¹ Needless to say, the analysis was completely static, merely raising the cost of the relevant inputs, inasfar as Chapman could assess what they would be, by the amount of the tariff.

Of perhaps greater concern was Lancashire's fear that Tariff Reform would sting foreign countries into retaliation.² Furthermore, it was clearly realised that, even in the absence of retaliation, any reduction of imports caused by a tariff would hit exports, and highly export orientated industries would suffer most heavily.³ At the same time, the Commission's claim that preference would increase the colonial market for British cottons was treated with scepticism. The Textile Recorder noted that colonial imports of cottons totalled some £24m p.a., of which Britain supplied all but £1½m. Should Britain's foreign trade of £40-50m p.a. be exposed to "the precarious mercies of a retaliation scheme in order that we may possibly obtain the whole of the colonial import trade"?⁴ Chapman, the originator of this argument, did realise its static unfairness, but was still sanguine about Britain's future in Empire markets. "Of course colonial markets may be taken as elastic in the other sense that they are growing", he observed, but since Britain already provided some 95 per cent of colonial cotton imports, "we may, I should venture to think, be trusted to get our share of future growth without preferential arrangements".⁵

But perhaps the greatest fear of all those which the cotton industry faced in Tariff Reform was a modification of the Indian tariff. In his Reply

1. Reply, pp. 139-47.
2. Ibid., pp. 131-7.
3. Chapman found the Commission's argument that a general tariff would, through promoting other industries and increasing working class purchasing power, increase home demand for cotton goods (Cotton Report, para. 108) to be unattractive and unproven. He thought "the cotton industry at any rate would be seriously damaged by the fiscal proposals, whatever effect those proposals might have upon other industries". See Reply, p. 113.
4. Textile Recorder, 15 June 1905, p. 33.
5. Chapman, in Manchester Guardian, 6 June 1905, pp. 7-8. In this, he neglected the Tariff Reform fear that unilateral preference might soon be ended. Furthermore, he was neglectful of the argument, that he himself used elsewhere (Reply, pp. 120-3) to attack the Cotton Report, namely that nationalist tariff policies in the colonies were likely to continue and even be intensified.

Chapman thought that, if Chamberlain's scheme provoked foreign retaliation, India would stand in much greater danger than other parts of the Empire, given the "necessity of her maintaining a large balance of exports to meet her financial obligations to England".¹ This argument, though a common one, was weak. As a Commission memorandum showed later, Indian exports to Europe and the US were almost entirely composed of raw materials, so that retaliation against India would have involved "the taxation by those foreign countries of raw materials which are necessary for their own manufactures".²

Furthermore, the cotton manufacturers' real position on the Indian question was betrayed as a less than wholesome concern for the sub-continent's welfare when Sir Roper Lethbridge, a long-standing advocate of India's inclusion in a preferential system, wrote to the Manchester Guardian in support of the view that India would welcome such an arrangement, and would gain rather than lose from it.³ Another correspondent, William Barton, could only agree with Sir Roper's assessment of Indian opinion, but Lancashire wanted free trade in the Indian market, not mere preference.⁴ William Tattersall, well known for his writings on the industry in the Manchester press, put the matter bluntly. Indian cotton manufacturers did not want free trade in their domestic market. Lancashire did. "There cannot be any protection of the cotton industry in our dependency", was the real demand of Lancashire.⁵ Indeed, it is significant that when Hewins gave a speech to 300 spinners and manufacturers in Manchester in July 1909, mentioning Indian fiscal autonomy only briefly to state that Tariff Reformers were unable to give a definite statement of intent on the issue, question-time was dominated by cotton men afraid of losing the jewel in the Free Trade crown.⁶

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1. S.J. Chapman, Reply, p. 133. This argument was in circulation well before October 1905. See, e.g., Manchester Guardian, 11 January 1905, p. 6.
 2. "The Trade Relations of India with the United Kingdom, British Possessions and Foreign Countries - Part I", Mm. No. 38, 9 November 1908, p. 17.
 3. Sir Roper Lethbridge to ed., Manchester Guardian, 4 August 1909, p. 4. See also his The Indian Offer of Imperial Preference, (London, 1913).
 4. W. Barton to ed., Manchester Guardian, 5 August 1909, p. 4.
 5. W. Tattersall to ed., Manchester Guardian, 9 August 1909, p. 5.
 6. Manchester Guardian, 21 July 1909, p. 10.

VII

Free Traders were, on the whole, rather apt to avoid any clear statement of the extent to which a free trade system was forced upon an unwilling Indian people, preferring to stress the dangers India faced from foreign retaliation and increased prices if Chamberlain's plan were implemented. But they knew the great unpopularity of the British-imposed fiscal system which lay beneath the occasional declaration in its favour by the Indian authorities. One or two Free Trade publicists grasped the nettle. Lord Brassey agreed that the Indian people were protectionist "almost to an unit", and that therefore Britain only had "the moral right of imposing free trade on India" as long as she, herself, remained free trade too.¹

Characteristically, Chiozza Money was more blunt:

At present India has a Free Trade revenue tariff, but that can only remain while we are ourselves a Free Trade country. Protection means giving up a large share of the Indian market.²

On this issue, so important to Lancashire, the Tariff Reformers were noticeably silent. Ridley's comment of 1904, that India "still stands outside" the focus of Tariff Reform attention,³ still held true during the election campaign of 1905-6, and in 1908 Milner thought that "in the arguments of the advocates of preference insufficient attention has hitherto been applied to the Indian part of the case".⁴ Subsequently the issue was to become more prominent in the campaign leading to the election of January 1910, when Free Traders made more open use of the argument that Lancashire stood in dire peril of any tampering with the existing system in

1. Lord Brassey, Sixty Years of Progress and the New Fiscal Policy, (London, 1906), p. 111.
2. L.G. Chiozza Money, Money's Fiscal Dictionary, (London, 1910), p. 142.
3. Ridley to Hewins, 10 April [1904]; H.P. Ridley, from the League thought this "might mean a new branch of the Commission, but it seems highly important that we should have something ready for India when we come in: and Curzon regards himself as arbiter of India and would certainly be pleased at being consulted". (Ridley's emphasis).
4. In the House of Lords, 20 May 1908. See A. Milner, The Nation and the Empire, (London, 1913), p. 268.

India.¹

Individual Tariff Reformers were, however, unsure of the Tariff Reform 'platform' on India. As late as 1909, even Austen Chamberlain thought it best to submit a draft of a proposed statement of policy to Hewins for his comments:

A British Government cannot be expected to acquiesce in the imposition by India of differential duties against British products; but under Tariff Reform India would regain the freedom to deal as she liked with her foreign trade of which she is now deprived in deference to the prejudices of our insular Free Trade ... Low duties within the Empire, and a free hand for every part of the Empire in dealing with its foreign trade are the ideal of Tariff Reformers. How nearly we can approach to it in practice must depend in each case on the Governments immediately concerned. The essential feature of our policy is to mark the unity of the Empire, and to promote the development of every portion of it by the grant of a preference to British goods in British markets everywhere throughout the world.²

Hewins, however, saw the implication of Indian fiscal autonomy that this letter contained as liable to raise a storm of protest in Britain. It is significant that, when a Commission memorandum on Indian trade had appeared earlier, it had consisted largely of a factual treatment of Indian exports and imports, and had declared that a "second part of the report, to be issued later, will deal with the fiscal system, the financial relations and economic position of India generally".³ Hewins urged Austen to remain similarly uncommitted. Any proposal which appeared to put Indian tariff autonomy on the same basis as that of the rest of the Empire would raise such

1. Sir Roper Lethbridge to A. Chamberlain, 17 December 1909; C-4149, T.C.P. Lethbridge, connected with Indian education in the 1860s and 1870s, had been a member of the Imperial Federation League in the 1880s, and was now in retirement. As chairman of the Devon branch of the TRL, he provided most of the few propaganda contributions of the Tariff Reformers to the Indian question. See Who was Who, II, 1916-1928.
2. Copy of draft letter, A. Chamberlain to Sir Roper Lethbridge, 26 June 1909; C-4149, T.C.P.
3. "The Trade Relations of India with the United Kingdom, British Possessions, and Foreign Countries - Part I", Mm. No. 38, 9 November 1908, p. 1. The only part of this memorandum which related directly to the fiscal controversy was its argument that foreign retaliation against India was unlikely unless those retaliating wished to tax their own raw materials. See pp. 16-17.

constitutional problems that he doubted "the expediency of making a declaration on this subject without careful consultation with representatives of the Indian Council".¹ "Do you think", he mused, "we should be prepared to surrender or modify the power of negotiation on behalf of India which was exercised by Lord Lansdowne under the late Unionist Administration?"² Such a proposal would cause "much disquiet in Lancashire".³ After reflection Chamberlain agreed, and recast his letter to Lethbridge "without attempting any statement of policy".⁴

Three years later, the second part of the Commission's memorandum had still not appeared. But Hewins's assessment of the position had changed. He noted that the change in the Indian situation attendant upon the Morley-Minto reforms had unintentionally provided the Indians with "new means of giving expression to their desire for protection", and that the protectionist movement in India had now "become so strong and so insistent that it will scarcely be possible for any Government in the future to withstand it".⁵ It was imperative that when, as was inevitable, the close control of the mother country over Indian trade policy broke down, that policy did not then develop along "purely protectionist lines", an eventuality which would "be fatal to Lancashire".⁶ The inclusion of India in a Tariff Reform scheme was more than ever necessary in these circumstances:

... the only possible line of advance which can be pursued with safety and with beneficial results is that India should fall into line with the general development of British Empire policy, that is, that it should adopt a policy of Tariff Reform and Preference.⁷

In a literal sense, Hewins's words would seem to mark a move backwards towards the position Austen had originally intended to adopt in 1909. He certainly saw great potential for a mutually advantageous bargain: it was

1. Hewins to A. Chamberlain, 5 July 1909; C-4149, T.C.P.
2. Ibid.
3. Ibid.
4. A. Chamberlain to Hewins, 6 July 1909; *ibid.*
5. Hewins to A. Chamberlain, 10 December 1912; *ibid.*
6. Ibid.
7. Ibid.

only the reduction of India to the role of "industrial annexe of Lancashire" that explained the nationalism of Mehta's "Young India" party.¹ But whether Hewins was willing to countenance a situation where India, like Canada or Australia, could have imposed duties of whatever level she liked as long as she gave Britain the standard imperial preference of 25 or 33 per cent, is not stated. His remark that mutual preference would benefit both India and the UK since "both already possess tariffs including duties on articles in which each is interested",² still contained the possibility that he saw India's freedom under a preferential scheme as being more limited in its ability to impose duties against British goods than was that of the self-governing colonies.

Yet the weight of Hewins's letter favoured the literal interpretation. India should be given "adequate opportunities of developing its nascent manufacturing industries and obtaining a larger share in its vast home market", whilst India's fiscal needs made desirable "a similar preferential basis" to that existing elsewhere in the Empire, whereby:

Each State in the first instance organises its tariff and its policy under the system of complete autonomy to suit its own financial and economic needs, and ... [then grants] to other parts of the Empire as large a measure of trade advantage over foreign countries as is consistent with its own economic development.³

If Hewins had moved to adopt Austen's earlier view, it must have put him at variance with Bonar Law, who in 1909 had remarked, in an intentionally obscure passage, that preference would not alter the cotton trade's ability

1. Ibid., appendix, p. 3.
2. Ibid., appendix, p. 5. (my emphasis). British concessions to India under the imperial tariff would presumably have included preference on wheat. Hewins also appears to have favoured a concession on the tea duty, since this was the most important Indian product on which the UK "already possess[es] tariffs". Given that the British demand for tea was probably price-inelastic, and given the dominance of Indian tea in Britain due to a change in tastes away from green tea, it is doubtful that the Indian authorities would have regarded such a concession as of great value. See G.C. Allen and A.G. Donnithorne, Western Enterprise in Far Eastern Economic Development: China and Japan, (London, 1954), pp. 56, 58.
3. Ibid., appendix, p. 4.

"to compete on equal terms with our Indian fellow subjects",¹ put his views more clearly in 1912 when undisputed leader of the Tariff Reformers in Parliament:

We say [to India], "If you want to put on tariffs, put them on against the rest of the world, but be a Free Trade country to us, and we will be a Free Trade country to you. That is our policy for India."²

The Tariff Reform leader's view of the variant of imperial preference to be applied to India thus appears to have been that India should gain tariff autonomy to apply to foreign imports, but should retain a largely free trade with the UK (and perhaps with the rest of the Empire),³ In spite of the detailed arguments by Sir Roper Lethbridge, now desperate to prove that even this would leave room for India to apply duties to a wide range of imports and protect a substantial part of her economy, there can be little doubt that the plan would have been little less "hateful to Indian opinion"⁴ than the existing system.

Ironically, Bonar Law was now, in effect, suggesting the tariff to protect Lancashire that the Tariff Commission had been unable to provide before 1906, though its effects in the short term would have been negligible.⁵

1. A. Bonar Law, at the Free Trade Hall, Manchester, 8 November 1910; reproduced in "Tariff Reform and the Cotton Trade", National Review, LVI, 1910-11, p. 588. Several aspects covered in Bonar Law's speech show a clear Tariff Commission influence.
2. Cited in Sir Roper Lethbridge, The Indian Offer of Imperial Preference, (London, 1913), p. iii. It might be noted that Law's remark, made in November 1912, was made not long before his retreat from corn taxes, and seemed to imply free entry of Indian wheat.
3. Tariff Reformers thought that the revenue considerations of both countries would prevent complete freedom of trade from being achieved.
4. Sir Roper Lethbridge, op. cit., p. x.
5. Under such a scheme (see, e.g., ibid., pp. 92-6) Lancashire would have had her largest market protected from foreign competition, though this would have been of little practical benefit before 1913. Britain provided around 97 per cent by weight of India's cotton piece-goods imports in 1913, and over 90 per cent of her total cotton imports. Whilst it was true that Tariff Reformers looked to the future, and some were already pointing to the future threat from Japan, that threat was a long-term one. Conditions were, of course, greatly changed in and after the war, and Japanese competition did increase in the 1920s, but it was not until 1935 that India's imports from Japan exceeded those from the UK. See ibid., pp. 92-6; D.A. Farnie, op. cit., p. 127; L.G. Sandberg, Lancashire in Decline, op. cit., pp. 167, 182-191, especially Table 28, p. 185.

Though Free Traders seem to have missed or ignored this point, they criticised his policy roundly and effectively. To George Peel, the measure was not only of no effective protection to Indian manufactures, but would also destroy the Indian revenues. Bonar Law's policy was "fraught with evil", and cut "at the very root of that principle of mutual goodwill which is the true essence of the British Empire".¹

It is probable that many to whom Tariff Reform looked for support would have given Bonar Law's policy a scarcely more favourable welcome, less, perhaps, because it implied an Anglo-Indian relationship that was becoming increasingly untenable, than because it seemed to imply the admission of Indian wheat, and presumably, therefore, of all wheat, into the UK free of duty.² But there was no time for rifts to appear among the Tariff Reformers on this issue. In January 1913 Bonar Law abandoned food taxes, and in the shock-wave India was forgotten.

VIII

The existence of most-favoured-nation treaties should be mentioned here as of particular importance to the Commission's proposals on cotton, based as these were on the threat of retaliation. The enquiry had ignored them in two ways. Firstly, Free Traders argued that the MFN treaty did at least mute the effects of overseas tariffs, and that there was no basis for the common Tariff Reform argument that these were increasingly directed against the UK. Asquith even suggested that Britain was "more than holding our own" in the highly protectionist markets of France and the USA because of MFN treaties.³ Secondly, the proposal to establish retaliatory power and

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1. G. Peel, The Tariff Reformers, (London, 1913), p. 135. Peel was uncharitable in assuming, rather prematurely, that Bonar Law intended to remove the Indian duty on cottons to achieve complete freedom of trade irrespective of revenue considerations.
 2. On the level of colonial preference on food duties, see below, pp. 403-5, 451-3.
 3. Asquith at Cinderford, 8 October 1903; reprinted in Times (ed.), Speeches by the Rt. Hon. H.H. Asquith, 1892-1908, (London, 1908), p. 173.

preferential agreements might have raised the question of further retaliation by foreigners, consequent either on the institution of a British tariff, or on Britain's subjection of her imports from a foreign country to her "maximum" tariff, or on her need to abrogate MFN treaties in order to extend imperial preference.¹ This had already happened: indeed, the precedent of German-Canadian commercial relations after 1897 raised the possibility that most-favoured-nation treatment might be replaced by 'least-favoured-nation treatment' by the imposition of a 'fighting' tariff above the normal maximum.

This Free Trade accent on the importance to Britain of MFN treaties and the jeopardy into which Tariff Reform put them was sustained throughout the campaign. E. Enever Todd, a fairly well-known writer on the cotton trade and on general economic matters, saw the MFN arrangement as "the automatic accompaniment of our modern fiscal policy".² J.M. Robertson, the Liberal MP and prolific Free Trade publicist, saw MFN footing as an "immense advantage", the sacrifice of which "on the alleged chance of a gain from 'retaliation', which has never been seen to accrue in human experience, would be the extremity of national folly".³

Early in its proceedings the Commission took steps to collect details of Britain's existing commercial treaties along with information on foreign tariffs, and a Special Committee on Foreign Tariffs was appointed for the purpose.⁴ In October 1904 Hewins was using Follett's long-standing connections and experience as Solicitor to HM Customs to gather further information.⁵ Soon after Follett submitted a paper on MFN clauses to Hewins.⁶ He saw two problems in the MFN practice. The first was "evasion by classification", whereby splitting a product into different (and often

1. As pointed out by, amongst others, A.C. Pigou in Protective and Preferential Import Duties, (London, 1906), p. 109.
2. E. Enever Todd, The Case Against Tariff Reform, (London, 1911), p. 35.
3. J.M. Robertson, Trade and Tariffs, (London, 1908), p. 221.
4. T.C.M.(P), 3-4 February 1904; T.C.P.
5. Follett to Hewins, 22 October 1904; C-633, T.C.P. Follett had a cousin who was "second or third in the Treaty Dept."
6. C.I.F., "The Most Favoured Nation Clause", (typescript, dated 23 November [1904]; C-633, T.C.P.

artificially different) sub-groups and subjecting each to very different rates of duty could achieve the result of penalising or favouring selected countries by intent.¹ The German-Swiss Treaty had resulted in Swiss duties on certain earthenware specifically imported by Germany being half those on earthenware imported from England. The British government, claimed Follett, was not well able to exert pressure to prevent such injustices, since Britain's own existing revenue tariff had contained similar instances of discrimination, such as the basing of the wine duty on strength in 1860-1862, so as "intentionally to favour the specialities of France ... as against Spain and Portugal".² The second evasion was that implicit in the US interpretation of the MFN treaty, to the effect that the clause allowed reciprocity treaties to be concluded outside its orbit. That is, "the Clause does not exclude, in a special Treaty arranging a definite quid pro quo, a concession to the State so giving, in preference to other States having only the general Treaty with the United States Government."³

This second form of evasion, which we might style 'evasion by interpretation', had for so long been the subject of acrimonious dispute between British and American governments, that Follett maintained that to reverse policy "for our own purposes of Tariff Reform, would be scarcely possible with honour".⁴ Thus "evasion by classification" was as far as Britain could go without a radical re-structuring of her treaty obligations.⁵

If we find that specific classification fails to meet our needs in Retaliation, our only course will be to 'denounce' our Treaties comprising the most favoured

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1. Even if occurring unintentionally because of the way some European tariffs were negotiated, this could be harmful.
 2. Follett's claim that this was intentional should be viewed in the light that the later duty on sparkling wine discriminated against France. See C.I.F., "The Most Favoured Nation Clause", pp. 8-9.
 3. Ibid., p. 10 (Follett's emphasis).
 4. Ibid., p. 11. It should also be remembered that the USA was the only important trading nation to adopt this interpretation of the MFN clause. See J.L. Laughlin and H.P. Willis, Reciprocity, (New York, 1903), pp. 12-15. There was however a similar treaty concluded by Britain with Uruguay in 1899, and Japan showed signs of favouring the US approach.
 5. And we might add that "evasion by classification" would have been impossible in view of the need for colonial preference, and the relatively homogeneous goods exported by the colonies.

[nation] clause. This, with the exception of the old Treaties ... [of 1654 and 1661] with Sweden and Denmark, could be done, as to all the European Countries, and with the United States, by notice of more or less short duration.¹

Whether or not Follett was correct in his view that the implementation of Tariff Reform would necessitate the termination of Britain's MFN treaties (of which there were some 44 in 1907)² there can be no doubt that some at least would have been endangered by the preferential aspects of the scheme, since the preferential tariff envisaged by the Commission was lower than the "general" tariff. Furthermore, the recent and considerable revision of the German tariff³ seemed quite favourable to British interests, and maintained the centrality of the MFN clause in that country's trading relationships. A Conventional Tariff below the higher General Tariff, resulting from negotiations with Central European countries, was generalised through the operation of the MFN clause.⁴ Hence, as even the Commission had to admit, "in practice the conventional tariff is extended to almost every other country, and the general tariff becomes a penalty tariff".⁵ The Commission noted, however, that since the British commercial treaty of 1865 with the Zollverein had had to be terminated in 1897,⁶ efforts to secure a new treaty had been unsuccessful, with the result that the MFN treatment was accorded to Britain on a temporary basis, renewable yearly by Imperial Ordinance, "and may be suspended".⁷

Given the possibility that Tariff Reform might have seriously limited

1. C.I.F., "The Most Favoured Nation Clause", p. 11.
2. Of those countries unrepresented, all apart from Portugal, Bulgaria, Arabia and Afghanistan were in Southern and Central America, the most important being Brazil.
3. Under the Customs Law of December 1902, to come into effect in 1906.
4. Germany herself had 28 MFN treaties in addition to less formal MFN arrangements.
5. "Memorandum on the New Commercial Treaties and the New German Tariff", Mm. No. 23, 8 April 1905, p. 1.
6. Article 7 of the Treaty provided that the British colonies should be bound by it. Salisbury, claiming that this was unrealistic, in view of their tariff autonomy, was forced by Canada's unilateral preference to revoke both the German treaty and a similar one made with Belgium in 1862.
7. Mm. No. 23, p. 2.

British access to the MFN concessions of other countries, it remains to be seen what businessmen felt about this possibility. Hard evidence is lacking, but it is perhaps significant that Rosebery, more in tune with the business mind than many of his Free Trade allies, did not follow Asquith's treatment of MFN arrangements in his speech at Sheffield, otherwise modelled closely on the Cinderford speech.¹ Furthermore, in Harold Cox's hastily edited volume on the experience of British industry under free trade, none of the nineteen industrial authorities who contributed even mentioned MFN treatment.² Saul has claimed that, apart from the well-known example of clause 103 of the German tariff of 1902,³ other examples of "evasion by classification" are hard to find,⁴ but against this must be weighed the remarks of Lansdowne, Balfour's Foreign Secretary, who was surely in a position to know that such evasion had "been constantly done to our disadvantage".⁵

The Commission had uncovered relatively little information on MFN arrangements. Of six replies printed in the Cotton Report, two were satisfied with its operation, whilst another felt that even access to the minimum tariff granted by a foreign country was not a fair quid pro quo for free access to the British market. Of the three who thought MFN treatment virtually useless to British exporters, one dealt principally with Brazil and the USA, both special cases.⁶ Hewins was bound to admit that "We have not got very much about the most favoured Nation clause",⁷ in spite of the fact that the Tariff Commission occasionally received complaints on abuses of the system,⁸ and actively sought information both from businessmen and

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1. Rosebery at Sheffield, 13 October 1903; in Times, 14 October 1903, p. 5.
 2. H. Cox (ed.), British Industries Under Free Trade, (London, 1903).
 3. That relating to imports of transhumance cattle, designed to favour Switzerland.
 4. S.B. Saul, Studies in British Overseas Trade 1870-1914, (Liverpool, 1960), p. 136 n.
 5. Parl. Debates, House of Lords, 19 February 1904, 4th Series, vol. CXXX, p. 433.
 6. Cotton Report, paras. 2276-2277.
 7. Textile Committee Minutes (VT), 30 May 1905, p. 44; T.C.P.
 8. Hewins to Follett, 8 November 1904; C-633, T.C.P., concerning information from on Swiss pottery imports from the North Staffordshire Chamber of Commerce. See also S.B. Saul, op. cit., p. 137.

international lawyers.¹

It was not until 1910 that the Commission made a determined attempt to remedy this deficiency. In September Hurd sent Hewins a list of questions which, if approved, would be sent to leading manufacturers. Hewins thought the questions "well-designed", but suggested that the imperial aspects of the problem be omitted, or else the replies received would be confused.² Certainly, this questionnaire did much to remove the paucity of manufacturing opinion: 131 answers to seven questions were printed in the memorandum published in November.³ Of 24 firms, only three thought that a system of direct negotiation with foreign countries would not be preferable to the present system of indirect "bargainings in which British representatives have no part".⁴ Of 41 answers on the result of the MFN clause in securing for British exporters parity with their rivals, only nine gave unqualified approval to its operation, though of the rest some confused the effect of the clause in promoting equity of treatment of imports with its inability to make much impression on the still high tariffs of the importing country, whilst there were several irrelevant answers.⁵ Of twelve answers to the question of whether foreign goods were charged at lower rates of duty than the British goods with which they competed, six were in the affirmative and only two (one from the firm of a Tariff Commissioner) in the negative.⁶

Thus, given the self-selecting base of the Commission's information, there was empirical ground for the belief that there was considerable dissatisfaction over the operation of MFN treaties. In the text of its memorandum, the Commission endorsed this dissatisfaction. One feature of

1. See L. Oppenheimer to Hewins, 30 November 1906, 50/27-44, H.P.
2. Hurd to Hewins, 7 September 1910; Hewins to Hurd (two letters), 8 and 9 September 1910; C-174.1, T.C.P.
3. "Most Favoured Nation Arrangements and British Trade", Mm. No. 43, 28 November 1910, pp. 17-26. Eighteen of these answers were from the firms of Commission or Textile Committee members.
4. Ibid., pp. 17-18.
5. Ibid., pp. 19-21.
6. Ibid., pp. 21-22. It should be mentioned that the firms with which Commissioners were associated furnished by no means the most extreme of the replies that were printed.

concern involved the common process of formulating a two-tier tariff in Europe. Essentially, the German Conventional Tariff was determined by specific negotiation (downwards from the General Tariff) with particular countries in particular treaties.¹ Whilst, under the MFN clause, these conventional rates were then extended to Britain, there was no guarantee that the concessional rates would meet the interests of British exporters. Since the previous 20 years had seen European tariffs become so much more complex than earlier, this problem had grown in importance. In the Commission's words, "a large proportion of imports from this country is unaffected by such concessions owing to the fact that the countries bargaining with Germany have not included these goods in their negotiations".²

In a brave and pioneering statistical attempt to assess the quantitative importance of MFN treaties to British trade, and of the magnitude of the discrimination just described, the Commission's statistical staff, under Rosenbaum, undertook great labour in scrutinising the trade returns of the various countries with which Britain had MFN treaties, in the light of the tariff schedules relevant to the treaties themselves. Small inconsistencies existed in the figures, probably due to the practice of using the import statistics of different foreign countries rather than the export statistics of the UK,³ but they cannot be regarded as important. The conclusion was that, from the experience of six countries which represented the great bulk

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1. This point had been mentioned briefly before, in "The Tariff Systems of Europe and America", Mm. No. 25, 22 July 1905, though no implications had been drawn from it.
 2. Mm. No. 43, p. 5.
 3. For instance, somewhat different figures for total British exports can be obtained by compiling in different ways. The Commission probably found it necessary to use foreign import statistics because they were better suited to quantifying imports under given tariff schedules than were British export statistics. On the deficiencies of official trade figures and the notorious lack of international comparability, see R. Giffen, Economic Inquiries and Studies, (London, 1904), I, pp. 282-381; B. Ellinger, "Value and Comparability of English and German Foreign Trade Statistics", Trans. Manchester Statistical Society, 1903-4, pp. 139-158; Y. Don, "Comparability of International Trade Statistics: Great Britain and Austria-Hungary before World War I", Economic History Review, 2nd Series, XXI, 1968, pp. 78-92; D.C.M. Platt, "Problems in the Interpretation of Foreign Trade Statistics before 1914", Journal of Latin American Studies, III, 1971, pp. 119-30.

of Britain's trading relations with countries employing a two-tier tariff,¹ the MFN clause had resulted in British goods securing a reduction of tariffs in only 18.9 per cent of cases, by value.² What the Commission stressed less was that 37.0 per cent of UK exports to these countries were free from duty, and what it tended to hide in its presentation of the figures was that the percentage of UK exports which were subject to no duty, or to less than the highest duty in a two-tier tariff, was 55.75.³

Nevertheless, the Commission was able to show convincingly that, since British exports contained a significant proportion of (non-taxed) raw materials, and also of goods which in two-tier systems were undifferentiated as between general and conventional rates, some £121m. out of total exports to these countries of £149.5m. were unaffected by MFN treaties. Only £28m. of British exports to these nations came within the orbit of such treaties.

The Commission noted that this was a small proportion, probably meaning to imply that it was a small proportion to lose. But of more importance was the underlying structure of the foreign tariff which determined whether a good was rated free, at the conventional rate or at the general rate. Of dutiable exports to the six countries of £93.7m., imports on which the UK paid the highest rate of duty were £66.1m., or 70.5 per cent. As we have seen, the Commission's complaint was that many of these goods (it could not say how many except indirectly) had to compete in the importing market with similar (though not identical) goods imported from rivals at a lower rate of duty. This was because the similar good imported from Britain's rival had benefited from direct negotiations and the reduction so obtained then formed part of the importing country's conventional tariff. Though this conventional rate was then generalised through the MFN treaty, the good Britain actually exported was unaffected, since Britain had not been involved in the direct negotiations as to precisely which goods were to be reduced

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1. France, Germany, USA, Austria-Hungary, Italy and Japan.
 2. Mm. No. 43, Table 1, p. 6.
 3. This latter percentage can be obtained by re-drafting Table 1, ibid.

from the general to the conventional rate. Essentially, the UK's problem was that the MFN treaty only secured to her the concessions on the precise types of good in which other people traded.

The effect and magnitude of such discrimination, whether intentional or otherwise, was shown in great detail with respect to Germany, and a summary of the Commission's findings is shown in Table 18. It is to be noticed, and this the Commission recognised, that Section (A) of this table was less relevant than Section (B), since non-dutiable goods were included.

TABLE 18

(A) Proportion of Total German Imports by Group (1909)

	<u>Conventional Rate</u> <u>= General Rate</u>	<u>Conventional Rate</u> <u>= General But</u> <u>Binding Rate</u>	<u>No Treaty</u> <u>Rates</u>
<u>From:</u> UK	15	48	37
France	27	38	35
Austria-Hungary	50	41	9
Switzerland	41	47	12

(B) Proportion of German Manufactured Imports by Group (1909)

<u>From:</u> UK	28	29	43
France	28	34	39
Austria-Hungary	38	44	18
Switzerland	51	36	13

Source: Mm. No. 43, Table 2, p. 10, and Table 4, p. 12.

Section (B) was, for the Commission, eloquent testimony of the loss to Britain through not sitting at the negotiating table when the precise structure of the conventional tariff was determined by barter. Cotton manufactures were singled out for special consideration. 18 per cent of Britain's cotton exports to Germany met only the lower conventional tariff, whereas 60 per cent of Switzerland's did so.¹ Amazingly, £1.34m. of Britain's total export of cotton manufactures to Germany of £1.64m. were in categories in which no

1. Mm. No. 43, p. 12. It should be mentioned that the Commission's definition of cotton manufactures on this occasion included yarns.

treaty provision had been made. The corresponding figures for Switzerland were £218,000 and £531,000 respectively.

It would seem logical to believe that a country intent on protecting itself from its most serious industrial rivals would indeed show such characteristics in its tariff structure, whether they had arisen deliberately (by discriminating consciously against important foreign rivals) or unthinkingly (by refusing to negotiate on critical products but giving way in areas where a satellite country would pose little threat). The Commission's extension of this analysis to Austria-Hungary is equally plausible,¹ in view of the close economic relations between the countries.

Indeed, the conceptual point is well-taken. Even Professor Saul, otherwise a moderate supporter of the MFN system, agrees that "when two countries framed a tariff agreement among themselves ... the concessions granted often did not have the same value for Britain even if she enjoyed most-favoured-nation rights with both".² What is harder to gauge is the extent to which this situation occurred on a global scale. After all, the examples given by the Commission were historically peripheral: Britain was less interested in Austro-Hungarian or Swiss competition in the German market than she was in the threat, there and elsewhere, from the great exporting nations - Germany (which perhaps puts the Commission's examples off centre to start with), USA, France, Japan, Belgium, Italy, etc. The only one of these rivals whose position relative to Britain in the German market can be assessed in the Commission's example is France, and it can be seen readily from Table 18 (B) that their positions were extremely similar. Of the Japanese or US position in the German market, or the relative position of the exporting powers in neutral markets, we are left uninformed.

Furthermore, we might conjecture how many countries were enabled, through a two-tier tariff, to exercise such discrimination. By the Commission's own admission countries with a single tariff which offered no

1. Ibid., p. 14.

2. S.B. Saul, op. cit., pp. 136-137.

concessions, such as Sweden, Denmark and Holland, could not discriminate against the UK. Such countries took £86m. of Britain's total trade with countries with which she had MFN treaties of £230m. in 1908 (US fiscal 1908-9). The memorandum made it plain that the six-mentioned countries constituted the great bulk of the problem.¹ Yet the two-tier tariff of one of these, the USA, was effectively only a single tariff modified by reciprocity treaties, and the quantitative importance of these was small. Many of them up to 1909 had been with Latin American primary-producing countries,² and, in spite of the inclusion at various dates of Germany, Austria-Hungary, France, Portugal and the Azores, and Italy,³ it was the contemporary view of the definitive expert on the US tariff that "these reciprocity agreements never had been of any substantial importance", and that their repeal in the 1909 Tariff Act was "of little significance except as indicative of the disappearance of any intention to deal with tariff questions in this way".⁴ Furthermore, two other of these six countries, France and Japan, appear to have treated Britain fairly liberally and even Austria-Hungary was less harsh than Germany: selecting from the Commission's figures we find that the ratio of imports of British goods which enjoyed concessionary rates to those which did not⁵ was 1.34:1 for France and 1.14:1 for Japan, compared with 0.32:1 for Germany, 0.40:1 for Italy, and 0.96:1 for Austria-Hungary.⁶ It is also noteworthy that there was strong opposition in France to any kind of commercial treaties, and France was not

1. A few countries with which Britain had MFN treaties, such as Belgium, Russia and "some minor countries", were excluded from the analysis because their "tariffs do not permit of precise investigation". See Mm. No. 43, p. 6.
2. The rash of reciprocity treaties concluded in the aftermath of the McKinley Tariff were mostly with such countries, and were criticised in the US because they were more effective in increasing US imports of raw materials than they were in promoting US exports. Many were terminated quickly. See Textile Recorder, 15 April 1893, p. 335.
3. J.L. Laughlin and H.P. Willis, op. cit., Appendix II, pp. 472-539, gives a complete list up to 1903.
4. F.W. Taussig, The Tariff History of the United States, (5th Edn., New York, 1910), p. 407.
5. It should be remembered that this latter figure includes goods for which there were no concessionary rates to any country.
6. Figures taken from Mm. No. 43, Table 1, p. 6.

backward in involving herself in tariff wars with her continental neighbours.¹ Certainly the Commission, in an unguarded moment, revealed its opinion that France was more concerned to discriminate against Germany than she was against Britain.² But in any case it should be remembered that the French 'maximum' and 'minimum' tariff system, adopted in 1892, tended to give smaller concessions to all countries than the average 24 per cent difference between the 'general' and 'conventional' tariff structure that it replaced, and that "the 'bargaining power' and threats of foreign countries have had very little effect upon the French tariff ... In no case were the concessions made by the French considerable".³

Yet, though we might minimise the importance of some of the Commission's examples, the range of possible discrimination remained large, larger in some ways than presented in the memorandum on MFN arrangements. A single general tariff was often difficult to maintain intact, as the Commission noted elsewhere. Norway had found it necessary to change to the 'maximum' and 'minimum' system,⁴ and the USA had done the same under the Payne-Aldrich tariff of 1909.⁵ Belgium had found it necessary to conclude commercial treaties and extend MFN treatment, even under a single tariff system.⁶ The maintenance of the single tariff in its pure form was probably rare even in Sweden, Denmark, Portugal and Rumania,⁷ and destined to become even rarer in the future. And, in addition to the six countries which the Commission in 1910 treated as the major examples of the two-tier tariff, there were also to be included Norway, Switzerland, Spain, Russia, Greece, Persia, Turkey and Brazil.⁸

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1. P. Ashley, Modern Tariff History, (London, 1904), pp. 332-7, 339-40, 346-348.
 2. Mm. No. 43, p. 10.
 3. H.O. Meredith, Protection in France, (London, 1904), pp. 15, 21-22, 25, 65-66.
 4. Mm. No. 25, p. 1.
 5. F.W. Taussig, op. cit., pp. 403-404.
 6. Mm. No. 25, p. 1.
 7. Especially in view of the fact that we know from the above that at least Sweden and Portugal had made commercial treaties.
 8. Mm. No. 23, passim.

Thus, though criticisms can be made of the Commission's quantitative assessment of the impact of the MFN arrangement, it conducted the most serious examination of the issue in the campaign to date. Lansdowne referred to the memorandum as "most important",¹ whilst the Times enthused over it.² When Balfour spoke at the Albert Hall in May 1911 he seemed strongly influenced by the Commission's argument.³ But Free Traders were not to be convinced. Here was another case of the Tariff Reform offer to the cotton industry consisting of insubstantiable promises. As Enever Todd put it, the argument that direct bargaining was more powerful than indirect, "attractive as it sounds, remains nevertheless a theory".⁴ This, it seems, was as far as the Free Traders were prepared to go.

IX

In spite of the Commission's notoriety in Lancashire, a Manchester audience gave Hewins a "quiet and patient" hearing in July 1909, though there were some outbursts of heckling.⁵ It may be that the latent forces of Lancashire Toryism were again stirring in the audience: certainly many must have agreed with Hewins's criticism of the 1909 budget as a departure from the canons of laissez-faire finance. Indeed, it could be said that the only part of his speech which did not retread the ground of the Cotton Report was that which urged a general tariff, designed so as not to disturb commerce, as an alternative way of raising revenue. The Manchester Guardian gave what was probably its most gracious opinion of a Tariff Reformer in the entire fiscal

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1. Lansdowne to Hewins, 31 October and 2 November 1911; H.P.
 2. Times, 30 October 1910.
 3. "Two people who are bargaining with each other, and are each making reciprocal sacrifices, take no great interest in a third party which stands by, looks on, gives nothing, and expects to get all. And it is not, therefore, any wonder that we sometimes find that the two bargaining parties have so arranged their bargain that while we, nominally, get everything which they get, we do, in fact, get very much less". See Times, 24 May 1911. On Hewins's influence with Balfour after the 1906 election, see below, pp. 487-498.
 4. E. Enever Todd, op. cit., pp. 118-119.
 5. Manchester Guardian, 21 July 1909, p. 10.

campaign:

Whatever can be said honestly and intelligently for Tariff 'Reform' in relation to any of our great industries can no doubt be said by Mr. HEWINS better and more authoritatively than by any other of its advocates. Those who heard, or may read, Mr. HEWINS's speech, and may wonder at its controversial ineffectiveness in comparison with the confident and slashing attacks upon Free Trade delivered from party platforms by many of Mr. CHAMBERLAIN's disciples, would do well to remember that the difference is not due to any inferior ability in Mr. HEWINS, but, on the contrary, to his wider and more exact knowledge of the subject and of his more scrupulous avoidance of anything like claptrap, conscious sophistry, deliberate suppression of inconvenient parts of the truth, or of any of those forms of misrepresentation so commonly practised, more or less innocently, by the political advocates of a 'scientific tariff'.¹

As a public relations exercise in Lancashire, the Commission's work had succeeded rather better than Tariff Reformers might have expected. It had avoided the worst of the calumnies and execrations heaped upon the heads of other Tariff Reformers by Free Traders inclined to doubt their opponents' mental stability. It had provoked serious and thoughtful reviews of its work, notably by Professor Chapman, in that local press perhaps least likely in England to tolerate its activities. And it kept the Tariff Reform message in the minds of the Lancashire people up to and beyond the elections of 1910.

But Lancashire Free Traders realised that there was little proof that the Commission's remedies would have the effect claimed. Hewins's assertion, made in the 1909 speech, that the German tariff had not prevented considerable expansion in German cotton exports, was admitted to be true. But most economists, contended the Manchester Guardian, argued that free imports maximised exports. This was what Hewins had to controvert, theoretically and statistically, to "convert Lancashire".² He had to demonstrate that exports would have grown faster in the recent past under Tariff Reform than under Free Trade. In truth, the theory behind such an argument was present in the Cotton Report in the shape of the Mosely-Caillard

1. Ibid., p. 6 (editorial).

2. Ibid.

adaptation of the 'continuous running' thesis first advanced in the Iron and Steel Report, but, given the less monopolistic organisation of the cotton industry, that thesis was weaker in the case of cotton, and certainly not shown empirically.¹

The proposed tariff on iron and steel had left a relatively simple legacy. Inter-industry harmonisation meant that the tariff had to be remembered when examining the claim for protection of any of those industries which used iron and steel as an input. But how could Tariff Reformers compensate cotton for tariffs on everything from girders to flour when the industry did not want the protection of its own product? There could be no quid pro quo except the promise that retaliation would lower foreign tariffs, the hope that increased employment would increase home demand, and the prayer that the greater output caused by these two would promote efficiency and so increase cotton exports. Such arguments, present in some sense and to some degree in the protectionist strategies of many countries in the nineteenth century, might or might not have had some credence for the British economy as a whole. But as promises specifically to Lancashire they were insubstantial.

1. See above, pp. 320-322.

CHAPTER 7Food Taxes and Agricultural Protection

The derivation of a tariff on agricultural products was the only part of the Commission's work where it had an existing brief of any detail to work on. Chamberlain, at Glasgow, had advocated 2s per quarter on foreign corn, with a "corresponding" tax on flour but with maize being exempted, and a "small tax of about 5 per cent" on foreign meat and dairy produce, this time with bacon being exempted.¹ To counter the effects of the duties on overall food prices, the tea duty was to be reduced by three-quarters, the sugar duty halved, and there were to be corresponding reductions of the duties on cocoa and coffee. Colonial products were mostly to be exempted, except for wines, which would still enjoy a "substantial preference", and fruits, which might receive similar treatment.² Though the Commission was not formally tied by the Glasgow plan, its objective was to examine the likely effects of Chamberlain's proposals. It soon became clear, however, that the Commission was reluctant to go further than suggesting modifications of detail. Even the relatively small changes recommended were liable to create differences among Tariff Reformers and strengthen the arm of the Free Traders. Though the Commission's Agricultural Committee sought to improve the lot of the farmer in the overall Tariff Reform package, its freedom of manoeuvre was limited by the complex interaction not only of agricultural and non-agricultural interests, but also of different interests within agriculture itself. The Commission, more concerned about the political aspects of its work than the Committee was, kept a tight rein on its subordinate.

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1. Chamberlain at Glasgow, 6 October 1903; reprinted in J.M. Robertson, The Collapse of "Tariff Reform": Mr. Chamberlain's Case Exposed, (London, 1911), pp. 52, 54.
 2. Ibid., p. 54.

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On 3 November 1903 the Central and Associated Chambers of Agriculture met in London. The main resolution was moved by Rider Haggard, urging the importance of a change in Britain's fiscal system, and welcoming Chamberlain's proposals. Yet Haggard made it clear that Chamberlain's scheme met with less than wholesale enthusiasm from British agriculturalists:

He [Haggard] confessed that he should have preferred a resolution somewhat differently worded from the one he was proposing, as it seemed to bind them too closely to the chariot wheels of Mr. Chamberlain ... So far as he understood Mr. Chamberlain's proposals, they were not made ... with any special reference to agriculture, and if agriculture did come in it would only be by a side wind.¹

Whilst Haggard was prepared to support Chamberlain's proposals as the best option at present open to agriculture,² Sir Edward Strachey, in moving an amendment, thought that any preferential arrangement with the colonies would be undesirable. Was it not true, he argued, that the great fall in Cheddar cheese prices recently had been caused primarily by increased imports from Canada? Was not the same true of Australian mutton? Professor Long, seconding, required proof that Chamberlain's plan would benefit agriculture. A tax on corn could be of little use to a country which was essentially not a corn-growing country. On the other hand growth sectors such as stock- and dairy-farming used a great deal of foreign corn as feed, and would therefore be adversely affected.³

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1. Sheffield Daily Telegraph, 4 November 1903.
 2. In 1895 Haggard, as Tory candidate for East Norfolk, had alienated much of his party and the press by advocating duties on selected foodstuffs. Yet, in spite of his increasing pessimism and concern for rural society, his catalogue of first-hand experience of agricultural risks and losses in A Farmer's Year (1898) contained but a few comments on the desirability of state aid and finance. In Rural England (1902) he had become convinced that protection would be no solution, advocating rather a dozen or so reforms including the strengthening and government financing of the 1894 Small Holdings Act and the institution of a cheap parcel post for bulky agricultural products. His qualified support of Chamberlain's plan only a year after this presumably reflects his conviction that any aid to agriculture was a step in the right direction. See M. Cohen, Rider Haggard, (2nd Edn., London, 1968), ch. 7; H.R. Haggard, A Farmer's Year, (London, 189), especially p. 1899. 41-2, 130-1, 169-171; Rural England, (London, 2nd Edn., 1906), especially vol. II, pp. 537-9, 542-58.
 3. Sheffield Daily Telegraph, 4 November 1903.

But British farmers were unwilling to turn their backs on the first offer of a helping hand given to them for over half a century. Chaplin's castigation of Strachey and Long for their similarity to the Liberals in doing nothing to help the farmer was greeted with cheers. He agreed with Haggard that any equitable scheme of fiscal reform had to include agriculture as well as industry. But most agriculturalists were in favour of some kind of change, and would it not be sensible for the Chambers to endorse Chamberlain's, at least for the present? "... was it not wise", he asked, "to share in the benefits of the preference which it was proposed to give to the colonies, [rather] than to go on fighting the competition of the whole world?"¹ When the vote was taken Strachey's amendment attracted only ten supporters.

Nevertheless, agriculture's support of preference was bound to be lukewarm. Herbert Matthews, Secretary to the Associated Chambers, reported three resolutions passed by local associations, only one of which, the Lincolnshire Chamber, had voted unequivocally in favour of preference. The other two, the West Riding and Cleveland Chambers, had both passed amendments urging that preference be considered by a Royal Commission.² On 7 December the Stockton-on-Tees Chamber similarly rejected a motion supporting Chamberlain's scheme, also advocating a Royal Commission. The Scottish Chamber, contemporaneously, agreed to invite Chamberlain to address them on his plans, but it intended to make clear in its invitation that it could not yet pledge itself to support them.³ And at the Annual Meeting of the West Riding Chamber on 4 December, the motion of their earlier meeting was reaffirmed, and the cry for a Royal Commission repeated. The chairman of the Chamber was reported to say that "there was nothing in Mr. Chamberlain's programme which was distinctly favourable to the agricultural industry ... The Chamber ... ought to wait until they got better and further information".⁴

1. Ibid.

2. Ibid.

3. Sheffield Daily Telegraph, 8 December 1903.

4. Sheffield Daily Telegraph, 5 December 1903.

On 8 December, at the joint Annual Dinner of the Central and Associated Chambers and the Farmers' Club, Chaplin had the opportunity to state the case for supporting Chamberlain's scheme. Onslow, President of the Board of Agriculture, was first to speak. He had already spoken publicly in favour of Chamberlain's policy, refuting the belief that a tariff on agricultural products would reduce agricultural labourers' living standards by arguing that anything which would benefit the prosperity of the community as a whole would tend also to increase that of the labourer. A rise in the cost of dairy produce was possible, given the present situation where the principal competition was from continental Europe. But with grainstuffs, with wheat, "the first necessities of life",¹ the situation was quite different. But the very factors which made a rise in the price of wheat unlikely also made this particular aspect of Tariff Reform of dubious advantage:

So long as wheat from millions of acres of colonial soil, yet untilled, may come in free, I could not recommend farmers to break up an acre of pasture to sow it with wheat ... [but at least] the competition on equal terms would be between our own kinsmen; now it is with all the world.²

Now, at the Annual Dinner, and with carefully chosen words, he described 1903 as a year in which the "floodgates of foreign competition had been supplemented ... by floods from the skies".³ But in spite of this the previous decade had seen an improvement in the main indices of agricultural production, as shown by official figures. Some sectors had done better than others - Onslow cited breeding and feeding, where demand was active and prices high. The real need in agriculture was an injection of confidence, and to this end Onslow announced his intention to continue the prohibition on Canadian store cattle.

Up to this point Onslow's reception had been somewhat mixed. His announcement of continuing the Canadian prohibition had been greeted with

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1. Onslow to Charles Wenden, in an open letter in the Morning Post, 26 November 1903, p. 5. Wenden was one of Onslow's tenants.
 2. Ibid.
 3. Sheffield Daily Telegraph, 9 December 1903.

cheers, his assertion of a decade of agricultural progress and growth with cries of disbelief. He ended his speech commenting favourably but guardedly on Chamberlain's programme, urging that the need for Empire consolidation was a greater goal than the narrower issue of "lining [agricultural] pockets a little more".¹

When Chaplin rose to speak it is clear, from the Sheffield Daily Telegraph's parenthetic reporting of audience reaction, that the meeting supported his remarks more strongly than it did Onslow's. Chaplin:

... saw a very great danger (hear, hear) ... They [his audience] might take it absolutely for certain that no reform of the fiscal policy whatever could be carried without the assent of the working classes. If once the workers in towns got Protection for manufactured goods, what earthly guarantee would there be that the most suffering industry, that of agriculture, would have any quid pro quo whatever in the way of taxation of imported food.

He [Chaplin] knew that there was some considerable searchings (sic) of heart upon this question among agriculturalists, and he was often asked what the proposed policy was going to do for them. His answer was that he sympathised most thoroughly with them, but where were they going to get anything better, and where were they going to get another champion like Mr. Chamberlain - (hear, hear) - to come forward and propose any policy whatever in connection with the fiscal system which would do anything at all for them. (Hear, Hear).²

Chaplin had played cleverly on the agriculturalist's distrust of the townsman in mentioning the danger of a 'one-sided' protection embracing only manufactures. Now he moved on to exploit the uncertainty that existed in the country over Balfour's policy:³

The official programme was retaliation, which meant, if it meant anything at all, that there was under certain circumstances to be Protection under (sic) manufactured goods imported into this country, but under no circumstances were there to be, according to some of the younger and less discrete members of the Government - (laughter) - any Protection ... of any sort or kind, or any taxation whatever upon any articles of food. Whatever preference was given to the Colonies they must have their share of whatever advantages they might derive in

1. Ibid.

2. Ibid.

3. Balfour had, of course, already tried to outline his position clearly and at some length, in Economic Notes on Insular Free Trade, (London, 1903). The public, however, remained confused and dissatisfied.

supplying the needs of our vast population with food. When they compared Mr. Chamberlain's proposal with the authorised programme it would be madness on the part of any agricultural constituency if it did not join heart and soul in supporting Mr. Chamberlain.¹

Rider Haggard then moved a resolution advocating fiscal reform along Chamberlain's lines, with the predictable consequence that Mr. C. Middleton, of Darlington, moved an amendment that, although fiscal reform was necessary, the meeting should press for a Royal Commission to examine the form it should take. But the mood of the meeting was now distinctly against those Northern chambers which were advocating a government enquiry. Mr. Terrell, KC, thought this would simply delay remedial measures. And Chaplin was cheered loudly when he rose to remark that:

Speakers seemed to forget that they had already had an inquiry by experts, and had had its results. At the present time there was an inquiry going on in which the whole nation was taking part. He suggested that they should proceed to the larger question.²

The Northern chambers were in a small minority. The unamended resolution was carried, only four votes being cast for Middleton's Royal Commission. The Morning Post recorded its opinion that the most interesting feature of the Annual Dinner was "the unequivocal character of the demonstrations in favour of Mr. CHAMBERLAIN's 'unauthorised programme' of fiscal reform".³ But it is obvious that to many farmers Chamberlain's scheme was far from ideal and required constant surveillance: Chaplin's arguments in its favour had been along the lines that at present British agriculture could hope for nothing better.

On 12 December at Edinburgh Rosebery dwelt at some length on the chimerical benefits that the Chamberlainite proposals promised agriculture.⁴

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1. Sheffield Daily Telegraph, 9 December 1903. See also Chaplin, in similar vein, at Sleaford, in Morning Post, 16 November 1903.
 2. Sheffield Daily Telegraph, 10 December 1903. The reference to a previous enquiry was presumably to British and Foreign Trade and Industry..., op. cit., though it may have been to the Royal Commission on Agriculture of the 1890s.
 3. Morning Post, 9 December 1903, p. 3.
 4. Rosebery at Edinburgh, 12 December 1904; in Times, 14 December 1904, p. 9.

This afforded Chaplin a welcome opportunity to give additional comfort to agriculture by introducing the possibility of a wider set of measures than had hitherto been mooted in public. Speaking at Ware to a fairly large local audience of 700, he taunted Rosebery on his lack of knowledge of agriculture. Wheat was not the only corn product that would benefit from a duty of 2 shillings per quarter. Were Chamberlain's policy to be adopted, Britain would in future obtain most of her wheat from the colonies, which would "be only too glad to send it to us in any circumstances whether we were at peace or at war with any of the great foreign Powers".¹ But Chaplin himself cherished the hope that barley would be included in the new policy. The soil of the colonies was not well suited to its cultivation. Thus:

... whatever might happen in the case of wheat, those in this country who were interested in the case of barley, and still more in the manufacture of barley into malt, might look forward for many years to come to whatever advantage the duty gave in the case of barley.²

By January 1904, then, the brief revolt of some Northern chambers was over. It was stilled by the latent force of an agricultural community that was, after what it regarded as a quarter of a century of shameful neglect, prepared to grasp any straw that was offered. But this was it: support of Tariff Reform was for many a tactical move. There must have been considerable silent sympathy with Middleton and the Stockton Chamber from many agriculturalists who were nevertheless unwilling to abandon the chance of achieving a half-way house. Furthermore, the Tariff Commission was well placed to appreciate this, for A.H.H. Matthews, the secretary of the Central and Associated Chambers, provided Hewins with intelligence on what was going on in his local associations when he joined the Commission's Agricultural

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1. Chaplin at Ware, in Morning Post, 15 December 1903, p. 4.
 2. Ibid. Rosebery accused Chaplin of supporting Tariff Reform to secure larger duties in the future, and quoted him as having said 20-25/- per qr. was necessary for agricultural prosperity. Chaplin replied, at Ipswich, that Rosebery was mistaken and that in no circumstances would he support such duties. Rosebery spoke, he argued, as if a duty on wheat were the only element in the proposals. Rather, maintained Chaplin, "it is the least thing". See Chaplin at Ipswich, in Morning Post, 9 December 1903, p. 8 (my emphasis).

Committee. He produced the wording of motions passed between June 1903 and March 1904 by 41 separate Chambers, Farmers' Clubs, Farmers' Associations, etc., several of which had passed more than one resolution. Of these bodies only twenty unequivocally endorsed Chamberlain's scheme, and of those Wetherby and District Chamber of Agriculture stressed that agricultural goods must not be excluded whilst the Lincolnshire Chamber had passed two resolutions adding items to the list of dutiable goods mentioned in the Glasgow speech. Two more associations approved of Chamberlain's scheme, but put it on record that agriculture would benefit less than would industry. Of the rest only three expressed no opinion or the desire for a Royal Commission.¹ Sixteen occupied a position of tentative acceptance, several fearing the taxation of manufactured goods without any quid pro quo for agriculture, and rather more of them viewing Chamberlain's proposals favourably but requiring more, and more detailed, information about their scope.²

Thus it was made clear to the Commission, not only by the sniping of Free Traders attempting to open a three-cornered rift between agricultural, industrial and imperial interests, but also by reports of agricultural opinion, and agriculture was watching Chamberlain's scheme closely, and that at the very least no retrenchment was expected, whilst at the most a very much bigger quid pro quo would be accepted gratefully. To agriculturalists, therefore, the Commission was very much the starting rather than the finishing post of the new proposals, and we have noted above that the Commission as originally composed had caused its organisers some concern in that agriculture was relatively lightly represented.³ Tunbridge Wells Farmers' Club urged that "adequate representation of the Tenant Farming

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1. This category would be expanded if we included the first resolutions of several chambers which subsequently passed later resolutions more sympathetic to Chamberlain's policy.
 2. "Resolutions on Tariff Reform by Chambers of Agriculture", undated typescript in Matthews correspondence; C-756, T.C.P.
 3. See above, pp. 93-94.

interest" be secured upon it.¹ Due deference was shown by the Commission in the appointment of its Agricultural Committee.

II

Early in 1904, when the final list of Commissioners themselves was still only in its last stages, Chaplin and Hewins were making a selection of farmers to be invited to sit on the Agricultural Committee.² Perhaps because of the less fundamental division of opinion amongst agriculturalists than industrialists over Tariff Reform, they were able to take official and semi-official advice on the selection of suitable men. Though many manufacturing trade associations supplied the Commission with lists of members, we have seen that in most cases this was the limit of their activities.³ But the pressure-group organisation of agriculture was more uniform, less politically divided, and the Commission was able to act at its centre. Matthews, himself to be an Agricultural Committee member, sent from the Central and Associated Chambers two lists of names, remarking that all types of farmers were represented.⁴ Sir Thomas Elliott, secretary to the Board of Agriculture,⁵ sent three names of men "highly experienced in enquiry work and statistics", two being barristers and one a landowner.⁶ Shortly afterwards he had compiled and provided to the Commission a much longer list of farmers representing all the English regions. Chaplin confided to Hewins that he would discuss the list with Sir Jacob Wilson,⁷

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1. "Resolutions on Tariff Reform ...", loc. cit., p. 9.
 2. Though there is no mention in the printed minutes, it appears that an initial selection was made at the meeting of 20 January. This was, however, only a discussion of those Commissioners who would be interested in sitting on the agricultural enquiry. (Hewins to Chaplin, 21 January 1904; C-76 (I), T.C.P.) Some Commissioners had volunteered before this (e.g. Dennis to Hewins, 18 January 1904; C-135, T.C.P.)
 3. We have noted above, pp. 144-145 exceptions such as the British Tube Trade Association and the Paper Makers' Association, which appointed delegate witnesses.
 4. Matthews to Chaplin, 26 January 1904; C-76 (I), T.C.P.
 5. From 1892 to 1913; see Who was Who, II, 1916-1928.
 6. Messrs. Arkwick, Spencer and Ginsburgh. See T.H. Elliott to Chaplin, 27 January 1904; C-76 (I), T.C.P.
 7. Wilson was Agricultural Adviser to the Board of Agriculture, but was about 67 in 1904 and may well have retired; Who was Who, I, 1897-1916.

who would be acquainted with most of them. The Commission would be "pretty safe" in leaving the selection to Wilson.¹ Hewins, who had been given a copy of Elliott's list by Lord Onslow, nevertheless thought that they would have to exercise "great care in selecting the names".²

Whilst Chaplin played a central role in selecting the Committee, the Commission's administration utilised the web of connections possessed by those of its own members who had already agreed to serve. Hewins wrote to Goulding about a Mr. G.H. Lennon, who had been suggested as a possible member, but Goulding replied from Ireland that "he is not at all well known in the Agricultural world here, and I have enquired at the Farmers Gazette who have told me the same".³ Instead he suggested that "The three best men you could get in Ireland" were Richard Barter of County Cork, a large mixed farmer and an "active member" of the Agricultural Society of Cork, P.R. Gray, described as "one of the largest and most progressive farmers in Kildare, and highly thought of amongst farmers generally", and Colonel Everard, a large tillage and cattle farmer who was an adviser to the Board of Agriculture.⁴ Ultimately, Barter and Gray were to join the Committee and Everard give evidence before it.

But again it must be stressed that the process of selection, even as centralised as it was in the unusual case of the agricultural enquiry, defies any complete generalisation. Indeed, one member, Cecil Parker, was brought to the attention of the Commission through the unsolicited testimonial of a business associate who felt Parker should represent lead mining and smelting on the Commission. It was only as an afterthought in this recommendation that it was added that "the high position he [Parker] has held with the Royal Agricultural Society for many years, is a sufficient proof of his experience in other respects".⁵

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1. Chaplin to Hewins, 31 January 1904; C-76 (I), T.C.P.
 2. Hewins to Chaplin, 1 February 1904; *ibid.*
 3. Goulding to Hewins, 10 February 1904; C-137, T.C.P.
 4. *Ibid.*
 5. P. Jones (a director of the Holywell-Halkyn Mining and Tunnel Co. Ltd. of Pendre, Holywell) to Chamberlain, 19 December 1903; C-657, T.C.P. See also Hewins to Jones, 31 December 1903 and Jones to Hewins, 4 January 1904; *ibid.*

On the whole, selection of Agricultural Committee members proceeded more smoothly than did selection of Commissioners. Basically, the question of which industries were to be represented did not arise, and thus any outside pressure for inclusion was on the narrower grounds of personality, authority or fiscal enthusiasm. There was little embarrassment, such as that of Eckersley and Levinstein, over accepting a position. Though Matthews, perhaps the Committee member most vulnerable to outside criticism, requested an early announcement in the Times that he served in his "private capacity",¹ he did not object when Hewins asked that this be delayed, reminding Matthews that all members of the Commission and its committees, whether appointed by trade associations or not, acted in such a capacity.² There was also less chance of the Commission getting egg on its face from a Free Trader refusing to serve. Selection could also be undertaken with less need to choose men with wide experience of different industries, who could then be used to 'represent' areas wider than those in which lay their principal claim to fame. As diverse as it was, British agriculture was more homogeneous than the industrial sector. And once it had been decided to select on a geographical basis, uncertainty and risk were diminished even further. The normal Commission methods of enquiring into a potential member's reputation, standing and importance, and (often) fiscal views, could then be set in motion.

One interesting exception to this was the case of W.E. Frankish. His name was probably put forward by Chaplin, and after consideration the General Purposes Committee included him on a list of selected members in a report to the Commission on 24 February.³ But then differences of opinion arose as to his inclusion. The chief objector was Pearson, though it seems that at first Hewins agreed with him. To a minor extent they were concerned that the Committee had already reached the desired size,⁴ and that Lincolnshire,

1. Matthews to Hewins, 24 March 1904; C-756, T.C.P.

2. Hewins to Matthews, 25 March 1904; *ibid.*

3. T.C.M.(P), 24-25 February 1904; T.C.P.

4. Certainly Frankish was the last original Committee member to be appointed. See Chaplin to Hewins, 6 March 1904; C-76 (I), T.C.P.

Frankish's locality, was already represented by Chaplin himself. But the main objection was that Frankish was a prominent member of the Lincolnshire Chamber, which had already been reported widely in the press for passing a resolution to the effect that under Chamberlain's policy British agriculture would gain little compared with colonial agriculture and the British manufacturer. Whilst it is true that the Lincolnshire Chamber had subsequently (and, no doubt, tactically) swung more into sympathy with Chamberlain, and were already passing a series of motions in effect supporting Chamberlain's proposals as long as the Lincolnshire Chamber's view, of what goods should be taxed and at what rates, was accepted,¹ there can be no doubt of the Tariff Reformers' embarrassment over the apparent contradictions in a scheme which promised at the same time to bind together the Empire by fostering a huge inter-imperial trade in primaries, and to benefit the British farmer. Pearson, so often insensitive to the political niceties surrounding Chamberlain's plans, was on this occasion reluctant to expose the Commission to what he perceived as the dangers of heavy representation of the Lincolnshire Chamber.

But Chaplin was of a different opinion. Notwithstanding objections and without final authorisation he sounded out Frankish and telegraphed Hewins, only three days before the first meeting of the Committee was scheduled, that "Frankish Will (sic) serve if you ask and for reasons which both yourself and Pearson will probably approve. I think he should be [asked]".² In a supporting letter, not always very coherent, Chaplin admitted the validity of Pearson's doubts: "Pearson's very material (natural?) objection ... was this - That It would be a Climb Down, at Heneage's Bidding & if that were all - there would be force in the objection".³ But he went on to argue that it was important to prove, to Lord Heneage, to the Lincolnshire Chamber, and

1. "Resolutions on Tariff Reform ...", loc. cit., pp. 4, 6-7, 10.
2. Chaplin to Hewins (telegram), 5 March 1904; C-76 (I), T.C.P.
3. Chaplin to Hewins, 6 March 1904; *ibid.* Heneage was a landowner who had been MP for Lincoln and Grimsby, and had been prominent both in agricultural affairs and the Liberal Unionists; see Who was Who, II 1916-1928.

to the agricultural world generally, that Chamberlain's proposals were not neglectful of the farmer:

The Lincolnshire farmers are cruelly hit - & very despondent, & I should be sorry if there was anything - to give even the appearance that Cty [Committee] were lukewarm in their support - like [= as did] the Resolution passed by their Chamber - evidently at Lord Heneage's instigation.¹

Chaplin's letter was a mixture of special pleading and tactical argument.

He was anxious "to have associated with us on the Committee a Tenant Farmer from Lincolnshire", since:

He would be useful to me - It would remove any possible cause for Dissatisfaction, (The only one from which there has been any complaint in a very important agricultural centre, affecting a no. of Seats - and it would effectively disarm any further attempts at mischief in the same quarter in future.²

But at the same time it emerged that Chaplin's plea to Hewins was a fait accompli, for unbeknown to Hewins he had already prevailed over the members of the General Purposes Committee, and "Under the circumstances [the] Cty have thought it right to agree".³ Prominent amongst these circumstances was the embarrassing fact that Chaplin had already virtually promised Frankish a position, and it took little imagination to realise that news of withdrawal of such an offer would have spread through Lincolnshire like wildfire. Chaplin perhaps realised that this would weigh more heavily with Hewins than with Pearson: certainly it was a final statement of his determination to prevail over Pearson when he remarked that "Your [Hewins's] authority combined if necessary with Herbert's would be quite sufficient in the purpose, without it being necessary to summon the Committee".⁴ Three days later, after a visit by Chaplin to London and a telegram to Frankish, the latter attended the first meeting of the Agricultural Committee.

It is not intended to imply that Frankish was a particularly important member of the Committee. He only attended seven meetings, and those mostly

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1. Ibid.
 2. Ibid.
 3. Ibid.
 4. Ibid.

at the beginning; he was becoming elderly and did not leave his mark on the proceedings.¹ But his appointment illustrates clearly the extent to which Chaplin was prepared to go to unite agriculturalists in one single front, and to remove rural hostility to Chamberlain's policy and Commission. If this meant a deviation from scientific enquiry and scientific tariff-making, Chaplin did not particularly care. If it meant promising agriculture an all-embracing wall of protection built mindless of other interests, he was unconcerned. The rural life was his greatest passion, and he remained its staunchest ally to his end. But the Frankish episode also demonstrates that ultra-protectionists (even the mild variant of pre-1914 Britain) could at times be as embarrassing to the Commission as could Free Traders. Despite Chaplin's conciliatory appointment of Frankish, despite even Chamberlain's Welbeck speech, Heneage was not satisfied, and stated in the Times that "I should be inclined to Mr. Chamberlain's views ... if only I could learn where agriculture came in".² As late as 1913 he was still causing delight in Free Trade circles by recounting in the Morning Post how, in 1904, "the agitation got into the hands of unpractical Protectionists and the agricultural interests were refused a practical representation ... on the Commission, as Mr. Chamberlain and I desired".³

Twenty-three members were finally selected to sit on the Agricultural Committee, seven of them Commissioners.⁴ Apart from Frankish, their selection was trouble-free, and undertaken geographically by dividing the country into the different districts adopted by the Board of Agriculture: "as nearly as possible" the Committee reflected those districts.⁵ A list of

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1. In 1904 he had already retired from active farming, and in 1913 he was "too old to come to town for our meetings"; see Matthews to Hewins, 1 March 1913; C-756, T.C.P.
 2. Times, 9 August 1904,
 3. Morning Post, 7 August 1913. See also W.E. Dowding, The Tariff Reform Mirage, (London, 1913), pp. 31-32. Heneage's statement that Chamberlain wanted heavier representation of agriculture on the Commission proper was completely incorrect. See above, p. 94.
 4. Chaplin, Cooper, Dennis, Goulding, Grenfell (later Desborough), J.M. Harris and Phillips.
 5. Chaplin, in Agricultural Committee Minutes (VT), (hereafter cited as A.C.M.(VT), 1 November 1904, p. 5; T.C.P.

Agricultural Committee members under the districts they represented is given in Table 19.

TABLE 19

Agricultural Committee Members as at 24 February 1904

South East	F. Neame
South Midlands	W.H. Grenfell MP (later Desborough)
	R.W. Hudson
	R. Orlebar
South West	J.M. Harris
	J. Stratton
East	T Brown
Lincolnshire	H. Chaplin (chairman)
	J.W. Dennis
	W. Frankish
West Midlands	C.D. Wise
South Wales &)	
Monmouthshire)	O. Price
North West	P. Blundell
	C. Parker
Scotland	J. Biggar (died: replaced by G. Malcolm)
	J.M. Fraser
Ireland	R. Barter
	Sir Wm. Goulding
	P.R. Gray
General	W. Cooper
	A.H.H. Matthews
	C.J. Phillips

Source: T.C.M.(P), 24-25 February 1904; T.C.P., and Agricultural Report, paras. 2-7.

Note: The Lincolnshire 'district' has been supplied by the present writer, probably not conforming to the Board of Agriculture's divisions. In view of Chaplin's importance and standing in agricultural affairs and politics at a national level, there would of course be grounds for classing him with Matthews under "General". Equally, Matthews's farming experience would not preclude classification under "South East". The districts of each member are those ascribed by the Commission with the exception of Chaplin, Dennis, Frankish, and J.M. Harris.

Given the recent criticism levelled at the Richmond Commission of 1879-1882, that it consisted predominantly of large, south-eastern grain farmers,¹ it is interesting to note what information we have on the size and

1. Especially T.W. Fletcher, "The Great Depression of English Agriculture, 1873-1896", Economic History Review, 2nd Series, XIII, 1960-1961, reprinted in P.J. Perry (ed.), British Agriculture, 1875-1914, (London, 1973), especially pp. 43-45.

type of holding of Committee members. Information on size is known only for ten of the 22 members, one of whom, Grenfell, probably did not farm any of his 3,200 acres himself.¹ Of the remaining twelve, six² did not farm themselves, whilst Parker was resident agent for the Duke of Westminster's Cheshire estates and Fraser was an "extensive landowner" in Scotland as well as being an auctioneer.³ Of the four complete unknowns, Orlebar's biographical details give the impression of a large and prosperous owner in Bedfordshire and Northamptonshire, a man prominent enough to be current President of Bedfordshire Chamber of Agriculture,⁴ whilst Chaplin, though his estates had by 1904 passed out of his control, had once been a large landowner. Thus it is likely that the ten known farmholdings do not seriously misrepresent the general character of Committee members who did farm. Of these, only two farmed less than 1,000 acres, and the smallest was nevertheless "one of the largest and most progressive farmers in Kildare".⁵ The two largest were Stratton, who leased over 6,000 acres in Hampshire and Wiltshire, and Dennis, who farmed 4,000 acres in partnership.⁶ From the prominent positions held in national agricultural societies and local Chambers, the frequency of Justices of the Peace, and even the presence of the odd High Sheriff, there can be little doubt that the Committee reflected relatively large farmers, prestigious in their localities.⁷ This was the inevitable

1. T.C.M.(P), 24-25 February 1904; T.C.P.
2. Brown, Cooper, Goulding, J.M. Harris, Matthews and Phillips. Both Cooper and Matthews had been tenant farmers earlier in life.
3. Agricultural Report, para. 4.
4. T.C.M.(P), 24-25 February 1904; T.C.P.
5. i.e., P.R. Gray, *ibid*.
6. The acreage of the ten members for whom data is known were:-

Gray	232	(equiv. 145 Irish, all tillage)
Biggar	800	(400 arable rotation, 320 grass)
Wise	1,000	(mostly fruit, some grass)
Price	1,500	(plus "extensive sheepwalks")
Neame	1,977	(781 arable, 442 grass, 143 fruit, 408 hops, 203 wood)
Frankish	2,000	(1,600 arable, 400 grass - recently retired)
Hudson	2,600	
Grenfell	3,200	(owner - no indication of active farming)
Dennis	4,000	(1,500 potatoes, 500 grass, 2,000 corn)
Stratton	6,000	
7. See individual biographies below, Appendix 2.

result, and indeed probably the intention, of the Commission, which, in seeking always to emphasise the authority and expertise of those conducting its enquiries, made its selection on the basis of standing in the localities.

We have noted above¹ the concern displayed by some farmers that tenant farmers should be represented on the Committee, a concern that presumably reflected the belief that tenants had been neglected in the great official enquiries of the previous thirty years. At least four,² and perhaps six,³ of the members were solely tenants, including the two smallest and the largest. Two more⁴ had been tenants before they ceased active farming. Though we cannot equate them with tenants, a further two⁵ were land agents, or in effect professional managers, and thus did not own the land they farmed.

On the matter of land-use and type of farming, we have hard evidence for only eight of the eighteen members who farmed or owned land, or had previously done so. With the exception of Wise, who had managed 1,000 acres of Gloucestershire fruit farms since 1885, growing a wide variety of crops including glasshouse exotics,⁶ all the English farmers in this group conformed to the pattern (if one can have a pattern of such diversity) of mixed farming so predominant in England. Neame, from Kent, practised arable rotations (corn, roots and green crops) on some 40 per cent of his acreage; though he did not mention arable-fattening in his evidence, some 25 per cent of his farm was laid down to grass.⁷ Dennis, though his South Lincolnshire acres were dominated by corn and potatoes, and his evidence by potatoes and market gardening, had some 12½ per cent of his land laid down to pasture.⁸

Frankish claimed to have seen in his long farming career the erosion of the

1. See above, p. 369-370.
2. Gray, Biggar, Frankish (retired) and Stratton. Price rented land as well as owning, but then so possibly did other owners.
3. See Neame's evidence, Agricultural Report, para. 1057. Dennis (para. 554) talks of rent in his evidence, but his partnership may have computed a rent to capital.
4. Cooper and Matthews.
5. Wise and Parker.
6. Agricultural Report, paras. 984-992.
7. Ibid., paras. 1054-1059. Neame's evidence was, however, solely confined to hops, only about 20 per cent of his acreage.
8. Ibid., paras. 548-567.

dominance of grain in Lincolnshire, and, though arable acreage predominated on the farm he had recently given up, about 20 per cent was grass and he bred cattle and especially sheep in quantity: he considered sheep "have paid better than anything on the farm, simply because they produce themselves quickly".¹ Though Matthews had first in his farming career tenanted a dairy farm in Kent, his subsequent experience was of a mixed farm in Surrey.² Livestock seems to have been relatively more important to the Scottish and Irish members. Biggar had a mixed farm in Dalbeattie, with arable acreage slightly predominant, but it can be inferred from his evidence that stock-raising and dairying were his principal interests.³ Barter, of County Work, specialised in dairying and stock-breeding,⁴ whilst Gray's farm in Kildare was mixed, arable products being increasingly fed to stall-fed cattle as cattle-grazing became, in Gray's experience, increasingly unprofitable.⁵

We also might add inferential evidence about the experience of a further eight members. Grenfell and Chaplin, as a landowner in the first case and an erstwhile landowner in the second, might well be taken to represent the large landowning aristocracy, and perhaps the corn-growing mentality that this implied, of the South and East. Orlebar, as a Bedfordshire and Northamptonshire landowner, chairman of the Farmers' Club and president of Bedfordshire Chamber of Agriculture, might be considered similarly. But five others do not conform so readily to this image: Stratton, with 6,000 acres in Hampshire and Wiltshire, Price, with 3,000 sheep and herds of Hereford cattle on his extensive Breconshire holdings and tenancies, Blundell, with a Lancashire tenancy and a strong interest in prize breeding, Cooper, whose early experience in Aberdeenshire was probably on a mixed farm orientated towards stock, and Fraser, whose landholdings in Perthshire were

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1. Ibid., paras. 862-866. The evidence of Frankish and Dennis on the profitability of livestock in Lincolnshire conflicts strongly: bearing in mind Dennis's farm was situated near the Wash, almost in West Norfolk, this probably reflects local, intra-county differences.
 2. T.C.M.(P), 24-25 February 1904; T.C.P.
 3. Agricultural Report, paras. 518-520.
 4. T.C.M.(P), 24-25 February 1904; T.C.P.
 5. Agricultural Report, paras. 584-589.

combined with the business of livestock auctioneer.¹

But the practical importance of any deviation of Committee members from the hypothetical representative man of British agriculture is doubtful. It is not realistic to see British agriculture in the early twentieth century as still clinging to the obsession with wheat that Fletcher found to be endemic to the Richmond Commission of 1879,² and that was subsequently perpetuated by Ernle.³ By 1906 the trend towards diversification of product away from wheat had been a feature of British agriculture for some 50 years,⁴ and was well-recognised by contemporaries.⁵ Even Fletcher agrees that, to some extent at least, the Royal Commission of the 1890s was an improvement over that of the 1870s in this respect, perhaps because "the farming interest was struggling to wean itself from the now politically embarrassing aristocracy and to make its voice heard in the more hostile Commons".⁶

Yet the loss of influence exercised by the landowning aristocracy over the farming interest presumably occurred gradually and unevenly, and it may well have outlasted political influence in other areas. This uncertain issue is of particular relevance to an assessment of the position of Henry Chaplin in the agricultural world. After all, Chaplin's role as the major spokesman for agriculture in the Commons did not change before 1914, and it was old age rather than agricultural disaffection that terminated that role. Chaplin may have changed from the "'Squire' Chaplin, owner of some 23,000 Lincolnshire acres", who to Fletcher epitomised the Eastern grainlords of

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1. See biographies below, Appendix 2.
 2. T.W. Fletcher, loc. cit., pp. 32, 39-43. Perry, more cautious, finds "some truth" in this, though "a long period was spent hearing Scottish and Irish evidence"; see P.J. Perry, British Farming in the Great Depression, 1870-1914, (Newton Abbot, 1974), p. 133.
 3. Lord Ernle [R.E. Prothero], English Farming: Past and Present, (1st Edn., London, 1912), has frequently been blamed for perpetuating a pessimistic view of agricultural depression by its emphasis on corn-growing and the South and East of England.
 4. E.L. Jones, "The Changing Basis of English Agricultural Prosperity, 1853-1873". Agricultural History Review, X, 1963, pp. 102-119.
 5. See E.A. Pratt, The Transition in Agriculture, (London, 1906), passim, and Agricultural Report, para. 127.
 6. T.W. Fletcher, loc. cit., pp. 48-49. Thompson's dating of the eclipse of the political influence of the landed aristocracy concurs with this view. See F.M.L. Thompson, English Landed Society in the Nineteenth Century, (London, 1963), chs. 10-11, especially pp. 273-4, 276.

the 1870s;¹ indeed, the mere loss of those 23,000 acres might be sufficient to cause quite marked personality changes in lesser men. For, when we address Fletcher's question, "Whom in reality did 'Squire' Chaplin represent?"² to the advocate of small holdings and the chairman of the Commission's Agricultural Committee, we do not find a distant and semi-interested anachronism but an agricultural politician interested in manifold practical improvements and adaptations, from tobacco growing to beet production.³ No doubt Chaplin originated in a world that was lost, no doubt his joviality and geniality persuaded some that he was a delightful but irrelevant hangover from 'Merrie England',⁴ but the simple fact that Chaplin, at times it seems almost single-handed, was not strong enough to reverse the fortunes of British agriculture in parliament,⁵ should not delude us into believing that he was out of touch with the currents of agricultural change, or with practical, clay-smeared farmers and their desires for agricultural salvation.

Certainly, the division of farming interest along 'corn and horn' lines, as convincing as it may have been to some revisionist scholars, exaggerates the difference of opinion within British agriculture over agricultural policy. It is an irony of Tariff Reform that, to a large extent, the movement foundered on the rock of a corn duty that many did not really want, and even more did not think would be effective, but had to endorse because of colonial preference. And heightening that irony is the realisation that agriculturalists (largely, it is admitted, because of political expediency) cared little for a corn duty, and looked to other forms of protection as their central ideal. The gap between agricultural reality and perception

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1. T.W. Fletcher, loc. cit., p. 42. Fletcher himself adds that Chaplin was "for fifty years agriculture's spokesman in the House of Commons".
 2. Ibid., p. 43.
 3. Whether or not Fletcher's portrayal of Chaplin in his early career is accurate would be a subject worthy of further study.
 4. As depicted in A.G. Gardiner, Prophets, Priests and Kings, (London, 2nd Edn., 1914), pp. 212-219, especially pp. 213, 219.
 5. Gardiner maintained, rather unfairly, that the Agricultural Rates Bill of 1896 was "his one serious contribution to legislation"; ibid., p. 215.

was narrower in the earlier twentieth century than it was to become at the hands of pre-Fletcher agricultural historians.

III

The terms of reference of the Agricultural Committee were different from those followed in earlier enquiries, and indeed from some of those which came later, in that they did not establish the need to enquire into the 'state of the industry'. In 1908 Hewins wrote of the engineering industry:

You are no doubt aware that the official classification and figures which are given by the Board of Trade make it extremely difficult, indeed almost impossible, to draw precise and accurate deductions as to what the state of the industry really is, and the interpretation of the figures is therefore largely dependent on the expert advice of those engaged in the trade.¹

Yet the earlier agricultural enquiry was beset with no such problems. After decades of neglect, after several lengthy Royal Commissions on agricultural depression and closely related issues, after experiences which provoked even the precariously placed large landowner to bemoan his fate in public,² few agriculturalists could have felt that the prosperity of their industry merited serious study. Chaplin, who had already spent "six years of my life" sitting on the two Royal Commissions that enquired into agricultural depression,³ felt that "The fullest information possible is in existence already ... in published Official Documents ... I confess I see no necessity in a very wide or extended enquiry ... on this branch of the question".⁴ And, as Hewins set the full-time staff to abstract information from official sources, in the typical Commission style by now well established, Chaplin was provoked into demanding a narrower brief for the Agricultural Committee:

It must always be borne in mind that this is not a Commission (sic) to consider Agricultural Depression ...

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1. Hewins to Watson-Laidlaw and Co. Ltd., 25 November 1908; C-6251, T.C.P.
 2. Duke of Bedford, The Story of a Great Agricultural Estate, (London, 1897).
 3. Chaplin at opening meeting of Agricultural Committee, 8 March 1904; printed speech in T.C.P.
 4. Chaplin to Hewins, 31 January 1904; C-76 (I), T.C.P.

I don't see how the enquiry can be conducted with any success unless we have some instructions before us - much more definite than anything which is suggested at present.¹

On this occasion Chaplin submitted draft terms of reference for the Committee, which were accepted by the executive with relatively little change. At the first meeting Hewins reported the objects of the Committee to be:

To examine the proposals submitted to the country by Mr. Chamberlain and to report to the Commission as to -

- (A) Their effect on present agricultural conditions;
- (B) Whether any modifications in detail are desirable, and, if so, what should be the nature of such modifications, having due regard to the general interests of the community;
- (C) The best way in which, where there are conflicting interests of the manufacturing and the agricultural industries respectively, those interests can be most satisfactorily harmonised.²

In his opening speech, Chaplin elaborated on the abundance of testimony to agricultural depression that already existed. But there was:

... one point, however, and, so far as I know, only one point, (there may be others as our proceedings develop) upon which we shall have to seek for information and guidance from such evidence as we shall be able to collect for ourselves, and that is in order to learn the effects of the imposition of duties upon imports of agricultural produce.³

We have seen above⁴ the emphasis placed on the 'reduction' process, the method of finding out whether a deteriorating British position could be ascribed to natural conditions or warrantably superior (rather than 'unfair') methods overseas. Only if this method yielded negative results could it be assumed that tariffs and other unfair and unnatural obstacles and practices proved (a) the efficacy of protection to foreign industries, and (b) the necessity and desirability of emulating them. It has been suggested above that relative international efficiencies in iron and steel were not hugely different, and in cotton were, on balance, slightly in favour of the UK. This was the view of the Commission, a view not out of line with the work of

1. Chaplin to Hewins, 4 March 1904; *ibid.*
 2. A.C.M.(P), 8 March 1904; T.C.P.
 3. Chaplin at opening meeting of Agricultural Committee; *ibid.*
 4. See above, pp. 210-228 and 317-322.

subsequent economic historians. Agriculture, however, was to be spared the humiliation of an examination at the hands of the 'reduction' process.

Though the Commission believed sincerely in its own scientific methodology, this demonstrates very clearly the subconscious limits which it imposed on itself. For no one could doubt that, in terms of classical 'comparative advantage', British agriculture, especially the corn sector, made a poor showing compared with the great tracts of the New World. The Committee of course realised this, but refused to face it squarely. Though Hudson admitted the part played by "superior natural conditions" abroad, he maintained that foreign competition was "very largely owing to conditions which are most unfair to our own home producers"; his list of such conditions, however, might have brought a smile to the lips of orthodox economists, who could have diagnosed a protectionist 'fallacy' in almost every one:

We refer of course to ... the average rent paid for land abroad is much lower than at home - the rates and taxes are lower - [the cost of] labour and the standard of living is lower and charges generally affecting the cost of production are lower than in our own highly developed and thickly populated country.¹

We should perhaps remember that this argument is not entirely illogical. After all, Western Europe did achieve double the wheat yield per acre of her American competitors in the late nineteenth century.² This was a point not unappreciated by Committee members; in his evidence Dennis stated:

... I have it from my father, who ... paid a visit to the works of Messrs. Massey Harris [in the USA] ... that he found in those works not a single implement of any description which we have not in use in our own farms. The fact that the average production of grain and of roots per acre in Great Britain is largely in excess of the average in other countries suffices to show that our methods of cultivation are not in any way inferior to those of our competitors.³

Needless to say, such views did not get much exposure in the main body

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1. "Proposed Letter to Secretaries of Chambers of Agriculture", [n.d. but c. March 1904]; p. 5; C-608, T.C.P.
 2. J.D. Gould, Economic Growth in History, (London, 1972), p. 239.
 3. Agricultural Report, para. 552.

of the Agricultural Report, and it was probably Hewins who prevented them from being disseminated more widely. But nevertheless, the Commission neglected to ask itself the question of whether, in terms of its own protectionist philosophy, agriculture deserved protection. Why did it do so? Firstly, there was the point, not without merit, pungently phrased by Matthews. Faced with decades of neglect under a government following the canons of orthodox political economy, the secretary of the Central and Associated Chambers remarked that "It is either a good thing for Agriculture in this country to be flourishing, or it is not. I have never yet come across anyone who holds the latter opinion, so let it be granted that it is good".¹ Given the harmony that the Commission imagined possible and achievable in the British industrial structure, it was scarcely conceivable that agriculture should be left out.² Secondly, there was the fear of inadequacy of future food supplies - Chaplin was concurrently sitting on the Royal Commission on Food Supplies in Time of War, which he claimed to have been "rather instrumental in obtaining",³ and the Commission shared the anxieties of other Tariff Reformers that, in view of the closing of the US frontier and the rapid expansion of US population, that country would within two decades consume her entire wheat output herself.⁴ But thirdly, and of course most importantly, a British tariff without agricultural protection would render negotiations for imperial preference impossible. And imperial preference was necessary not only because it was the focus of Chamberlain's desires (which more than possibly would have been enough in itself), not only because it attracted electoral support that would have fought shy of simple industrial protection and thereby transformed the movement into something higher and more beautiful, but also because of the material

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1. A.H.H. Matthews, "Agriculture and Preferential Tariffs", undated typescript [c. 1904], p. 5; copy in T.C.P.:
 2. Though some Tariff Reformers were later quite ready to consider the omission of agriculture, especially after 1906. See below, pp. 453-456.
 3. Chaplin at opening meeting of Agricultural Committee, 8 March 1904; loc. cit.
 4. C.W. Bennett to ed. Times, 1 August 1903: draft copy in 19/4-8, H.P.

economic advantages that Tariff Reformers fervently expected from an Empire economic policy based on a customs union.

Whilst Hewins was preparing his introduction to the report, the Agricultural Committee proceeded with the usual preliminary work of compiling and dispatching questionnaires, selecting witnesses, etc.¹ Chaplin was afraid that the normal Commission procedure of an in-depth study of the state of the industry would merely duplicate the existing body of official material, and would in any case be rendered superfluous by the simple expedient of circulating the reports of earlier government enquiries to Committee members. This would enable the Committee to proceed quickly to the second and more important branch of its enquiry, the modifications to the Glasgow scheme desirable to suit it to the needs of agriculture. "Here no doubt we shall need such evidence and information as we can get for ourselves - I say as we can get - for the proposals will be new to the witnesses, to ourselves, and to everyone else".²

Chaplin need not have worried. Hewins replied that the "preliminary work ... is well in hand and we shall soon be able to see what further information is needed beyond what is already available".³ A week later a draft Form of Inquiry had been produced from suggestions made by Committee members, predominantly Matthews and Dennis.⁴ Chaplin thought Dennis's questions, in particular, a "sound" basis on which to build the questionnaire.⁵ Though in the event the early drafts were to be almost entirely recast, there was little delay. By the middle of June 1904 replies to Form No. 5 were being received in the office in considerable numbers.

Selection of witnesses also went smoothly, and there was none of the uphill struggle experienced in the search for participants from cotton, chemicals, and the dyeing and finishing trades. In all some 146 agricultural

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1. T.C.M.(P), 13-14 April 1904; T.C.P.
 2. Chaplin to Hewins, 20 March 1904; C-76, (I), T.C.P.
 3. Hewins to Chaplin, 23 March 1904; *ibid.*
 4. Hewins to Chaplin, 29 March 1904; *ibid.*
 5. Chaplin to Hewins, 8 April 1904; *ibid.*

witnesses were examined, rather more than one-third of the entire number examined from all trades,¹ and it is perhaps an indicator of the protectionist inclinations of agriculture that some 30 of these were directly nominated by local Farmers' Clubs and Chambers of Agriculture, whilst a number of other witnesses held prominent positions in various agricultural societies and would have been unlikely to have participated without the approval of their membership.² Though the Committee was unable to secure the services of some prominent agricultural figures whom it desired to examine - Rider Haggard and Clare Sewell Read³ for instance - there was never any danger of an inadequate overall response. As Matthews commented at the foot of a list of 13 names he sent to the Commission offices, "I can add to the above list indefinitely".⁴

But there were some problems. Chaplin thought that it would strengthen the evidence if the Assistant Commissioners to the Royal Commission of 1894-1897 were willing to give evidence. "Official Commissions and Committees generally begin with Official Witnesses", he wrote, "and it would give us something in that nature to begin with, in addition to what would very probably be the best general evidence we could get".⁵ Locating the former Assistant Commissioners was not easy, especially since Sir Thomas Elliott, head of the Department of Agriculture, had to be approached cautiously. Though "entirely with us in our Policy", he had to be treated carefully on "Departmental Grounds".⁶ Eventually Matthews managed to secure addresses for the eight men involved, though two were ten years old.⁷

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1. "Brief Account of the Work of the Tariff Commission", Mm. No. 39, 1 March 1909, p. 1.
 2. A.C.M.(P), *passim*; T.C.P.
 3. For most of the late nineteenth century Read was virtually the only spokesman of the tenant farmer in Parliament. For an excellent short study of his agricultural writings and parliamentary career, see J.R. Fisher, Clare Sewell Read, 1826-1905, University of Hull Occasional Papers in Economic and Social History No. 8, (Hull, 1975).
 4. "List of Witnesses", undated typescript on Central Chamber of Agriculture notepaper, with postscript in Matthews's handwriting; C-756, T.C.P.
 5. Chaplin to Hewins, 24 March 1904; C-76 (I), T.C.P.
 6. Chaplin to Hewins, 8 April 1904; *ibid.*
 7. Hewins to Matthews, 15 April 1904; Matthews to Hewins (two letters), 15 April 1904; C-756, T.C.P.

But the former Assistant Commissioners were, for undisclosed reasons, not to appear before the Agricultural Committee in any strength. Only John Spier, the Scottish market gardener and dairy farmer, who had already been considered as a full member of the Commission,¹ gave evidence,² though Arthur Wilson Fox, now at the Board of Trade, assisted Hewins less formally.³

Initially, it had been feared that farmers would be less competent in handling the questionnaires than businessmen, and perhaps less willing as well. In an age when the land was, even amongst the tenantry, as much a tradition and an inheritance as a business, there was perhaps substance to this fear.⁴ Hudson, in particular, criticised the early drafts of the questionnaire as too difficult to fill in.⁵

As the replies were received, a first analysis showed this fear to have been exaggerated. To Wilson Fox, a man well-experienced in agricultural enquiry, Hewins was able to write that he was "very much pleased to see the excellent manner in which they fill up the forms".⁶ But it was soon discovered that the returns from Wales and Ireland were defective in numbers and "in their representative character".⁷

New efforts were made to obtain further names, but it would seem that this new search was unsuccessful in the case of Wales. Hewins did not reveal the number of Welsh returns used in compiling the Report, but it can be seen from Table 20 that there are indications that only some 48 out of a total of 2,251 replies came from that country. Hewins admitted this. "Wales is not particularly well represented", he lamented. "The Welsh are

1. See above, p. 94.

2. Agricultural Report, paras. 677-690.

3. Fox to Hewins, 25 May 1904; Hewins to Fox, 26 May 1904; C-1591, T.C.P.

4. In 1915 the Oxford University Institute for Research in Agricultural Economics under C.S. Orwin found "practically no response" to its efforts to interest farmers in an experiment in farm cost accounting: even the War had at this time made little inroad on the "lack of statistical information" surrounding the industry. See C.S. Orwin, The Determination of Farming Costs, (Oxford, 1917), pp. 45, 120.

5. Hudson to Hewins, 16 March 1904; C-608, T.C.P.

6. Hewins to Fox, 26 May 1905; C-1591, T.C.P.

7. Hurd to Hewins, 8 September 1904; C-174.1, T.C.P.

very difficult to get at in these matters".¹ It is probably significant that Owen Price, the only Welsh member of the Agricultural Committee, attended none of the 50 meetings between 1904 and 1921.² As Hewins observed, the success of enquiry often depended on "the exertions of good friends".³

TABLE 20

Regional Distribution of Returned Questionnaires

Division I	(Beds., Hunts., Cambs., Suffolk, Essex, Herts., Middx., Norfolk, Lincs. and E. Yorks.)	585
Division II	(Kent, Surrey, Sussex, Berks., Hants., Notts., Leics., Rutland, Northants., Bucks., Oxon., Warwicks.)	349
Division III	(Salop., Worcs., Gloucs., Wilts., Mons., Herefordshire, Somerset, Dorset, Devon and Cornwall)	244
Division IV	(Northumberland, Durham, N. Yorks., W. Yorks., Cumberland, Westmorland, Lancs., Cheshire, Derbys., Staffs.)	339
Scotland	Division I	145)
	Division II	104).....
		249
Ireland	437
<u>Total of Above</u>		2,203
<u>Known Total</u>		2,251
<u>Residual</u> (Equals Wales?)		48
<u>Sources:</u>	Divisional responses quantified in A.C.M. (VT) 28 June 1906, p. 28; T.C.P.	
	Divisions identified in <u>Agricultural Report</u> , para. 64. Scottish divisions not identified.	

With Ireland, however, these good friends were more in evidence. Goulding, well placed as a manufacturer of agricultural chemicals, was asked to supply 50-100 names and supplied 317 in three weeks.⁴ By the middle of November

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1. A.C.M.(VT), 28 June 1906, p. 28; T.C.P.
 2. "Agricultural Committee Attendance Book"; T.C.P.
 3. A.C.M.(VT), 28 June 1906, p. 28; T.C.P.
 4. Hewins to Goulding, 6 September 1904; Goulding to Hewins, 12, 14, 20, 23 and 27 September 1904; C-137, T.C.P.

Hewins had improved the sample by obtaining "fairly comprehensive lists from the local authorities in Ireland".¹ All in all, about one-fifth of the returned forms came from Irish farmers.

But this did not ensure a good supply of Irish witnesses. We have noted already the difficulties encountered by Goulding in this respect.² By the opening of 1905 some 20-30 had been recruited, but some were reluctant to travel to London, and virtually all of the rest required expenses for doing so. Given that members of the Commission usually paid their own expenses, it was estimated that a two-day trip to Dublin by the Committee would save money.³ At first it was hoped to hear evidence at the Sherbourne Hotel in Dublin in March 1905, but the date was put back in successive stages to late July on account of Chaplin's parliamentary obligations.

By early July 30 witnesses had been recruited, and the projected visit stretched to three days. Rather late in the day, however, Goulding wrote that the witnesses were "a very one sided lot politically", and offered to "endeavour to get you three or four Nationalist Farmers and Shopkeepers from the Country".⁴ Hewins rather resented the incursion of politics into the fiscal question, arguing that the best way to get good witnesses was to invite those who had returned the "best answers" to the Form of Inquiry.⁵ Goulding, however, persisted, sending the names of ten "very prominent Nationalists and really representative men".⁶ Hewins complied in sending out invitations, but commented, "I only hope they will not all come as I do not quite know how we are going to fit them in".⁷ In fact, three Irish Nationalists, F. McDonnell, J. Bolger and E.A. Hughes, JP., agreed to give evidence, though only the first two eventually did so.⁸ Thus, though we

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1. Hewins to Goulding, 18 November 1906; *ibid.*
 2. See above, pp. 142-143.
 3. Ponsonby to Chaplin, 31 January 1905; C-76 (I), T.C.P.
 4. Goulding to Hewins, 11 July 1905; C-137, T.C.P.
 5. Hewins to Goulding, 12 July 1905; *ibid.*
 6. Goulding to Hewins, 12 July 1905; *ibid.*
 7. Hewins to Goulding, 13 July 1905; *ibid.*
 8. Agricultural Report, paras. 520-527, 621-631. See also Goulding to Hewins, 19 July 1905, and 20 July 1905; C-137, T.C.P.

cannot be certain about the political alignment of Irish witnesses not recruited in Goulding's late push, it would seem that representation of Irish Nationalists was low: two out of 43¹ on the basis of surviving evidence.²

IV

Sir William Harcourt voiced the certainty in the minds of many Free Traders, and indeed the prevalent view of historians since, when he proclaimed the vested interest of the landed classes in a corn duty. "Of course", he stated, "Mr. Chamberlain receives the ardent support of Mr. Chaplin and the landed interest at home for the rise in the price of corn, which the duty on foreign corn secures to them".³ He noted early, however, that "the accomplishment of each of ... [Chamberlain's objectives] is fatal to the fortunes of the rest";⁴ in particular, that any success in stimulating imperial wheat supplies would be merely to erode any temporary advantage to the British farmer.

The prominence given to the corn duties in the fiscal debate has endured; partly because Free Traders wisely gave them the predominant position in their propaganda and partly because of their convenience as a shorthand label to the debate, historians have perpetuated this impression. In criticising the corn duties, the Free Traders were effectively fuelling the moral indignation of the electorate against the wheat duty, against a tax on bread - to them a corn tax and a wheat tax could be used as synonymous

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1. A quick count of Irish witnesses listed in the Agricultural Report yields only 41. This is, however, at variance with reporting in the Irish Times, 23 November 1906, which may have spotted one or two in disguise. In any case, it is not known how or why the original plan to examine the 30-33 witnesses was exceeded.
 2. Altogether eight members of the Agricultural Committee, together with seven non-Committee Commissioners, went to Ireland with Hewins. Goulding arranged meetings with leaders of the Irish Tariff Reform League. See Hewins to Goulding, 10 July 1905; Goulding to Ponsonby, 11 July 1905; Goulding to Hewins, 15 July 1905; C-137, T.C.P.
 3. Sir William Harcourt, "Mr. Chamberlain's Proposals", Free Trader, 31 July 1903, p. 4.
 4. Ibid.

terms. The position of the Tariff Reformers was more complex. As late as 1910 Austen Chamberlain recorded that whilst people were pressing him for a statement of his own and Unionist policy on colonial wheat, the issue of oats and barley was politically less important.¹

The Agricultural Committee did not value highly a duty on wheat in itself, and it is doubtful that in this it occupied an isolated position in the Tariff Reform group. Though, in numerous sittings to discuss its recommendations, it showed more clearly than any other Commission enquiry the failure of the supposedly scientific approach and the degeneration into log-rolling, its political pragmatism in the face of hostility towards proposals for high duties constrained it to search for a series of small measures almost tantamount to what might be termed 'scientific juggling': indeed, this very exercise was in many ways compatible with the Commission's own objective of harmonising interests in the belief that there existed some precise and unique relationship of tariff levels that would be acceptable, or at least beneficial, to all.

There was nothing, formally, in its terms of reference to prevent the Committee recommending a considerable advance in the tariff levels advocated in the Glasgow speech, but by and large it did not do so.² Despite Hewins's elaborate statistical-historical analysis of the effects of the Corn Laws, purporting to show that the influence of corn duties on agricultural prices had been minimal,³ there was no doubt in the Committee's mind that hostility towards corn duties was "one of the great difficulties we have to meet".⁴ In spite of the fact that the Committee realised, early on, the ineffectiveness of Chamberlain's proposals on wheat, the majority were unwilling to press for duties which would have been of realistic benefit to the wheat

1. Memo by Austen Chamberlain, headed cryptically "P.S. to XVI", dated 9 March 1910; Add. Mss. 49736, vol. LIV, Balfour Papers.
2. Of course, it may have been in the minds of many Committee members that the way forward was to secure the acceptance of low or moderate tariffs first, tariffs which a sympathetic Unionist government would find easy to raise to levels more realistic to the farmer at a later date.
3. Agricultural Report, paras. 12-119.
4. Chaplin, A.C.M.(VT), 28 June 1906, p. 1; T.C.P.

grower.

Chaplin, at the outset, favoured the maintenance of Chamberlain's Glasgow programme in so far as colonial wheat should be allowed in free.¹ To Chaplin, however, flour was of greater importance, so colonial imports should be subject to duty.² If Britain could never again be self-sufficient in wheat growing, she could at least encourage the home milling industry.³

Two members of the Committee were prepared to forsake a duty on wheat altogether. Mitchell Harris, the bacon curer, thought that hostility to corn duties could delay the introduction of tariffs on manufactured goods by "very many years", whilst Stratton thought a tax on wheat "prejudicial to our scheme" in view of the political animosity it would raise.⁴ Since the 2 shilling duty would have no effect, either in encouraging home production or discouraging foreign imports, it had no purpose. But Stratton was agreed on the importance of a flour duty, which would encourage milling and "might" help the farmer by increasing the supply of offals for feed; it was a common farming opinion, he maintained, that a duty on wheat was undesirable, whereas a duty on flour would be a "somewhat popular measure".⁵

Certainly the majority of Committee members could see no likelihood of any proposal they made increasing UK wheat acreage, and Orlebar was typical in looking more to the flour duty as likely to find greater favour in the rural areas.⁶ But few were willing to join Harris and Stratton in the abandonment of the duty on wheat. Brown, doubtless counting many grain farmers amongst his West Norfolk and Lincolnshire customers, thought that "mathematically" a duty of 2 shillings per quarter must have some effect:

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1. At Glasgow, Chamberlain had proposed "no duty at all on the corn coming from our British possessions". See Glasgow speech, reprinted in J.M. Robertson, The Collapse of "Tariff Reform": Mr. Chamberlain's Case Exposed, (London, 1911), p. 52.
 2. It can be inferred from the text of the Glasgow speech, which proposed "a corresponding tax ... to be put on flour", that colonial flour was on Chamberlain's free list. See *ibid.*
 3. T.C.M.(VT), 11 July 1906, p. 5; T.C.P.
 4. *Ibid.*, pp. 6-7, 11.
 5. *Ibid.*, pp. 6-7.
 6. *Ibid.*, pp. 12-13.

if the German duty of approximately 10 shillings was "of great service", then the British proposal if implemented would yield "one fifth that service".¹ A wheat duty would be popular with farmers, and even the urban population would find their fears groundless when prices were seen to be unaffected. Brown was perhaps the only Committee member to see as possible any great extension of wheat acreage as a result of the 2 shillings duty. "I am sure, so far as the County of Lincoln goes", he maintained, "2/- would undoubtedly increase considerably the acreage sown to wheat".² Others, however, were not convinced, favouring Dennis's opinion that the 2 shilling duty would not restrict UK imports "in any way".³

Chamberlain, of course, regarded the corn tax as "almost the fundamental part" of Tariff Reform,⁴ and he carried with him the majority of the Committee in rejecting the suggestion of Mitchell Harris and Stratton that wheat should be excluded from it. Since there was "no serious foundation" for the fear that a 2 shilling duty would increase the price of bread, the "lies" and "misinterpretations" of the opposition would gradually be revealed for what they were.⁵ The urban labourer presented little problem since he could understand that, even in the unlikely situation that bread prices rose slightly, wages and employment would compensate. Agricultural workers were more difficult to convince, since "it certainly is not certain that so small a duty as 2/- would justify the farmers in making any immediate or apparent increase in wages".⁶ But agriculture would gain generally by Tariff Reform, even if less spectacularly than industry, and it was up to Tariff Reformers to educate the agricultural labourer on this matter:

I could quote cases of constituencies during the last election where trouble has been (sic) taken to go into the cottages ... of the agricultural labourers, and to argue the question in a manner suited to their

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1. Ibid., pp. 7-8.
 2. Ibid.
 3. Ibid., p. 9.
 4. Ibid., p. 14.
 5. Ibid., pp. 14-15.
 6. Ibid., p. 15.

understanding, where the cry [of cheap bread] has had no effect at all.¹

If Chamberlain thought it unnecessary to recant on the wheat duty, he also thought it undesirable and even dangerous. His experience was that "it is a most dangerous thing to run away in sight of the enemy".² To abandon the wheat duty would be tantamount to admitting that the measure endangered the success of the whole policy. Opponents who so far had:

... devoted themselves entirely to attacking us upon the wheat duty would ... immediately begin to attack us upon the meat duty, or something else of that kind; and the very fact that we appeared to be frightened at their arguments would give them encouragement to go and apply them to other parts of the scheme.³

Later, he reinforced this point, arguing that the wheat duty had "been a sort of umbrella to protect us from [criticism of our] other taxes ... You hardly ever hear the slightest allusion to a tax on meat".⁴ If this was a tactical argument, there was one of more fundamental strategic importance, and that was that a wheat duty was essential to the success of preferential negotiations. Several colonies had already extended unilateral concessions to Britain, and Chamberlain thought the existing 'colonial offer' of further concessions to be dependent on Britain declaring a preference on the "principal product" of the colonies, wheat.⁵ Abandonment of the wheat duty "would have a very serious effect upon public opinion in the colonies".⁶

Whilst virtually all agreed root and branch with both Chamberlain's sentiments and his analysis, this offered little to the agriculturalist, the case for a wheat duty of the size suggested at Glasgow resting on political expediency rather than utility to the farmer. As has already been mentioned, however, the Committee looked more favourably on the imposition of a duty on

1. Ibid.

2. Ibid., p. 16.

3. Ibid.

4. Chamberlain further extended the metaphor, arguing that "if we withdraw the lightning conductor, then I am afraid we should have all our work to do over again to remove a similar prejudice which would be created in the case of meat". See *ibid.*, p. 18.

5. Ibid., pp. 15-16.

6. Ibid., p. 16.

flour. Even Mitchell Harris agreed to a duty on flour as long as wheat was admitted free.¹ One objective was that a higher proportion of UK wheat imports should be milled in the UK,² and several members spoke of the importance of this in the context of employment. It is clear that some, if not all, of them saw this as providing some measure of assistance for the small country mills, which had been declining rapidly for more than thirty years before 1906.³ Cooper's remarks were representative:

I think what we should try to do is to get back to milling which was so common in the country (Mr. Chamberlain: Hear, hear). It is not so very many years ago when you could not drive through an English County without seeing a great number of flour mills. Now most of them have gone by the board, and that is a great loss to the agricultural community, and to no person is it more of a loss than to the agricultural labourer. His family were very much assisted by that, and that is exactly why I should like to see it restored if possible.⁴

The Committee's attitude was optimistic indeed. If they did not expect the duty on wheat to increase UK wheat output, it is difficult to see how the country miller would have benefited. Truly enough, a heavy differential against flour would have prompted foreign exporters to send more grain to the UK unmilled, but this would surely have been advantageous only to the large port millers. Rural employment would have been little, if at all, affected. Furthermore, it is not certain that urban employment would have been increased much either, for the adoption of roller-milling in the large, first-class mills of London, Liverpool, Hull, Bristol and Glasgow had probably been accompanied by a marked shift towards capital-intensity. Mr. Baker, of Messrs. Spillers and Bakers Ltd., had noted in 1899 that "we can make an extra 1,000 or 2,000 sacks of flour at a small cost", and Mr. William Nicholls

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1. Ibid., p. 11.
 2. In 1900-1904 the proportion of British wheat imports already milled on entry varied between 13.1 per cent and 24.5 per cent p.a., and averaged 19.6 per cent p.a. See B.R. Mitchell and P. Deane, Abstract of British Historical Statistics, (Cambridge, 1962), Table 10, p. 99.
 3. H. Macrosty, "The Grainmilling Industry: A Study in Organisation", Economic Journal, XIII, 1903, especially pp. 324-328; A.E. Musson, The Growth of British Industry, (London, 1978), p. 234.
 4. T.C.M.(VT), 11 July 1906, p. 11; T.C.P.

told the National Millers' Association in 1901 that there was considerable local over-production in Liverpool and Hull.¹ Others at the 1901 meeting spoke of the rural areas as the "dumping-ground" for the surplus produce of Hull, Liverpool and Cardiff.² Our impression, therefore, is one of a large, oligopolistically-organised industry in which the reduction of fixed costs per unit of output was of great importance to the port miller, this in itself implying capital-intensity and the continual presence of surplus capacity in equilibrium. The corollary is that expansion in the ports would not only have required little labour, but also would have accentuated local over-production and the need to invade the markets of the country millers. To the country miller, there would merely have been a substitution of competition from foreign-milled flour by port-milled flour.

Nevertheless, a differential flour duty could have increased the proportion of wheat imported as grain and milled by the UK industry taken as a whole. Certainly Bridges Webb, the grain importer, thought that the differential between 3d per cwt. on wheat and 5d per cwt. on flour under Hicks Beach's Corn Registration Duty had given British millers "a great pull" over foreign millers.³ And this in itself was seen by the Committee as achieving a further objective - to improve the supply of grain offals available to the British farmer. Webb, Orlebar and Chamberlain all mentioned this aspect, and it is known from other sources that Chaplin was of a similar opinion.⁴

Indeed, this was a matter of considerable importance to Chaplin, for he feared that the increased supply of offals at the port mills might be re-exported to the Continent. He remembered that "The Drawback allowed under the 1s. Registration Duty was a mistake because It induced Millers to export their Offals" to Denmark and Brittany, from whence they returned as "Butter

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1. Cited in Macrosty, "Grainmilling Industry", loc. cit., pp. 326-328.
 2. Ibid., p. 328.
 3. T.C.M.(VT), 11 July 1906, p. 12; T.C.P.
 4. Undated typescript on the effect of the proposed duties on farming profits, written by Chaplin and marked "private"; C-76 (I), T.C.P.

and Bacon" to add to the misfortunes of the British farmer.¹ As the "Great Roller Mills at the Ports" increased in efficiency, continental supplies of British-milled offal would improve to the point where cheap re-exported offal "will be a very formidable Factor in their competition with us, and may become very serious".² He secured Hewins's agreement that "something should be done" to prevent this.³

If Chaplin was attempting to secure an export duty on offals, or at least to establish that there would be no drawback on their re-export, it should be mentioned that Rank, at least, saw no danger. For a number of years Hull and Liverpool millers had been exporting surplus bran and pollard to the Continent, but an accusation made to Hewins by an anonymous correspondent that the millers were dumping cheap offals abroad to keep up prices at home was refuted by the Hull miller. Indeed, the difficulty lay in selling the bran at home, and prices were 5/- to 7/6 per ton better in Europe, notwithstanding extra transport costs of some 15/- to 20/- per ton. Rank admitted that there had been times when, even at prices as low as £3 per ton, British farmers could not take enough bran, and it had been dumped abroad at lower prices, but this was neither the present nor the usual situation. As to why he sold bran cheaply in the UK when he could have obtained higher prices abroad, he maintained that a large proportion was sold to his purchasers of flour, and "we are obliged to let them have what they require in order, of course, to retain our flour trade with them".⁴ As far as Rank was concerned, "our farmers have first call on the offal", and he no longer thought, as he had in earlier years, that the price of offal would fall if the importation of American flour were prevented.⁵

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1. Chaplin to Hewins, 10 November 1906; C-76 (II); T.C.P.
 2. Ibid.
 3. Ibid.
 4. Rank to Hewins, 18 March 1905; C-333, T.C.P.
 5. Ibid.

It did not take long for Hewins to become aware of the view prevalent amongst Committee members that a 2 shilling duty would offer little benefit to the wheat-grower. Gray's opinion in June 1904 was that such a duty would be "of very little avail", whilst in October, even before the agricultural questionnaires were sent out, Chaplin thought that a duty on barley and oats would lead to "a larger enjoyment" than would a duty on wheat.¹ Hewins also knew that there was considerable support on the Committee for augmenting the duty with a bounty on wheat production.

Sir Charles Follett, not himself a Committee member, had first raised the possibility in March 1904, but he was aware that the Commission might be reluctant to endorse it. Enclosing a copy of a paper entitled "The Apotheosis of Food" to Hewins, he sought advice on whether its advocacy of a wheat bounty made it 'undesirable that it shd. see light, in print, by a Member of the Commission'.² Two years later the Commission returned to the matter when discussing the agricultural policy in its joint meeting with the Agricultural Committee. Sir Walter Peace related his conversations with English farmers who maintained that a £1. an acre premium on the growth of wheat ... would make all the difference to their revenue", and he himself thought that a bounty "can easily double the amount of wheat produced in this country".³ It is obvious that Peace knew there was considerable opposition to the idea: "I am told that it is practically impossible", he continued, "but I do not believe anything is impossible. (Hear, hear)".⁴

Chamberlain was quick, on this occasion, to give what was almost certainly the 'establishment' view of the leading members of the Commission:

... a bounty would be extremely popular with the farmers, who cannot of course understand the difficulties in the way, but personally I think it would be impracticable. How can you arrange your bounty beforehand? Corn is a thing which is planted at a moment's notice. It does

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1. Gray to Hewins, 16 June 1904; C-582, T.C.P.; Chaplin to Hewins, 28 October 1904; C-76 (I), T.C.P.
 2. Follett to Hewins, 30 March 1904; C-633, T.C.P.
 3. T.C.M.(VT), 11 July 1906, p. 13; T.C.P.
 4. Ibid., p. 14.

not require great machinery or preparation; and at any moment ... you might find, either a very large additional charge thrown upon the revenue unexpectedly, or you might suddenly find a[n] unexpected surplus. In either case I do not think the Chancellor of the Exchequer or his officials would regard a proposal for a bounty as a really practicable one.¹

Chamberlain had to leave this meeting for another engagement almost immediately after this, and conversation at once returned to the bounty question, perhaps now less inhibited by Chamberlain's presence. Dennis confessed himself to be "very disappointed" at Chamberlain's remarks, and Boulton thought the proposal for a bounty "a very good one".²

Chamberlain's accent on the difficulties of administering a bounty probably did not reveal his real distaste of the proposition. His assertion that a bounty "would no doubt be a popular thing" with the electorate was probably disingenuous, designed to placate those on the Committee who supported one.³ Truth lay more likely in the opposite direction, and Gilbey, who thought bounties "the worst form of protection ... and ... most unpopular in the country",⁴ probably mirrored Chamberlain's real opinion. Though Follett, proclaiming his own support of a bounty, reminded the Committee that British hostility in the past had been directed towards foreign export bounties, and that in contrast bounties on production were "a perfectly proper thing", receiving support even from Adam Smith,⁵ it does seem probable that in the age of the Brussels Sugar Convention bounties were inseparably linked in the mind of the British public with the worse excesses of European protectionism.

But the advocates of bounties were determined to do something to buttress the inadequate wheat duty in the Tariff Reform package, as well as to add to the size of that package overall. If a direct bounty was unpopular, then why might there not be an indirect bounty?

1. Ibid., p. 17.
2. Ibid., pp. 19, 22.
3. Ibid., p. 17.
4. Ibid., p. 23.
5. Ibid., p. 25.

The Committee was very conscious that the effect of agricultural protection would be to increase customs receipts, and most were determined that some portion should find its way into agriculture. Evans reminded the Committee of the trouble caused to the Tariff Reform cause by the fact that to working men's wives a quarter was 28 lbs., so that a 2 shilling duty implied nearly 1d per lb., or 4d to 5d on a quartern loaf.¹ Thus "verbal distinctions" were of great importance in the campaign, and "it makes an immense difference when you go to the voter whether you talk about a bounty on home-grown corn, or whether you talk of relieving agriculture from rating or other burdens".²

The possibility of applying the revenue gained from corn duties "for the benefit of agriculture"³ had been mentioned before Chamberlain left the meeting, but he did not take the point up individually and he presumably found it as little to his liking as he did the idea of a direct bounty. Others, however, thought the indirect approach a good way of overcoming objections. Dennis commented:

A direct bounty may be impracticable, but I think there are ways of allocating a certain proportion of the moneys which are raised by the tax on foreign wheat and the tax on foreign goods to reduce the tax upon lands and so decrease the cost of production to which the farmer is put. I do not care which way he gets it. He cannot get it in increased price, that we are all agreed; but if he gets it in reduced cost of production it is all the same to him.⁴

The synonymy of the two measures was perhaps less than Dennis considered - a direct subsidy on wheat and a generalised subsidy to agriculture via rating-reductions on agricultural land were not precisely similar in their effects - but this is perhaps not important. More significant was Dennis's intention that some allocation of "the tax on wheat or on

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1. This mis-interpretation, unrecognised by historians of Chamberlain's crusade, may have been of considerable importance in the propaganda against the bread-tax. Boulton gave personal experience of a by-election in which the Liberal agents had forecast that Chamberlain's policy would increase the price of the quartern loaf by 6d. See *ibid.*, p. 21.
 2. *Ibid.*, p. 26.
 3. Sir Walter Peace, *ibid.*, p. 13.
 4. *Ibid.*, pp. 19-20.

manufactures articles" should be made available to farmers.¹ The manufacturer would "heartily endorse such a scheme" because "those very funds which are being placed at the disposal of the agriculturalists of this country would be funds which in the raising of them protected the manufacturers".² It is not clear just where Dennis would have stopped in diverting Exchequer funds into agricultural pockets, but he voiced a widely-felt opinion that "if no allocation ... is to be given to the farmer ... then I fail to see entirely where the farmer or the agriculturalist will be able to get any benefit whatever out of Tariff Reform".³ Boulton favoured limiting the indirect bounty to the revenue raised by the 2 shilling duty on wheat, or even "a portion of it".⁴ Even Gilbey, who had spoken strongly against a direct bounty, found this acceptable. Follett was "not myself very much afraid of even calling it a bounty", though he did concede that "it may be desirable to clothe it under general words such as have been suggested".⁵

The proposal that revenue from the protective duties should be allotted to agriculture through rating-reductions had serious implications for Chamberlain's programme, which only one member present seems to have noticed. Alfred Mosely reminded the Commission of Chamberlain's speech at the Constitutional Club in June 1903,⁶ when he had offered compensating tax reductions as an alternative to old-age pensions:

... Mr. Chamberlain has distinctly said that what he puts on on one side he can take off on the other, and that he will be able to take it off on sugar and other articles in order that the cost of living shall be no greater.⁷

A further element of confusion over the question of government revenue rested on the uncertain scope of the proposals. Hewins had made provisional

1. Ibid., p. 19.
2. Ibid., p. 20.
3. Ibid., p. 19.
4. Ibid., p. 22.
5. Ibid., p. 25.
6. See above, pp. 8-9.
7. T.C.M.(VT), 11 July 1906, p. 26; T.C.P.

calculations which estimated a gain to the Exchequer of some £8 or £9 million on cereals, rising to £11 or £12 million with the inclusion of flour and meal and the institution of a Registration Duty. Other agricultural products would bring the sum up to some £15 million, but it is not clear whether meat, dairy and market-garden produces were included.¹ Hewins realised that revenue would decline as there was a switch to Empire wheat sources, but thought the "power of expansion" of the colonies not yet so great as to seriously reduce it "within the next eight or nine years, and of course no Chancellor of the Exchequer could hope to look forward longer than that".²

But this left unsettled the precise specification of the preferential element in the wheat duties. It will be remembered that Chaplin had initially accepted Chamberlain's proposal at Glasgow, that colonial corn should be admitted free. But when Desborough (formerly W.H. Grenfell) advocated restoration of the 1 shilling Corn Registration Duty, and a differential in favour of the colonies, it became apparent that he saw the CRD as the colonial rate, on top of which was to be added a surcharge on foreign grain. Cooper and Webb gave Desborough their support - all three specifically mentioned the old CRD as the basis of the tariff, the irreducible minimum to which even colonial wheat should be subject. It appears that to Matthews this was the key issue: the principle of no free entry having been established, he was for the moment unconcerned at the particular level of duty decided upon. "I name no rate of duty", he declared, apparently satisfied.³

1. A.C.M.(VT), 31 July 1906, pp. 1-2; T.C.P.
2. Ibid., p. 3. He observed that "In making the calculation you have got to allow for the possible increase in Colonial imports and the expansion of foreign imports and at the same time take account of the continuous growth of the per capita consumption in the United Kingdom, and it is perfectly easy to see that the Colonies would easily get all the additional trade there was. It is not so clear that they would be competent straight away to make a considerable inroad on the other trade and so reduce the duties. That is after all very much a matter of conjecture, and we should have to be satisfied with looking forward for a few years [only]".
3. T.C.M.(VT), 11 July 1906, pp. 11-12; T.C.P. Webb, rather correctly, announced his position as a member of the Commission but not of the Committee before speaking on the issue. He also stressed his own

Chamberlain, though not committing himself, was guardedly in favour of submitting colonial corn to a duty. A one shilling registration duty:

... would I think be very much approved by the farmers here, and it is a little hard upon them that they do not get anything whatever, and while we are very anxious to give a preference, to allow the Canadian and Australian corn to come in absolutely free may be thought to induce such an enormous increase in their production as to lower the price and leave the farmers worse off than ever. I think the question of whether there should be this 1/- in all cases is a matter that might be fairly considered.¹

Undoubtedly this was, in principle if not necessarily in effect, a big concession, not only to the protectionist sentiments on the Agricultural Committee but also to those who accused Tariff Reformers of neglecting agriculture.

Certainly Chamberlain's willingness to consider a tax on colonial wheat gave the Committee additional room for manoeuvre. Dennis was relieved, and felt that he "must say, from an agricultural point of view, [that] I am not willing that the Colonial farmer should be able to come to my markets on precisely the same footing as I am in them myself".²

At the joint meeting of the Commission and the Committee, Desborough had suggested that the level of duties should be 3 shillings per quarter on foreign wheat, and 1 shilling (the old CRD) on colonial wheat. Cooper and Boulton agreed with him, the latter, it seems, largely to retain the 2 shillings differential on colonial grain. This represented a 50 per cent increase on the Glasgow rate on foreign corn, but even Chamberlain thought "there is something to be said for what Lord Desborough suggests".³ Webb, however, preferred the old rate but with the institution of the Registration Duty for colonial corn: i.e. 2 shillings for foreign wheat and 1 shilling for colonial, with rates on flour of 3 shillings and 1s. 8d. respectively.

interest in the grain trade, though it should be noted that here was an importer of grain (probably largely from the Baltic) advocating a duty, and even a differential duty working against, among others, his own sources of supply.

1. Ibid., pp. 16-17.
2. Ibid., p. 20.
3. Ibid., p. 16.

A later meeting of the Committee alone started with the proposal that the Glasgow duties (and with them the exemption of colonial grain) be maintained for corn, but that there should be a large differential in favour of colonial meal and flour (8d. per quarter compared with 3s. 4d. per quarter). But the proposal was evidently intended as an Aunt Sally. Chaplin himself favoured restoration of the CRD, not least because he "was always opposed to its removal".¹ This would be added on to the level of the Glasgow duties, giving 3 shillings on foreign and 1 shilling on colonial wheat, and "a very handsome preference indeed" of 5 shillings on foreign and 1s. 8d. on colonial flour.²

Some Committee members seemed slightly stunned by this proposal and for a moment discussion was diverted onto other issues. But finally Dennis took the plunge and supported Chaplin, arguing that his scheme was "the only method at which you can arrive to prevent the Colonial exporter of wheat being on the same footing as the English grower" whilst at the same time having more favourable production conditions.³ This would remove "a strong objection which I always felt" to the place of colonial preference in Tariff Reform policy.⁴ Stratton, who had previously urged the inexpediency of a wheat duty of any size, summed up what was perhaps in the minds of most of those present, and provided an accurate portent of the future: "I should like to say that all these things we would like very much indeed, but I do not think we expect to get them all".⁵

Only Gilbey spoke out strongly against the 3 shilling proposal on this occasion. It would be received "rather unfavourably by the public", who would see it as the "thin end of the wedge".⁶ He admitted that the economic difference between 2 and 3 shillings might be trivial, but "it will give our enemies food for attack if we tax corn at a higher rate than what we said

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1. A.C.M.(VT), 31 July 1906, p. 37; T.C.P.
 2. Ibid.
 3. Ibid.
 4. Ibid., pp. 38-39.
 5. Ibid., p. 39.
 6. Ibid.

formerly".¹ Chaplin agreed that he did "not wish to give unnecessary openings to the enemy to blaspheme", and that there was "no doubt [that] the Colonies would take 1/- as an adequate preference ... That is a question for consideration".²

There can be little doubt that the majority on the Committee endorsed the increase to 3 shillings. It is less clear how the retreat to the 2 shilling duty, as finally advocated in the Agricultural Report,³ was accomplished. Doubtless Chamberlain and Hewins worked behind the scenes, aware not only of public reaction to an increase in the proposed bread tax, but also of the likely attitude of the Commission itself, mostly industrial and commercial and not agricultural in its interests.

Thus, when the Committee next met in October, there were mixed feelings when it was found that the proposal on the table had reverted to a maximum duty of 2 shillings. Stratton, who had consistently advocated moderation for political ends, "thoroughly approve[d]" of the new draft conclusions of the Report, including as they did the 2 shilling maximum,⁴ but he was joined by several members in commenting that the duty would have little effect in encouraging wheat production. Matthews summed up farming opinion on the Committee in confessing himself "rather disappointed at the smallness of the proposed duty on wheat",⁵ and in regretting the retreat from the 3 shilling duty. Orlebar gave him support, reminding the Committee that Chamberlain had said at the previous meeting that "he was not at all sure that he would not have adopted it" himself.⁶ Orlebar, for himself, wondered whether it would indeed be so dangerous "to go for more than the 2/-?"⁷

But the ever-cautious Stratton reminded him that there would be quite enough opposition against even the 2 shilling duty. And Chaplin turned his

1. Ibid.

2. Ibid.

3. Agricultural Report, para. 394.

4. A.C.M.(VT), 9 October 1906, p. 15; T.C.P.

5. Ibid., pp. 30-31.

6. Ibid., p. 33.

7. Ibid., p. 34.

flank nicely with the vague promise of further protection later:

There is one thing. If ever this was carried, when the general public, and especially the poorer classes, began to find out that their bread was entirely unaffected by it, it would be so much easier, having passed the gate first, to have a little bit more, when they found out how utterly harmless it was.¹

There can be no doubt that the Agricultural Committee, many of them less closely involved with the whole Tariff Reform campaign than the seasoned hands who controlled the Commission, were by now realising the considerable but largely unspoken opposition to going beyond the 2 shillings of the Glasgow speech, and were probably beginning to see the political wisdom of this self-imposed restraint. When, at a later meeting, members once again pointed out that a 2 shilling duty would have no effect on UK wheat acreage, there was a rather feeble attempt by Hewins and Chaplin to question the assertion,² but even Hewins had to admit that the prevalent view of witnesses was that "a duty of at least 10 shillings would be necessary to have any effect".³ He did point out, however, that nobody had actually suggested so high a duty, and Dennis thought that the evidence confirmed his own opinion that even 10 shillings per quarter would not restore wheat growing to its position in 1875. Chaplin agreed: The current price of wheat was some 26 shillings per quarter, and to restore UK cultivation to 3 million acres would require "certainly not less than 50s."⁴ He commanded

1. Ibid., p. 35.

2. When Stratton asserted that the Committee had taken no "evidence to show that ... [the 2 shilling duty] would increase the area of wheat in England", Hewins conjectured whether it "would not ... naturally operate in that direction[?]... it must have that effect so far as it is operative". But Stratton reminded him that Hewins's own "picture of prices rather contradicts that", and Hewins admitted that "It does rather". Chaplin, in trying to find a suitable form of words for the Report, wondered whether 2 shillings might not at least prevent a further decline in UK acreage, but many on the Committee found this almost equally hard to accept, and Chaplin was himself doubtful. This pessimism was later to provoke Follett into strong criticism of the draft Report. See A.C.M.(VT), 22 October 1906, pp. 29, 32; T.C.P., and below, pp. 449, 553.

3. Ibid., p. 29.

4. Ibid., p. 30. Chaplin's reasoning was presumably based on the level of wheat prices obtaining in 1875. Only after 1877 did these fall below 50 shillings per quarter. See H.M. Lynd, England in the Eighteen-Eighties, (New York, 1945), p. 26.

general agreement - only Orlebar wondered if "modern improvements in cultivation" might not make 3 million acres profitable at less than 50 shillings per quarter.¹

Of course, the 3 million acre yardstick of 1875 was in no sense a necessary objective, and it was realised that 10 shillings would increase acreage, but no one on the Committee could guess by how much and no one would endorse such a duty.² It was pointed out, in any case, that such levels would seriously affect other branches of agriculture.³ What Chaplin had done, by implication, was to show how politically suicidal duties of an effective level would be, and in passing he remarked that this "upsets the idea altogether of a bounty".⁴ In this sense, therefore, it made little economic difference whether 2 shillings or 3 shillings were finally chosen, and the choice was made on political grounds.

This strengthened the Committee members in their resolve to secure an indirect bounty. Ever since Dennis had first mentioned the possibility of using the tariff revenue to subsidise agricultural rates in July, individual members had kept on resurrecting the subject. Furthermore, they knew that in this they had the more obvious sympathy of the chairman. Chaplin's Agricultural Rating Act of 1896 had been based on an interim report of the 1894-1897 Royal Commission on Agricultural Depression, which recommended that agricultural land should be relieved of three-quarters of its burden under local rates.⁵ But Chaplin subsequently found that "it was impossible to obtain from the Chancellor of the Exchequer at that time sufficient funds to give relief to the extent of more than one half".⁶ Originally the Act had been intended to apply for only five years, but it had not been

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1. Ibid., p. 31.
 2. We might wonder, unkindly, why this latter was so if the Committee were convinced that a duty, by increasing colonial output, would not increase the price of wheat.
 3. Stratton, A.C.M.(VT), 22 October 1906, p. 31; T.C.P.
 4. Ibid.
 5. Royal Commission on Agricultural Depression, Second Report, C. 7981 (1896), XVI, p. 16, para. 45. Shaw-Lefevre, Lord Rendel and Sir Robert Giffen dissented.
 6. A.C.M.(VT), 31 July 1906, p. 4; T.C.P.

repealed.¹ Chaplin thought it permissible that the Committee should recommend, "if we found it desirable to do so", that the recommendations of the Royal Commission should be carried out.² Matthews reminded him that the Royal Commission on Local Taxation had recommended that the whole cost of education, police and highways should be paid out of national rather than local funds. If both recommendations were implemented the benefit to agriculture would be correspondingly increased.³

But in the draft report considered at the meeting of 9 October, there was only slight mention of rate-reductions.⁴ Coming as it did on top of the retreat from the 3 shilling corn duty, this was almost too much for some of the Committee to bear. Boulton, when on a Tariff Reform platform, had been "sometimes told by farmers that the whole scheme of tariff reform would not do them much good".⁵ The decision to stick at 2 shillings could, he felt, only strengthen this view. Could not the duty on wheat therefore be "earmarked ... to the further encouragement of the growth of wheat in this country? (Hear, hear)".⁶ Dennis agreed, pointing out that since the agricultural tariffs they were recommending would not "have any effect whatever in increasing the selling price of those agricultural products here (Hear, hear)", and since the rural population would have to pay more for its manufactured goods, it was only by virtue of rate-reductions and earmarking that it would get any quid pro quo whatsoever.⁷ When Chaplin, intentionally or unintentionally, changed the subject it did not take long before Sir Walter Peace returned to it, arguing that "I want something so that the farmers will say: 'Here we are going to get something'. (Hear, hear)".⁸

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1. J.F. Rees, A Short Fiscal and Financial History of England, (London, 1921), pp. 177-178.
 2. Chaplin pointed out that, after all, the Royal Commission had been appointed "by Mr. Gladstone himself". A.C.M.(VT), 31 July 1906, p. 4; T.C.P.
 3. Ibid., pp. 40-41.
 4. A.C.M.(VT), 9 October 1906, p. 26; T.C.P.
 5. Ibid., p. 16.
 6. Ibid.
 7. Ibid., pp. 16-17.
 8. Ibid., p. 26 (my emphasis).

He even threatened, in one of those rare moments of Tariff Commission history, a minority report:

If I can believe the letters I receive from agriculturalists ... some decided advantage has to come to the farmers which they will feel and realise, and I am sure from the number of Members of this Commission who sympathise with that view, that it will be advisable for those of us who share the opinions that I hold to some extent to come together and to prepare if necessary a minority Report, recommending the more bold, and I think likely to be the more successful policy than if we simply accept the recommendations as here. I do not want to take that position myself, but the Report does not go far enough to satisfy me ...¹

The possibility of national assistance to agriculture was mentioned in the draft report, but in insufficient detail and with insufficient commitment. It does not seem that the rate reduction suggested by Chaplin, which Hewins was later to calculate would only cost the Exchequer some £0.75m,² went far enough for Peace, who wanted a specific subsidy from national funds: indeed, there is slight evidence that he wanted the whole of the revenue from all the agricultural duties "earmarked" for the subsidy of agriculture.³ How far he differed from other Committee members is not possible to determine.⁴ Hewins felt that Peace "just a little exaggerated the contrast between his point of view ... and these recommendations", and Boulton endorsed this, believing that "If we have another Meeting probably some of these ideas would be embodied".⁵

But it does seem clear that the draft report was too cautious and uncommitted for Peace, who felt that "we seem to be skirting the thing, afraid to cross the bridge and give them [the farmers] something".⁶

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1. Ibid., p. 25.
 2. A.C.M.(VT), 22 October 1906, p. 22; T.C.P.
 3. Peace was interrupted before he could state his proposals clearly. There is even a slight possibility that he wanted the entire tariff revenues from Chamberlain's scheme allocated to agriculture.
 4. Boulton and Orlebar's desires may have been limited to the earmarking of the corn duties, but their remarks, like Peace's, were ambiguous. Orlebar wanted the allocation of any revenue to be disproportionately directed towards arable farming. See A.C.M.(VT), 9 October 1906, pp. 26-27; T.C.P.
 5. Ibid., pp. 25-26.
 6. Ibid., p. 26.

Doubtless Hewins had in mind the need to provide compensation reductions in existing revenue duties, that Mosely alone had voiced. Also, he may well have found distasteful the precise practice of earmarking, a practice somewhat alien to British fiscal tradition. There was a precedent in the 'whiskey money' under the Technical Instruction Act of 1890,¹ and the Agricultural Rating Act itself provided another, amounting as it did to a "decision to ear-mark for a particular section".² But though the first of these had been successful, the second had been "naturally attacked" for giving state assistance to one particular section of the community,³ and the Committee's inclinations to extend it would thus have aroused considerable opposition - though scarcely more, it might be said, than the proposal for protection itself. The Tariff Reformers were in a difficulty. Whether correctly or not, they considered that Chamberlain's scheme would benefit industry more than agriculture. But the intention was to treat all alike, to create harmony, balance and justice between industries and sections. Yet any attempt to balance the equation by an indirect bounty would appear to the public as precisely the opposite - as adding rate-reductions on land and special earmarking of duties to the benefits of an interest-group which had already been conceded the iniquitous 'stomach-tax'.

It may also have been in the mind of the Tariff Commission establishment that earmarking would escalate and might indeed lead to a resurgence of support for direct bounties. Frankish certainly wanted more than just the wheat duty to be earmarked for agriculture, though he did not specify where he would stop.⁴ To Gilbey these matters were closely related. "Give what relief you can to the rates", he urged, "but I think it would be a great

1. To be precise, the allocation of certain customs and excise duties to technical education was allowed under the Local Taxation (Customs and Excise) Act of 1891. It tends to be remembered, however, in its relation to the Technical Instruction Act. See M. Argles, South Kensington to Robbins: An Account of English Technical and Scientific Education since 1851, (London, 1964), p. 35.
2. J.F. Rees, op. cit., p. 178.
3. Ibid.
4. A.C.M.(VT), 9 October 1906, p. 30; T.C.P.

pity to raise the question of bounties at this time of day".¹ And it appears that, from the opposite point of view, there was a similar conjunction in Peace's mind:

... any relief from taxation which arises from the duties collected out of corn will be merely looked upon by the farmers as something that will go into the landlord's pocket, or help to increase his rent, whereas if the money goes into the farmer's pocket on account of the acreage he has cultivated, some of it would stick to the farmer's pocket.²

Thus the scene was set for the penultimate meeting of the Committee to discuss its conclusions. It is obvious that the support for bounties was weakened by the absence of Follett and the early departure of Peace, and the opposition to them strengthened by the unusual presence of Caillard.³ But the establishment did claim to have made concessions to those who felt that earlier drafts were not positive enough in their aid to agriculture: in Chaplin's words, "it was decided to endeavour to strengthen and somewhat to broaden the recommendations that we made in the original copy".⁴ What the Committee termed "non-fiscal"⁵ recommendations, for instance on railway rates and on the encouragement of new agricultural industries,⁶ were written larger and more forcibly. On the relief of agricultural rates, the draft probably came close to the Agricultural Report, arguing that "the contribution from Imperial funds should be the largest amount, and from local rates the smallest, that is compatible with the economic administration of local

1. Ibid., pp. 31-32.
2. Whether some farmers might have held this opinion, the present writer cannot say, but, according to Ernest E. Williams, Liberal opposition to state aid for agriculture was based partly on the argument that "one result of such aid would be better times for landlords". Of course, it is obvious that Peace's argument is partial, even if we accept pure Ricardian theory. Both types of subsidy would have allowed landlords to increase rents. But in any case Chaplin was quick to stamp on this, arguing that "the evidence of every witness we had, with only one exception ... was ... that they never knew an instance where the landlord had appropriated the benefit of the last Rating Act". Ibid., p. 34, and E.E. Williams, The Foreigner in the Farmyard, (London, 1897), p. 164.
3. Up to this date Caillard had attended only 3 out of 34 Committee meetings, and that included the joint meeting with the Commission on 11 July. See "Agricultural Committee Attendance Book"; T.C.P.
4. A.C.M.(VT), 22 October 1906, p. 1; T.C.P.
5. Ibid., p. 14.
6. See below, pp. 439-446.

affairs", and that relief should be extended to the level intended by the Royal Commission on Local Taxation of 1896.¹ This would present no difficulty "in view of the increase of revenue which would follow from the imposition of the duties we suggest".²

But the draft was insufficient for Orlebar, who wanted specific earmarking, "in the nature of a declaration that some part of the proceeds of the new taxes" should be set aside for purposes of agricultural subsidy.³ Though Hewins thought this "contrary ... entirely to our Treasury system",⁴ and argued that both Joseph and Austen Chamberlain, the latter as ex-Chancellor of the Exchequer, "looked very askance at a distinct declaration of the allocation of the produce of particular taxes",⁵ Dennis and Boulton supported Orlebar. Even Chaplin was inclined to think the precedent of the Technical Instruction Act too strong to be brushed aside so easily.

The motives of the more radical wing of the Committee in pressing for a definite statement on earmarking, when all had in any case agreed to a general alleviation of agricultural rates, was undoubtedly aimed in part at increasing the popularity of Tariff Reform in agricultural areas, at giving farmers "the impression that they are getting some benefit from Tariff Reform".⁶ When Caillard doubted the practical purpose of such a recommendation, since the precise origin of the subsidy was of no importance, Boulton admitted that "It is only to make it more popular".⁷

But there were deeper reasons for desiring the practice. The first is that it would have been open to agriculturalists to exert pressure to increase the amount of subsidy available to them. Though Hewins had briefly flirted with the notion of removing local taxation from the land

1. Agricultural Report, paras. 368-369.

2. Ibid.

3. A.C.M.(VT), 22 October 1906, p. 20; T.C.P.

4. Though he did note the exception of 'whiskey money'.

5. Hewins had, however, consulted with both Chamberlains and found them "quite willing it should come out of the [Consolidated] fund". See A.C.M.(VT), 22 October 1906, p. 20; T.C.P.

6. Dennis, ibid., p. 21.

7. Ibid., p. 22.

altogether,¹ the more typical 'establishment' view was that relief should be limited to the recommendations of 1896. This, as Hewins had estimated, would only benefit agriculture to an amount of £0.75m.² Obviously, certain Committee members were looking enviously at the projected revenues on agricultural goods of some £10-15m. Even a low earmarking ratio (say one-tenth of the wheat duty, an amount corresponding roughly to the projected rate-relief) would set the precedent for an increase in the ratio under pressure from the agricultural interest.

The second underlying reason for the support of earmarking was that this was a half-way house towards securing bounties, and this clearly would have been a move towards putting the salvation of the farmer in his own hands. There is no doubt that there was still support for bounties in the later meetings. Yet the recommendations that lay on the table before the meeting of 22 October tenaciously clung to a straightforward rejection of bounties. Suggestions had been invited from members on the issue, but some had come in late. Furthermore, Boulton was ruled out of order by Chaplin when he tried a last-ditch rallying of support for the policy, on the grounds that he was a member of the Commission but not of the Committee. This was an unusual, abrupt and rather brutal ruling. It was not supported by the rules of procedure³ and, more important, it went against precedent. At earlier meetings no attempt had been made to prevent Commission members participating in the discussion of committees, or vice-versa, and joint participation had been positively encouraged. Indeed, earlier in this very meeting, Caillard, also a member of the Commission but not of the Committee, had also been involved in a debate on the control of railway companies.

Chaplin's ruling made it clear that Boulton was at liberty to raise the

1. "... local taxation I should think runs from 8s. to 10s. an acre, and if you were to take that sum off you would find that it would bring them [British farmers] in some instances within the power of competing even with Colonial importations". Ibid., p. 18.
2. Ibid., p. 22.
3. The rules of procedure of the Agricultural Committee made no mention of such issues. See A.C.M.(P), 8 March 1904, pp. 2-4; T.C.P.

question of bounties on the Commission, "to whom it is perfectly open to accept or reject any recommendations of this Committee that they like, or move any additions to them if they please".¹ But this hit at the proposal for bounties in two ways. Firstly, it postponed their discussion until consideration of the Final Report, since the Commission could not overturn the recommendations of the Agricultural Report, but only modify them when fitting them into the overall Tariff Commission plan.² This might delay Commission discussion for months, even years.³ Secondly, and more importantly, it ruled out of order three of those involved in the Committee's deliberations who constituted the heart of the agitation for bounties. It is ironic that neither Boulton, nor Peace, nor Follett, were members of the Agricultural Committee.

Amongst those still empowered to speak, there was little resolve to continue the pressure. Stratton, of course, remained steadfastly opposed towards any form of bounty, and Phillips joined him. Orlebar and Dennis, both of whom had earlier spoken in support of bounties, accepted the recommendations briefly and uncritically. Matthews, whilst professing "great sympathy with the feeling in favour of the bounty", welcomed its rejection because "for the time being ... it is beyond the scope of practical politics".⁴ This was to prove the death-knell of the pressure for bounties. When, at a later meeting just before publication, Desborough observed that he "thought there was going to be a great push made today for bounties", the secretary remarked cryptically that "We have disposed of that".⁵ Chaplin explained that the amended draft conclusions had been circulated to Committee members a week previously, but that "No proposals [i.e. amendments] have come forward to us ... and they [Committee members] have all signified their intention to sign".⁶

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1. A.C.M.(VT), 22 October 1906, p. 24; T.C.P.
 2. This is to be inferred from Hewins's and Chaplin's statements subsequently. See *ibid.*, p. 27.
 3. In fact it was to postpone it for ever, since a Final Report was never written.
 4. A.C.M.(VT), 22 October 1906, p. 25; T.C.P.
 5. A.C.M.(VT), 9 November 1906, p. 4; T.C.P.
 6. *Ibid.*

The defeat of bounties and the refusal to agree to the principle of earmarking by a Committee sympathetic to the plight of agriculture shows clearly that the need to produce an acceptable overall Tariff Reform policy, and the dangers of prejudicing the eventual implementation of that policy with extreme and electorally unpopular measures, was paramount in that Committee's mind. The direct effect of Chamberlain's tax on bread remained potentially small, being limited to the protective effects of a duty on wheat which, all were agreed, was too small to encourage wheat-growing, and to a remission of taxes of only £0.75m distributed amongst some 280,000 farmers,¹ on average less than £3 per farmer per year. It is ironic, however, that where the Committee felt itself less constrained by political considerations, its activities were circumscribed by the difficulties of harmonising the interests within agriculture itself.

It is clear that at first Hewins and Chaplin looked to the barley duty to provide recompense for a wheat duty which gave less to agriculture than was ideally desirable on account of the imperial consideration. As Chaplin observed, barley and oats "are both produced much more largely than Wheat - and are both more important".²

Taxation of oats was not a contentious matter within the Committee.³ With barley, however, there were considerable difficulties. The attraction was that, unlike in the case of wheat, very little barley was imported from the colonies, most coming from Russia, Turkey, Rumania and the United States.⁴

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1. Approximate figure, taken from C.S. Orwin and E.H. Whetham, A History of British Agriculture 1846-1914, (London, 1964), table on p. 342.
 2. Chaplin to Hewins, 28 October 1904; C-76 (I), T.C.P. For oats this was certainly true. For barley, it was true throughout the 1890s with the exception of 1898, though in several years (1890, 1891 and 1899) the difference in production was extremely marginal. It should perhaps be mentioned that the harvest of 1904, in the aftermath of which Chaplin wrote, produced a far lower wheat:barley ratio than was normal in this period. After 1904 the difference was extremely marginal, and in 1909-1914 wheat output consistently exceeded barley output. See B.R. Mitchell and P. Deane, op. cit., pp. 86-87.
 3. See below, p. 424.
 4. Agricultural Report, Tables 40-41, paras. 170-171.

Early in 1904 Chaplin had sought to discover from the Board of Agriculture the size of colonial imports, but Sir Jacob Wilson had found only isolated examples.¹ One was the first ever shipment of barley from Queensland, and the Agent-General for Queensland welcomed expert inspection of the samples retained by the British importer. Frankish inspected the samples on behalf of the Commission and found:

It is very fine Barley, well grown, good size and good colour, and if it could be got here in time for the malting season would cut out a great deal of the English barley, but in consequence of the time of the Australian Harvest it can only be got here ... too late for malting.²

If the Australian barley trade was only just beginning,³ that of Canada was even more in its infancy. In November 1904 Hewins was informed that seed of four varieties of UK malting barley had been supplied to the North West Provinces "under the North-west Government system of co-operative field trials with a view to developing an export trade to this country".⁴ New Zealand was also in the sample stage and India sent only "small quantities".⁵ Furthermore, Chaplin doubted the future potential of colonial barley production, since expert opinion held that soil conditions were not suitable.⁶

Gray saw considerable possibilities in a heavy tax on barley, and outlined a plan of transference of tax which would not harm the brewing interest:

Mr. Gladstone in 1880 transferred the then duty of about 22/8d per qr. for malting [barley] to the beer brewed. At present I think the duty is about 7/9d per bl. of beer. Presuming that there are 4 bls. beer produced from one qr. barley, the duty would be 31/-,

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1. Sir Jacob Wilson to Chaplin, 28 April 1904; C-76 (I), T.C.P.
 2. Frankish to Hewins, 2 May 1904; C-1304, T.C.P.
 3. The place of barley in Australian farm output was so small that Butlin does not differentiate it separately. In 1900-1 output of "Other grains" (chiefly oats, barley and maize) was valued at £2.5m compared with £5.5m for wheat. But Butlin's earlier series gives wheat output of £5.5m and output of oats and maize as £1.3m and £1.2m respectively. It seems, therefore, that production of barley in the whole of Australia was negligible. See N.G. Butlin, Australian Domestic Product, Investment and Foreign Borrowing, 1861 - 1938/39, (Cambridge, 1962), pp. 94-96, Tables 43-44.
 4. Hewins to Frankish, 30 November 1904; C-1304, T.C.P.
 5. C. Babington (of Watney, Combe, Reid and Co.) to Hewins, 3 November 1905; C-1836, T.C.P.
 6. A.C.M.(VT), 31 July 1906, p. 3; T.C.P.

leaving a difference of about 8/- per qr. of a greater tax than before Mr. Gladstone made the transfer.

Why not at least have 4/- of the duty taken off the beer production of 1 qr. barley, and put on imported barley?₁

Whether this would have been acceptable even to a pro-Tariff Reform government is questionable, for a barley duty effective in causing a switch to home sources of supply would have been a less stable source of revenue than the beer excise duty it replaced. It does seem, however, that brewers were not entirely opposed to the idea. Babington of Watneys concurred with Gray's figure of four barrels per quarter, and thought a 2 shilling duty would necessitate a 6d per barrel reduction in the beer duty:

If a duty on our raw materials were not met by a compensating remission of beer duty ... the brewer would be taxed for the benefit of, say, the farmer. The brewer need not object to a re-adjustment of burdens to help another but would object to an increased burden for that purpose.₂

But whether this reflected a consensus amongst brewers or not, there were more interests to be reconciled than by this mere transference. Gilbey, writing not long after the Glasgow speech and mindful of Chamberlain's exemption of maize, wrote that a tax on barley in such circumstances would "tell very severely on the Distillers of Malt Whiskey", since grain spirit was made almost entirely from maize.³ Later he put the position clearly: "I do not myself think that a small tax on imported Foreign Barley would be objected to very strongly by the Distillers provided that the Duty of (sic) Whiskey distilled from Maize is increased proportionately".⁴

Clearly, liquor distilling was a difficult area for the Commission. Relations between the two branches were not good, and the barley and malt

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1. Gray to Hewins, 16 June 1904; C-582, T.C.P.
 2. C. Babington to Hewins, 3 November 1905; C-1836, T.C.P. (Babington's emphasis).
 3. Relative production figures of malt and grain spirit were not collected by the government. Gilbey estimated, however, that "the 11 Grain Distilleries turn out more spirit than the 149 Malt Distilleries ... The first cost of Grain Spirit is from 10d to 1/3d per gallon as against about 3/- for Highland Malt". See Gilbey to Hewins, 25 January 1904; C-203, T.C.P.
 4. Gilbey to Hewins, 20 October 1905; *ibid.*

interests were attempting to secure legislation to prevent sale of the inferior grain spirit as whiskey.¹ Sir Thomas Dewar, though a Conservative MP, refused to appear before the Commission, because the grain whiskey trade was "hardly affected by foreign competition".² The consideration that a duty on barley combined with an exemption on maize would have been of positive advantage to Dewar seems to have been too subtle, for the predominant view amongst both malt and grain distillers was probably that import duties on any grainstuffs were best avoided. Certainly Hewins had great difficulty in securing distillers as witnesses.³

So, to harmonise interests, a tax on barley would have required a reduction of the beer duty and a tax on maize. The compensation element might well have left beer prices unaffected, but since there was no mention of a reduction in the spirit duty we might assume that there would have been upward pressure on whiskey prices. We can only conjecture whether grain distillers would have welcomed this less than malt users: their product being cheaper, it may well have had a higher price-elasticity of demand. But the concept of elasticity, even as a working tool for economists, was still imperfectly understood,⁴ and businessmen probably did not think in such a way at all, relying rather on an intuitive dislike of any factor outside their control which forced prices up.

But a tax on barley and maize, one of them specifically excluded by Chamberlain, would work against the interests of livestock feeders. Chaplin summarised the position in 1905:

The Barley grower is injured by the exemption of maize from duty, because that will induce a larger use of maize in brewing. On the other hand the exemption of maize suits the feeders. The bacon curers complain of the exemption of bacon from duty, because their best food for bacon, namely, barley meal, will be taxed. On the other hand, the duty on barley is the mainstay of the grower of grain because, while the duty on wheat

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1. Gilbey to Hewins, 19 July 1905; *ibid.*
 2. Sir Thomas Dewar to Hewins, 12 October 1905; *ibid.*
 3. Hewins to Gilbey, 19 October 1905; *ibid.*
 4. N. Jha, The Age of Marshall: Aspects of British Economic Thought, 1890-1914, (London, 2nd Edn., 1973), p. 39.

will ere long be rendered ineffective by the increase of wheat from the Colonies, very little barley comes from the Colonies at present.¹

Chaplin was mindful of Chamberlain's Glasgow plan, and was reluctant to take the sequentially obvious step of taxing bacon and maize in order to secure the important tax on barley. For, as he reminded the joint meeting of Commission and Committee, "great numbers" of those in the Tariff Reform Movement, including Chamberlain and himself, were "obliged to do nothing with the policy ... which is going on the balance to increase the cost of living".²

The evidence from questionnaires and witnesses had shown that "curiously enough, the question of the duty upon barley raises differences of opinion among various sections of Tariff Reformers ... Even among agriculturalists themselves".³ Growers of malting barley looked upon the prospect of a duty "with more interest and more anxiety than they do upon almost anything else", whereas the feeders required "light barley and other things of that kind" as cheaply as possible.⁴ Brewers, at a time "when it is notorious that the brewing interest is suffering from a very great depression", would require a quid pro quo.⁵ Bacon curers required a compensating duty on their product if barley meal was to be taxed, and Chaplin thought this "by no means an unreasonable argument".⁶

Chaplin had been considering a compromise for some twelve months, though he had at first been concerned about the practical difficulties of its implementation.⁷ It was that there should be a duty on foreign barley used for brewing, but that foreign barley used as feed should be exempt. Brewers, he claimed, would find it easy to provide the necessary government returns: indeed, they already supplied this information to the Board of Trade.⁸ This still left the question of malting barley versus maize, but to solve this

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1. Untitled typescript dated 3 August 1905, in C-76 (II), T.C.P.
 2. T.C.M.(VT), 11 July 1906, p. 35; T.C.P.
 3. Ibid., p. 34.
 4. Ibid.
 5. Ibid., p. 35.
 6. Ibid.
 7. Untitled typescript dated 3 August 1905, in C-76 (II), T.C.P.
 8. Phillips, representing Watneys, confirmed this point.

maize could "be taxed in the same way at the brewery", again leaving maize feeding stuffs on the free list.¹ The "only people who would have any cause of complaint at all" would be the growers of lighter, less high quality barley used for feed.² The pig breeder would have his grievance removed, both his product and his feed remaining untaxed.

At first this scheme appeared acceptable. Though Phillips feared evasion, perhaps at breweries more remote from Whitehall than his own, he saw no basic difficulties. Brown and Evans concurred. But now it was found that Mitchell Harris, the bacon curer, still resented the exemption of bacon but the inclusion of other meat, an inclusion which had caused only minor controversy on the Committee.³

Harris's objections rested on three grounds. The first was that it was administratively difficult to separate untaxed bacon from taxed pork. Thousands of carcasses of fresh pork were imported weekly from Holland, and "the foreigner is clever enough to make that into bacon which could be remade into fresh pork directly it arrives in London".⁴ The second, and more fundamental, was a questioning of Chamberlain's assertion that bacon was still peculiar amongst meatstuffs as "a popular food with some of the poorest of the population ... [and] the staple food for many of the poorest".⁵ Though this had been true "a good many years ago",⁶ a shift in relative prices had resulted in a shift of working-class consumption to cheap beef and mutton. The cheapest bacon, "Chicago bacon, is higher in price than the cheapest frozen mutton ... Or the cheapest beef from Argentine".⁷ Whilst Webb and Cooper confirmed this, Chaplin thought that Board of Trade

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1. T.C.M.(VT), 11 July 1906, p. 36; T.C.P. Both barley and maize used in distilling would be treated similarly. See *ibid.*, p. 38.
 2. *Ibid.*, p. 36.
 3. See below, pp. 428-431.
 4. He continued, "The foreigner, by putting these fresh carcasses of pork into salt for a day or two would make it into bacon, and directly the trader got it over here he could, by a certain process, make it back into pork again". T.C.M.(VT), 11 July 1906, p. 39; T.C.P.
 5. Chamberlain at Glasgow, 6 October 1903; in J.M. Robertson, *op. cit.*, p. 54.
 6. T.C.M.(VT), 11 July 1906, p. 39; T.C.P.
 7. *Ibid.*, pp. 39-40.

publications dealing with weekly budgets of agricultural labourers showed that "undoubtedly in many parts of England it [bacon] forms the largest article" of meat consumption.¹ The third basis of Harris's objections was that which made the second significant - the degree of foreign competition. Exemption of bacon would cause a switch from other products, especially pork, by foreigners exporting to the UK:

... the trade of English hams and bacon would, in a few years' time, be wiped out ... and the matter of hog raising in England and Ireland would necessarily follow suit. It is as much as ever we can do now to compete both in hog raising and in making bacon with the foreigner, and what we should do if bacon were admitted free and a tax were put on meat, I do not know.²

This forcible declaration of protectionist intent impressed the meeting, especially the agricultural representatives. Matthews, who had initially been "inclined to think ... that you [Chaplin] had solved what appeared to me to be the great difficulty of this",³ was now less sure. But he did argue that, if Chaplin's scheme was unworkable, "having to advise a duty on bacon need not frighten us very much".⁴ A reasoned alteration of the details of Chamberlain's programme was within the Committee's terms of reference; indeed, it was the purpose of the Committee. Cooper thought free bacon "a very bad thing for agriculture", in view of the large increase in imports of Danish produce each year, especially as British producers had to suffer confiscation of fresh pork under the tuberculosis test, whereas processing into bacon removed "the principal evidences of the disease".⁵ Dennis thought the exemption of bacon to be "a weakness in the general scheme", and suggested a low duty of 2½ per cent.⁶

The joint meeting with the Commission had ended with considerable

1. Ibid., p. 40.

2. Ibid.

3. Ibid., p. 41.

4. Ibid.

5. "... there is not the least doubt in the minds of those people who are engaged in the trade," he continued, "that a very large quantity of pigs are manufactured in Denmark into bacon which if they came to the dead-meat market in the shape of dead meat would be confiscated". See *ibid.*, p. 42.

6. Ibid., p. 45.

opposition by the agricultural representatives to the exemption of bacon, a matter on which non-agricultural Commission members had remained ominously silent. Chaplin had stuck to his guns, however, and seems to have sent out of the meeting for the Board of Trade report he had mentioned earlier.¹ Wilson Fox's figures, quoted by Chaplin, seemed to show that farm workers in the Eastern counties consumed well over twice as much bacon as other meats, and in England as a whole nearly 20 per cent more. Chaplin urged that "this very important part of the population" should not be subjected to a tax on bacon, and secured the authority of the Commission to work out, with Hewins's aid, a satisfactory and harmonious scheme.²

By the next meeting of the Committee, however, Chaplin had changed his position. He had reconsulted "some of the latest [government] reports on this question", and had with Hewins consulted Wilson Fox on the reliability of the estimates of bacon consumption:

It is always undesirable to change when a policy has been put before the country, but there is no doubt that the evidence that you have taken yourselves differs to a considerable extent from the evidence in this report of Mr. Wilson Fox ... What I think comes out, putting it clearly, is this: that in urban districts at all events the consumption of Bacon ... is very much smaller than it is amongst the Agricultural Labourers, and of course they are a very much more numerous portion of the population. Another thing is that the consumption of that cheap meat which is sent here dead is, every year, increasing more and more ... certainly [for consumption] amongst poorer classes in the towns. That is a fact and Mr. Wilson Fox himself called my attention to this ... that even in the rural districts ... [cheap foreign meat] is actually taking the place of Bacon and may be expected to take its place more and more ... as time goes on.³

To buttress his argument he argued that home-rearing of bacon by labourers was increasing, "some they use for their own purposes and others they sell".⁴

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1. Almost certainly, Board of Trade, Report on Wages, Earnings and Conditions of Employment of Agricultural Labourers in the U.K., Cd. 346, 1900, vol. lxxxii.
 2. T.C.M.(VT), 11 July 1906, p. 44; T.C.P.
 3. A.C.M.(VT), 31 July 1906, p. 32; T.C.P. A second version of Fox's report (Cd. 2376, vol. xcvi) had appeared in 1905.
 4. A.C.M.(VT), 31 July 1906, p. 34; T.C.P.

This cottage industry was one "which we might very properly do our best to encourage", the proposal to tax bacon thus tending "in the direction of aiding the agricultural labourers themselves".¹

Only Stratton, amongst Committee members, remained unhappy about the proposal to include bacon, and he did not press his objection. Harris was obviously happy - the first six months of 1906 had seen imports running at 14 per cent above the corresponding period of 1903. To sugar the pill he added that a small duty would be unlikely to raise prices. Most foreign exporters, especially Denmark, had little choice of markets beside the UK. The foreigner would have to pay the duty, for "Whatever price the English people return to him for his bacon he is bound to take".²

This left undecided the question of barley and maize. Superficially it would seem that the decision to include bacon liberated the Committee from the constraints preventing it from recommending taxation of these products. But on barley Chaplin was cautious, perhaps because of the points Matthews had raised on the possibility of fraud and evasion, and on the possible switch of less reputable brewers into rice, maize and even oats. Matthews's drift was that a barley tax should be countered by duties on possible, though inferior, substitutes. He doubted that the omnibus companies would welcome a tax on oats, "but that is not [a] question for the Agricultural Committee to consider. We have oats to sell, although we consume a quantity of what we grow ourselves, and I should certainly not be in favour of admitting foreign oats in free".³ Mitchell Harris too did not favour a higher duty on barley than on maize, the situation under Hicks Beach's Boer War duties which Chaplin proposed to emulate, for this would disadvantage the producer of high quality bacon. Gilbey made the same point from a different

1. Whether, in fact, a small duty on bacon would have encouraged farm labourers to rear pigs for sale is, of course, doubtful. Without this result, the claim that a tax on bacon would really increase the welfare of the agricultural worker appears more than a little of a paradox. Gilbey, however, thought that small-scale pig-breeding was very sensitive to price changes. See *ibid.*
2. *Ibid.*, p. 35.
3. T.C.M.(VT), 11 July 1906, pp. 42-43; T.C.P.

interest: the differential would "still further handicap the legitimate distiller who distils from barley".¹

What is unclear from the above, even given the decision to tax bacon, is why Chaplin's earlier compromise plan, to tax both foreign maize and barley at the brewery but to exempt those grains used as feed, had fallen from the Committee's collective memory. To the extent that maize used in producing alcohol had been taxed less heavily than barley, it is true that those interests represented by Gilbey would have had some cause for complaint. But the exemption of both grains if used for feed does not explain the hostility of Mitchell Harris.

The reason may lie in an acceptance by the Committee, undocumented in the surviving evidence, of the necessity to tax imported barley whether used for brewing and distilling or for feeding. This stance of blanket protectionism may have gained strength from the decision to tax bacon. It is to be remembered that the Committee looked eagerly to the barley duty to make up for the sad inadequacy of the wheat duty. However, the quantity of beer consumed in 1907, a typical year in the period 1900-1914, was 35.4m barrels,² and if, as Gray and Babington affirmed, one quarter of barley was used in production of four barrels of beer, this would put the maximum quantity of barley used in brewing at slightly less than 9m quarters, or only very slightly less than 75 per cent of total British output plus imports of barley in that year.³ Of course, this figure must be revised downwards to take account of the use of other grains in brewing, but it

1. A.C.M.(VT), 31 July 1906, pp. 39-40; T.C.P.
2. A.R. Prest and A.A. Adams, Consumers' Expenditure in the United Kingdom, 1900-1919, (Cambridge, 1954), Table 48, p. 76. Production figures given by Prest and Adams are in bulk barrels of 36 gallons of any specific gravity. Standard barrels contain the equivalent of 36 gallons of beer of specific gravity 1055. It is extremely unlikely that any difference is sufficient to render invalid the very rough calculation being performed here.
3. Figures for GB output from B.R. Mitchell and P. Deane, op. cit., p. 87 (bushels converted into quarters at 8:1) and those for imports from G.R. Porter, The Progress of the Nation, (New Edn., revised by F.W. Hirst, London, 1912), p. 438 (cwts. converted to quarters by Mitchell and Deane's conversion factor of 41.56 bushels per ton for 1910-1939. See op. cit., p. 86).

also must be subsequently revised upwards if the use of barley in distilling is to be included. Thus it does seem that even under Chaplin's compromise a considerable proportion of the UK consumption of barley would have been subject to duty.

But whether the reason did indeed lie in a protectionist desire to embrace all grainstuffs irrespective of final use, especially now that bacon was to be taxed, or in Matthews's questioning of the scheme's practicability, or even in a greater hostility to the concept of compensating reductions in beer duty on the part of brewers than was foreseen by Babington and Phillips, Chaplin's scheme was, as in so much of the Commission's business, put aside quietly for later. Recommending a duty on barley equivalent to that on wheat,¹ the Agricultural Report stated merely that the question of a differential between feeding and malting barley was one:

... upon which it scarcely falls within our competence at the present stage to report, as the practicability of such a measure depends upon many technical considerations which would have to be worked out by official experts. A precedent for this differentiation occurs in its adoption in the new German tariff which came into operation on March 1st last, but no information is available showing how the principle is worked.²

The failure of Chaplin's compensation scheme, or at least its postponement, meant that for the moment barley feeders were not going to escape a duty on one of their inputs. Brown, who had foreseen this result, perhaps reflected a general sanguinity on the part of the Committee when he remarked that "They are not so stupid as to imagine they are going to have it all their own way".³

The dropping of Chaplin's scheme also signalled the final defeat of Chamberlain's plan to exempt maize, as a food of "some of the very poorest of the population",⁴ for Chaplin's scheme exempted not only maize used in

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1. Agricultural Report, para. 394.
 2. Ibid., para. 382. In private, however, Hewins admitted that "I do not think they have succeeded in bringing it [the differentiation] into actual operation. I think it is an arrangement which has really broken down". See A.C.M.(VT), 9 October 1906, p. 30; T.C.P.
 3. T.C.M.(VT), 11 July 1906, p. 39; T.C.P.
 4. Chamberlain at Glasgow, 6 October 1906; in J.M. Robertson, op. cit., p. 52.

feeding, but also, by implication, maize eaten directly by humans. This was not to the entire liking of some Committee members. Dennis thought the Committee "pledged ... to treat ... maize separately from other cereals", though Hewins reminded him that in the strict sense "We are not pledged to anything".¹ But Dennis at least pressed for free importation from the colonies. Chaplin, reluctantly agreeing to the inclusion of maize now that his compromise was foundering, urged the re-adoption of Hicks Beach's principle "under which maize had some slight advantage over other kinds of grain in the Registration Duty".² But both Harris and Gilbey, users of barley in production of higher quality products, spoke strongly against even this,³ and it appears that the Hicks Beach differential was dropped. Later Peace, wondering at "the absence of any specific grounds" in the draft report for the inclusion of maize, urged a reversion to Chamberlain's original plan, a view with which Chaplin himself had considerable sympathy.⁴ But when the Agricultural Report appeared, it recommended that maize, along with barley, oats and rye, be subject to duties "equivalent to those on wheat".⁵

If the establishment had acceded to the full taxation of maize, however, it had at the same time resisted the suggestions of Gray⁶ and Matthews⁷ that barley be subject to a considerably higher duty than wheat. In a sense, this too was a necessary consequence of the failure of Chaplin's compensation scheme, for Gray's suggestion of a 4-8 shilling duty on malting barley depended on that scheme. With barley prices around or under 25 shillings per quarter,⁸ few British farmers would have been happy with a duty on feeding

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1. T.C.M.(VT), 11 July 1906, pp. 44-45; T.C.P.
 2. A.C.M.(VT), 31 July 1906, pp. 36-37; T.C.P. Under Hicks Beach's duty maize had been taxed at 1½d per cwt. compared with 3d per cwt. on other grains. See Agricultural Report, para. 382 n.
 3. A.C.M.(VT), 31 July 1906, p. 39; and A.C.M.(VT), 9 October 1906, p. 30; T.C.P.
 4. A.C.M.(VT), 9 October 1906, pp. 24-25; T.C.P.
 5. Agricultural Report, para. 394.
 6. See above, p. 418.
 7. T.C.M.(VT), 11 July 1906, pp. 41-42; T.C.P.
 8. Agricultural Report, Table 7, para. 72.

barley of 16-32 per cent when other farm products were being protected to the extent of 5-10 per cent, and few brewers and distillers would have welcomed the barley tax with no remission of duty on beer and spirits. If it was all-round protectionism that saw the death of Chaplin's scheme, it is worth mentioning that the Committee's actions perhaps again neglected the chance of giving agriculture a more positive helping hand.¹

The only other serious controversy on the tariff schedule concerned live and dead meat. Cooper, adopting a position possibly influenced by his own self-interest, pressed for a lower tax on live cattle imports than on dead meat. His reasons were, firstly, that employment in the live cattle and by-product trade exceeded that in the dead meat trade, and secondly, that:

... the dead meat is an article which interferes far more with the [domestic] price ... than the live cattle ... The dead meat must be consumed at once, ... [but] with the other they get ten days' grace at Deptford, and ... it is not to be forced on the market just at the minute.²

There was confusion on this issue. It appears to lie contrary to Matthews's plea, motivated by years of struggle on the part of the Central and Associated Chambers of Agriculture,³ that "we do not want to do anything that will encourage the importation of livestock ... for ... the fear of importation of disease".⁴ But there was confusion between imports of store cattle, subsequently entering the UK to be fattened, and imports of live cattle, slaughtered at the docks. Cooper reminded the Committee that:

... it is not a question of protecting our flocks and herds from disease, because there is no possibility

1. This is merely to conjecture that a 4-8 shilling duty on malting barley only, given the apparently high proportion of this in total barley consumption, might well have yielded more to farmers in the form of prices (and would not have been partially offset by loss to farmers in the form of raised feed prices) than would an overall 2 shilling (equivalent) duty on all barley. To the extent that the two types of barley could be differentiated in final use, the free importation of feeding barley need have exerted no control on the domestic tariff-determined price of malting barley.

2. T.C.M.(VT), 11 July 1906, p. 29; T.C.P.

3. A.H.H. Matthews, Fifty Years of Agricultural Politics: Being the History of the Central Chamber of Agriculture, 1865-1915, (London, 1915), ch. 2.

4. T.C.M.(VT), 11 July 1906, p. 28; T.C.P.

of disease coming into the country by that means ...
 We have had the foot and mouth disease more than once
 imported into our Foreign Animals Wharf in London,
 but we have never had it spread beyond the market.¹

The joint meeting of Commission and Committee appeared to accept Cooper's argument, and Hewins and Chaplin drafted a recommendation of a general level of 5 per cent on meat imports with a distinction between live and dead meat in the former's favour. Matthews appears to have given way, since he pointed out that this would require an export duty on hides or else it would "defeat our ends".²

Matthews's assertion of the need for an export duty may well have been an astute move, for Hewins was reluctant to impose any export duty, whether on grain offals or hides.³ The meeting of 22 October was presented with draft recommendations in which the differential between live and dead meat had been reversed. Matthews, however, seemed surprised that the recommendations were "just the opposite to what ... was in the last draft".⁴ It seems likely, therefore, that the impetus for this change came from Chaplin, who had "been of opinion always that dead meat should have the pull", on account of "the most damaging competition" occasioned by live meat imports being "sold as the best English and Scotch".⁵ Stratton, whose elder brother William⁶ had proposed the formation of the Central Chamber's Cattle Diseases Committee in 1872 and had been its chairman until 1894,⁷ supported the change of direction, and with Cooper absent from the meeting⁸ the new line had unanimous agreement.

But, as Chaplin pointed out, this decision led to difficulties with the draft recommendations, and he claimed that "although there is a great deal of evidence on both sides the evidence we have selected and quoted was evidence

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1. Ibid., pp. 30-31.
 2. A.C.M.(VT), 9 October 1906, p. 33; T.C.P.
 3. Ibid.
 4. A.C.M.(VT), 22 October 1906, p. 39; T.C.P.
 5. Ibid.
 6. Stratton to Hewins, 11 (?) February 1904; C-536, T.C.P.
 7. A.H.H. Matthews, Fifty Years ..., op. cit., p. 36.
 8. "Agricultural Committee Attendance Book"; T.C.P.

supporting the other conclusion".¹ Hewins, his professional competence and impartiality impugned, rejected this flatly: there was "no evidence on the other side ... The weight of the evidence is against higher duties on live than dead meat - overwhelmingly".² When Chaplin pressed him into admitting that there was at least some evidence in favour of higher duties on live meat (Hewins remarking "very little") Chaplin thought that "that must be added", revealing himself to be fully intent on cooking the books in the opposite way from that which he had just accused Hewins.³ Stratton, too, now showed signs of wavering, or at least of having misunderstood the point at issue earlier. "A lot of fat cattle are killed at the port of dis-embarkation", he observed. "We should class them should we not as dead meat as far as the rate would go[?]"⁴

Chaplin, though repeating his desire to prevent port-killed cattle competing with domestic meat as home-produced, admitted that "it will not do to have a recommendation ... flying directly in the face of this evidence", and suggested that the evidence be re-examined so as to present "both sides of the case. At present it has only been given practically on one side".⁵ This did not improve Hewins's temper, and he repeated that the draft constituted "quite an impartial presentation of the evidence we have got".⁶ Stratton, by now unsure as to which side he was on, remarked dryly: "It is not quite like the law of the Medes and Persians - you can alter that".⁷

But Chaplin's obvious intention to railroad this matter through the Committee failed. In the Agricultural Report, the issue of differentiating between live and dead meat was almost completely obscured by its amalgamation into a paragraph on Canadian store cattle and the adoption of preference.⁸

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1. A.C.M.(VT), 22 October 1906, pp. 42-43; T.C.P.
 2. Ibid., p. 43 (my emphasis).
 3. Ibid.
 4. Ibid.
 5. Ibid., pp. 43-44.
 6. Ibid., p. 44.
 7. Ibid.
 8. Agricultural Report, para. 385.

The schedule of duties made no mention of differentiation.¹

This avoidance of the issue is to be understood when the replies to the Form of Inquiry relating to it, which were printed in the Agricultural Report, are analysed. 126 replies favoured the proposal that live meat should be taxed less heavily than dead meat, including those of Frankish, Mitchell Harris and Gray. The number of replies which favoured Chaplin's proposal to tax live meat slaughtered at the port more heavily is difficult to ascertain precisely, since farmers tended to confuse this issue with that of store cattle, but about 153 clearly distinguished live meat from stores in support of Chaplin. 292, however, saw no reason for any distinction between live and dead meat.² So those who felt strongly were in a minority, and not far off equally divided.

On other produce, such as dairy produce, hops, etc., and on the general level of the duty on meat in Chamberlain's scheme, Chaplin felt that the Committee had carte blanche. Whilst he had himself "no preconceived ideas" and was quite happy to accept the Glasgow proposals as they stood, it was up to the Committee to discuss whether there was a case for raising any of them.³ But there was little attempt to force the level of protection upwards, and all were agreed with Dennis that "We are going in for moderate duties",⁴ and that this meant duties of 5-10 per cent ad valorem or the specific equivalent. All were agreed, too, that preference should be applied to the whole range of agricultural goods, but they would not specify the extent, and the precedent of the registration duty on wheat makes it unlikely that they would have favoured free imports of any colonial product except perhaps apples and fruit. Dennis may have had support when arguing that 5 per cent on apples, with the colonial product duty free, would give the Canadian producer a 9d to

1. Ibid., para. 394.

2. Ibid., paras. 1894-1991.

3. T.C.M.(VT), 11 July 1906, p. 6; T.C.P.

4. A.C.M.(VT), 22 October 1906, p. 41; T.C.P.

one shilling advantage over his US rival in the British market, a preference the Canadian "would value very much indeed",¹ and that this exemption could be generalised to Australian and South African fruit. But the suggestion commanded support because the recent rapid growth of such imports had shown them not to compete with the native product on account of seasonal differences, and the Committee were not willing to extend colonial preference into a general exemption.

There was some special pleading, but generally it was only to raise particular items up the 5-10 per cent range. Dennis, in arguing that potatoes warranted special treatment, wanted a sliding scale so that the duty was higher in the cheap than the dear season: he suggested a range of 6 $\frac{1}{4}$ -20 per cent, the higher rate not being as pernicious as it sounds since in the cheap season there were few foreign imports.² Hewins observed, disingenuously, that this "falls within the general range of duties",³ and no more was heard of the sliding scale. Neame wondered "whether it is possible or fair" to deviate from the 5-10 per cent range on hops, which he considered "rather an exceptional industry" on account of its labour intensity, and which he thought to require more than 10 per cent "to keep it going".⁴ But it would be fair to Neame to record that several other Committee members, less interested and one of them indeed a brewer, had mentioned the severity of import competition in hops as warranting special treatment of the industry.⁵

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1. T.C.M.(VT), 11 July 1906, p. 32; T.C.P.
 2. Dennis maintained that it was not economical to import German potatoes until the price was 80 shillings per ton (his duty then being 5 shillings per ton). The duty on potatoes at 40 shillings per ton would be 10 shillings. See A.C.M.(VT), 22 October 1906, p. 41; T.C.P.
 3. Ibid.
 4. A.C.M.(VT), 9 October 1906, p. 21; T.C.P.
 5. Orlebar, Peace and Phillips. See T.C.M.(VT), 11 July 1906, pp. 31, 33; T.C.P.

VI

The relatively modest duties recommended by the Agricultural Committee¹ were the result of three related factors. The first was the tactical victory of the 'establishment' in defeating the agitation for bounties and earmarking, and in securing a wheat duty of 2 shillings rather than 3 shillings. The second, and in many ways the harder to explain given the surviving evidence, was the decision to recommend duties of a similar level on other cereals, and in particular not to boost farming incomes with a high duty on malting barley. It could be argued that these two factors, in setting a precedent of moderate duties of 5-10 per cent, ensured that protection of meat, dairy and market garden produce would conform to this range. But there is a chronological difficulty with this. These products had not proved contentious, at least in the sense that apart from the live- and dead-meat differential and the inclusion of bacon at the prevailing rate they had been little discussed, and there was already a consensus on meat well before the bounty question was finally settled. This gives credence to the operation of a third factor, that even the more heavily protectionist sentiment on the Committee was relatively satisfied with 5-10

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1. The "Provisional Scale of Duties" published in the Agricultural Report (para. 394) was as follows:

	<u>General Tariff</u>	<u>Preferential Tariff</u>
Wheat	6d per cwt (or about 2s per qr)	3d per cwt (or about 1s per qr)
Barley, Oats, Rye, Maize, etc.	Duties equivalent to those on Wheat	Duties equivalent to those on Wheat
Wheaten and other flour and Meal	1s 3d per cwt	
Animals and Meat, including Bacon	General level to be 5%	
Dairy produce, including Poultry and Eggs.	Specific duties equivalent in general to from 5% to 10% <u>ad val</u> :	Subject to negotiation with the Colonies
Market Garden garden produce, including Potatoes and Hops.	though in particular cases some duties when calculated may be found to be lower and in others rather higher	
Hay and Straw,	than these limits.	

per cent on such products. Indeed, as is shown below,¹ the intelligence that the Committee gathered on farming opinion suggested that agriculturalists were favourably disposed to the 5 per cent on meat suggested by Chamberlain.

The Agricultural Form of Inquiry (Form No. 5)² had sought farming opinion on the 2 shilling duty of the Glasgow plan.³ The answers received were printed in the Agricultural Report.⁴ 186 replies were printed to the effect that the 2 shilling duty would benefit agriculture, and the Committee recorded but did not print the views of another 123 farmers who felt the same. A good many of these, however, thought the price effect would be small and regarded the stimulus to milling, or other effects such as greater price stability, as the principal area of benefit. A further 21 thought a 2 shilling duty would be of advantage if combined with a reduction of agricultural taxation, though many of these seemed to want the entire proceeds of the duty earmarked for this purpose, and it is to be doubted that the Committee's relatively small move in this direction would have satisfied them. 18 farmers complained that the duty would do little or nothing unless combined with a bounty on domestic wheat production. 87 farmers thought the 2 shilling duty would be of little benefit; some because they thought the price rise would be too slight, and others because they feared the price of feed would rise. 100 felt the duty to be of no benefit at all, sometimes because of the question of feedstuff prices, sometimes because they accepted the Tariff Reform argument that free colonial imports would prevent an increase in prices and might even expand so much as to lower prices. 41 farmers mentioned colonial preference, mostly to claim that it should stop short of exemption. 123 farmers suggested that higher

1. See below, p. 435.

2. Agricultural Report, paras. 1205-1209.

3. Qu. XI.

4. It has been mentioned elsewhere that there is slight evidence that, up to and including the Agricultural Report, answers received were printed in their entirety. This is a half-truth. It appears that in the Agricultural Report all the replies were classified, and the majority printed. Since the abbreviation was made on both sides of opinion, it would seem that many of the omitted replies were of the 'Yes' or 'No' variety.

duties were necessary, with 5-10 shillings being the commonly suggested range.¹

Answers to the Form of Inquiry on the 5 per cent duty on meat and dairy produces were, however, more favourable. The Committee printed 207 replies claiming that these would be beneficial, and recorded that 158 further answers expressed the same opinion. On the whole, these revealed expectations of a larger benefit than did those replies that had looked to a benefit from the corn duty, though some were afraid of any colonial exemption under the Glasgow scheme. 31 replies thought that 5 per cent was of little value unless combined with reductions in taxation, though there was less evidence here of a desire to earmark the whole revenue for the benefit of agriculture. Only 75 answers, however, were to the effect that the 5 per cent duties would be of no benefit at all, most on account of the size of the duties, but some on account of free imports from the colonies and some on account of the increase in feed prices that the enhanced livestock prices would have to offset. In a selection of 43 replies stressing colonial preference, most wanted preference but few favoured exemption. 82 farmers thought that 5 per cent was not sufficient, but the suggestions were less extreme than in the case of wheat, and 10 per cent was perhaps the most common suggestion.²

The farming community could not have hoped to obtain all it really desired from Tariff Reform and, as Brown had acutely observed,³ it probably did not expect to. The Agricultural Report had, however, gone some way towards increasing the attractiveness of Tariff Reform to the agricultural world. Colonial exemption, a source of considerable dissatisfaction amongst farmers, had been replaced by colonial preference, though the degree of preference had not been specified. There had been some move to revive the milling trade: foreign flour was to be taxed at 1s 3d per cwt., a trebling

1. Agricultural Report, paras. 1532-1696.
 2. Ibid., paras. 1772-1893.
 3. See above, p. 426.

of the Hicks Beach duty compared with only a doubling on wheat. Maize had been denied the preferential treatment extended to it by Hicks Beach and the exemption proposed by Chamberlain. Bacon had been included in the 5 per cent duty that seems to have been the most favourably received part of Chamberlain's outline. And there was a recommendation, not foreseen by Chamberlain, to reduce taxation on agricultural land.¹

Nevertheless, it is clear that few on the Committee thought that much had been done to prevent the "murder of agriculture"² by foreign competition. But, of course, their over-riding objective was to obtain the initial political acceptance of Tariff Reform. They could bear the brickbats hurled against Tariff Reform by farmers who argued that the duties proposed would not raise prices because colonial imports would increase, since these were the very arguments that they themselves were using to convince the non-agricultural electorate, the majority, that Tariff Reform would not starve or immiserise them.

In public, as is shown so often in the Agricultural Report, the Committee was determined to have it both ways - to argue that their proposals would benefit agriculture without raising prices. Any of its members who fully understood Hewins's idealised concept of a scientific, 'costless' tariff must have held some doubts that they had achieved it. But to the Agricultural Committee as a whole this mattered little. For, if farmers were justifiably suspicious of a Tariff Reform Movement which spoke with two voices on agriculture, it must be remembered that many on the Committee, at least, saw their tariff schedule as only the beginning of agricultural protection in Britain.

Opponents of Tariff Reform frequently suggested that the modest duties

1. In the aftermath of Chamberlain's Welbeck speech, Richard Jebb had made this suggestion in the press. It is not known whether this was the origin of the idea of linking rate-reductions to Tariff Reform. See Times, 29 August 1904, p. 12. It seems unfair to take the role of originator away from the Committee, however, in view of Chaplin's own role in the legislation of the 1890s.
2. This strong phrase is Sir William Earnshaw Cooper's. See his The Murder of British Agriculture: A National Peril, (Letchworth, 1908).

of the new protectionists were the thin end of the wedge, and that Tariff Reform in office would soon seek the path to high protection. That no leading Tariff Reformer publicly admitted this strategy obviously cannot be taken as evidence that none favoured it. But, equally, we cannot infer from this that such intentions were prevalent or even widespread in the Movement, or that some conspiracy to obtain continental levels of protection was afoot. Some of the more informed participants - in the case of the Commission perhaps Hewins, Booth or Caillard - may even have been aware of the body of opinion within theoretical economics that was seeking to establish the general validity, given not too extreme supply and demand elasticities, of small or incipient taxes.¹

One of the few areas, however, where we can find some evidence that Tariff Reformers intended the Glasgow plan as merely the green foothills below the glistening white peaks of protection lies in the private discussions of the Agricultural Committee. It must be emphasised that this is not true of discussions elsewhere on the Commission.² It is fitting that the Agricultural Committee, the most nakedly protectionist of all the interest groups on the Commission, should leave us with the clearest example of this hidden motive amongst some of those who proclaimed their allegiance to

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1. Principally by Bickerdike. See C.F. Bickerdike, "The Theory of Incipient Taxes", Economic Journal, vol. XVI, 1906, pp. Edgeworth was working along similar lines, and though differing in detail he maintained that Bickerdike had shown that "the free trader must abandon his hectoring tone with reference to the defence of a protectionist tax on the ground that it is a little one"; cited in N. Jha, op. cit., p. 48. This academic controversy was at its height in 1906-1908, by which time it was forcing even the eminent Pigou to concede ground. We can agree with Jha, however, that such theoretical developments came too late to be of material use to the Tariff Reformers. Ibid., p. 49.
 2. Escalation was only mentioned in the cotton enquiry in the sense that products which for the present needed no protection might later require duties if import competition intensified. In the iron and steel enquiry the top end of the scale had been left vague largely because of the inability to compress the different gradations of the tariff (by virtue of degree of labour content or 'value added') into the 0-10 per cent range, but the refusal of the Commission to publish its opinion that a 15-20 per cent tariff on high speed steel was necessary was not evidence that it hoped or intended that the 5 per cent duty on pig iron would soon become 15 or 20 per cent.

Chamberlain. Chaplin himself had justified the retreat from the 3 shilling wheat duty on the ground that "it would be so much easier, having passed the gate first, to have a little bit more",¹ while Phillips had looked sympathetically on a future rise in the duty, and several members had looked forward with anticipation to the "adjusting of details" of a Tariff Bill introduced by a Unionist government.² As Phillips remarked, "we shall want all the friends we can possibly get".³ Such verbatim evidence should not be taken too easily as revealing the intent of those who guided and influenced the Committee. Chaplin's vague offers of benefits to come may have been merely to secure the immediate acceptance of the duties in hand by those who were inclined to press for more. But though there was no conscious or deliberate strategy, there can be little doubt that amongst the ordinary members of the Committee there was hope that Tariff Reform was just the beginning of a period when public opinion and government favour would swing back towards the unloved farmer. Thus it was that Matthews, disappointed at the size of the 2 shilling duty and at the exclusion of wool on the grounds that it was a raw material, was able to accept them.⁴ As Frankish observed:

I hope ... that the different Members of the Committee, however much they may feel inclined to advocate some scheme of their own, or some addition to suit some particular case, will treat your Report in a broad light, and not complicate it with any detail likely to

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1. A.C.M.(VT), 9 October 1906, p. 35; T.C.P.
 2. Ibid., pp. 21-22; and A.C.M.(VT), 22 October 1906, p. 35; T.C.P.
 3. A.C.M.(VT), 9 October 1906, p. 31; T.C.P.
 4. On wool, see A.C.M.(VT), 22 October 1906, pp. 41-42; T.C.P. Chaplin, in reply to the request that wool be discussed, replied that "it has been stated over and over again by Mr. Chamberlain and others ... that we do not intend to put duties on raw material, and that the statements that we do are absolutely untrue ... a duty on wool now would be altogether out of the question". When Orlebar questioned whether wheat was not in fact a raw material he replied tersely, "I do not call it raw material. I call it food. I know it can be argued to be raw material. At all events it is not in the same category as wool because we have always ... [said] we were going to put a duty on wheat, [but] ... not ... on raw materials". When Orlebar complained that no evidence had been collected on wool, the conciliatory Matthews reminded him that the commodity had been examined in the Woollen and Worsted Report, "and so was rather outside our scope". He advocated that the Committee should state "boldly in our report ... that while we have not forgotten the question of wool as an important item in the production of this country, we are prepared to forgo that".

prejudice other Interests than Agriculture. Our Duty and Interest is to get these small Duties established and leave the rest to the future; once established the Principle will not soon be altered, but may be amended ... as experience shews to be needful.¹

If the Committee felt constrained to conform to the moderate tariff levels characteristic not only of Chamberlain's programme but also of the earlier Commission studies, it did attempt to make suggestions of a different character to aid agriculture. Non-fiscal recommendations, some less non-fiscal than they appeared, were far more prominent in the Agricultural Report than in any other Commission publication.

One such recommendation was state encouragement of agriculture through government experimental stations and advisers paid for by the Board of Agriculture.² In general this led to little dissent, though this was less true when it came to specific proposals for encouraging new branches of agriculture. Sugar beet was one product which had its enthusiasts on the Committee. Dennis, reviewing Lord Denbigh's experiments at Newnham and those of Sigmund Stein of Liverpool, thought that a capital outlay of £15m, equivalent to only one year's import bill for raw sugar, would provide 300 refineries capable of displacing imports totally.³ Chaplin, mirroring a general interest among agriculturalists current at the time,⁴ was relatively enthusiastic, but he realised that security of investment would necessitate a revision of excise duties and the maintenance of the duties imposed under the Brussels Sugar Convention.⁵ This had been confirmed by Denbigh, who was fearful that the new Liberal government would reduce or abolish the counter-vailing duty.⁶ Furthermore, Denbigh thought that not even a Unionist

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1. Frankish to Hewins, 12 October 1906; C-1304, T.C.P.
 2. Agricultural Report, para. 367.
 3. Short paper by Dennis, "Sugar Production in the United Kingdom", dated 3 May 1904, pp. 1-2; C-135, T.C.P. Dennis had also conducted experiments, and claimed to have achieved beet yields equal to those in Europe.
 4. A.H.H. Matthews, op. cit., ch. 12.
 5. Chaplin to Hewins, 10 November 1906; C-76 (II), T.C.P.
 6. Denbigh to Chaplin, 27 August 1906; C-76 (II), T.C.P. In fact the customs duty was reduced from 4s 2d to 1s 10d per cwt. in the 1908 budget. See A.H.H. Matthews, op. cit., pp. 336, 338.

government would be likely to relinquish £6m p.a. by giving a rebate on the home excise duty, a view confirmed by his earlier negotiations with Balfour's administration.¹

Hewins was not convinced,² and it is probable that Chamberlain's scheme of compensating reductions was the basis of his reservations. It had been forgotten by Chaplin and Dennis that Chamberlain had offered to remove the sugar and other revenue duties as a quid pro quo to the consumer for taxes on other foodstuffs. This was still Tariff Commission, and indeed Tariff Reform, policy in 1910.³ In committee, Hewins revealed that he had sought estimates from Stein but that "his figures would not work".⁴ Matthews agreed that Stein was "such an enthusiast" that his reports "must be taken cum grano salis".⁵ When Peace supported Dennis by suggesting a government guarantee on the return to investors in the large refineries necessary, even Chaplin was beginning to see the unwisdom in becoming embroiled in a cause which, in any case, was being actively pursued by other agriculturalists led by Denbigh. "I am all for it", he observed of Peace's suggestion, "but I should like to see the Chancellor of the Exchequer's face when the proposal was put to him".⁶ Dennis's complaint that sugar beet, in occupying a mere three lines, did not receive enough treatment in the Report,⁷ remained unsatisfied.

Tobacco was a similar case where the fiscal implications of a non-fiscal project prevented the Committee from making stronger recommendations. The Committee members who had made the trip to Dublin had been shown the crop being cultivated, but again the problem was less one of physical possibility

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1. Denbigh to Earl of Onslow (President of Board of Agriculture), 8 March 1904; Denbigh to Austen Chamberlain (Chancellor of the Exchequer), 28 November 1904; Austen Chamberlain to Denbigh, 20 December 1904; all reproduced in Denbigh's printed pamphlet, "The Possibilities of British Sugar Manufacture", March 1906; copy in C-76 (II), T.C.P.
 2. Chaplin to Hewins, 16 October 1906; C-76 (II), T.C.P.
 3. Lyle to Hewins, 11 January 1910; C-1154, T.C.P.
 4. A.C.M.(VT), 31 July 1906, p. 25; T.C.P.
 5. Ibid.
 6. Ibid., p. 29.
 7. Agricultural Report, para. 360.

than of fiscal support of the exotic.¹ The government had lifted the prohibition on tobacco-growing in Ireland to allow experiment, but only on condition that an excise duty equivalent to the import duty was paid, so that given this equality of taxation the British product had to be fully competitive with that of the New World. Opinion on the prospect of achieving this was divided. Whereas Chaplin thought the Irish experimental farms "extraordinarily successful",² Follett thought the experiment had failed completely. Outside committee discussion, he wrote of his distaste of the scheme to Hewins. If it was to be Committee policy to tax imported tobacco "to the extent of many times its value" and yet allow the crop to be grown free in the UK, Follett feared that this was "too fundamental an attack on our present fiscal system to be brought in in this casual way".³

Agricultural dissatisfaction over railway rates caused further disagreement on the Committee. The draft report advocated only that Haygarth Brown's minority report of the Board of Trade's Departmental Committee on Railway Rates⁴ should be implemented, to the effect that the Board of Agriculture should be empowered to assist farmers in their appearance before the Railway and Canal Commissioners⁵ when they appeared to have legitimate cause for complaint. Further action was unnecessary, given that there were "sufficient powers in the law already" to force rate reductions if discrimination was proved.⁶

Dennis, who had himself been bloodied in an appearance before the Railway Commissioners, thought the measure insufficient, and advocated a less formal, "inexpensive tribunal before which agriculturalists could lodge their

1. A.C.M.(VT), 31 July 1906, p. 29; T.C.P.
2. A.C.M.(VT), 9 October, 1906, p. 28; T.C.P.
3. Follett to Hewins, 5 November 1906; C-633, T.C.P.
4. Report of the Departmental Committee on Railway Rates (Preferential Treatment), Cd. 2959, (1906), vol. LV. Minority Report by E.G. Haygarth Brown, pp. 38-41. See paras. 31-33, p. 41.
5. Under the Railway and Canal Traffic Act of 1894. See E.A. Pratt, The Case Against Railway Nationalisation, (London, n.d. but c. 1913), p. 157.
6. A.C.M.(VT), 31 July 1906, p. 5; T.C.P.

complaints".¹ But it emerged that his dissatisfaction was with general railway pricing policies, which to him constituted a wider definition of discrimination than that provided for in law. In particular, his proposed tribunal could deal with complaints that inland rates, especially those away from main trunk lines, were too high, and that rates on certain agricultural products were also too high compared with other classes of goods. He was supported by Matthews and Mitchell Harris, whilst Chaplin admitted that the questionnaires showed this to be an issue "about which all agriculturalists are most exercised".² When Evans and Caillard, the latter "speaking as a railway man, but trying to keep myself impartial", argued that contentious pricing policies such as low rates from the ports inland on imports could be justified because such goods arrived in large, well-packed consignments, several agricultural representatives joined Dennis in determined opposition.³ In the discussion Caillard's cross-questioning revealed some of their complaints to be invalid, but at the same time several anomalies were thrown up which he could not explain.

Hewins sought compromise in the suggestion that local organisation by farmers might ensure that railways received cargoes in more economic units. But this was tainted with a co-operative flavour that most of the Committee thought useless, and in any case Dennis disagreed with his implicit assumption that rational economic reasons lay behind the pricing policies he found objectionable. Hewins was obliged to go further and support Chaplin's suggestion of recommending a conference between railway managers and farmers' representatives, to be initiated by the Board of Trade, with the object of securing the "necessary conditions for lower freight rates".⁴

It was realised that such a conference could only work if railway statistics were radically improved, and that therefore such a proposal might

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1. Ibid., pp. 7-8.
 2. A.C.M.(VT), 22 October 1906, pp. 8, 15; T.C.P. See also A.H.H. Matthews, *op. cit.*, ch. 7.
 3. A.C.M.(VT), 31 July 1906, pp. 13-14; T.C.P.
 4. A.C.M.(VT), 22 October 1906, pp. 10-12; T.C.P.

involve payment of the railway companies, not to mention the closer involvement of a Board of Trade already thought by Matthews to be unduly sympathetic to the railway interest.¹ Furthermore, Hewins knew that there was no realistic way of separating unit transport costs between different goods. "The railway system is administered as a whole", he admitted. "It is impossible ... to say what was the cost to the railway company of bringing me up from Putney this morning to Waterloo".²

Thus it was that the Committee, seeking to alienate neither the railway interest nor the farming community, maintained in the Report that the factors giving rise to cheaper transport from the ports were valid economically, but were nevertheless undesirable. It recommended collection of information from railway companies by the Board of Agriculture, "showing clearly in what respects, if any, the British agriculturist is handicapped by freight charges in his competition with the foreign importer", and that the Board of Agriculture should initiate conferences between the two interests to establish "the necessary conditions for lower freight rates".³ But it was doubted that in many areas there would be sufficient freight to warrant the facilities required, and it was recommended that there should be state assistance to local Chambers of Agriculture to establish co-operative methods of handling.

This last proposal for state funds was undoubtedly the final attempt of Hewins and Chaplin to satisfy Dennis. We might wonder whether a direct government rate subsidy would not have been more sensible than spending government funds on creating large-scale freight facilities for small and scattered shippers, but in either case potential government expenditure was likely to be higher than would be involved in aiding a few farming appearances before the Railway Commissioners, as originally favoured by Chaplin. But the Committee had left itself ample ground to change position should the

1. Ibid., pp. 14-15.

2. Ibid., p. 16.

3. Agricultural Report, para. 365 (my emphasis).

proposal attract criticism. The state aid proposed was to be in the form of "some initial financial assistance either by loan or guarantee".¹ There was no real commitment here to large public expenditure.

This was true also of the Committee's final non-fiscal recommendation, introduced only very late in the proceedings. On 22 October Chaplin proposed an "entirely new departure"² in the Committee's recommendations. He urged that the Report should recommend support for Jesse Collings's Land Purchase Bill (England and Wales), a measure similar to Balfour's Land Purchase Act (Ireland) of 1903 and recently introduced into the Commons. The bill, which advocated loans to tenants, at low interest rates,³ for land purchase, was originally intended to encourage smallholding, a cause which Collings had taken thanklessly under his wing since 1885, but as comparatively large tenants began to see in it their own advantage, it began to gain wider support.⁴ Indeed, the maximum advance of £9,000 advocated in the bill, would have allowed purchase of "a farm of very considerable size",⁵ perhaps as much as 450 acres in the depressed condition of the early twentieth century land market.⁶

The Committee was enthusiastic. A similar scheme was known to have worked well in Denmark, and it was Chaplin's intelligence that the Irish measure had been successful.⁷ Support for Collings's bill was unanimous, and the incorporation of its general provisions into the report on agriculture was approved with virtually no discussion.

1. Ibid., para. 366.
2. A.C.M.(VT), 22 October 1906, p. 35; T.C.P.
3. Chaplin thought the figure to be $3\frac{1}{4}$ per cent. In 1906 Bank Rate varied between $3\frac{1}{2}$ and 6 per cent, and market rate between 3 and 5 per cent. See C.A.E. Goodhart, The Business of Banking, 1891-1914, (London, 1972), appendix V (B), p. 604.
4. A.H.H. Matthews, Fifty Years ..., op. cit., pp. 209-211.
5. Chaplin, A.C.M.(VT), 22 October 1906, p. 37; T.C.P.
6. Farm sale prices in England and Wales in 1906 averaged c. £20 per acre. See P.J. Perry, British Farming ..., op. cit., Fig. 15, p. 77.
7. He claimed that repayments had been made "with singular punctuality" and that "almost all reports concur" that farming practices and results had been improved. He admitted, however, that in part this was because some farms had been run down to lower purchase price. See A.C.M.(VT), 22 October 1906, p. 36; T.C.P.

It is interesting to speculate why Chaplin felt the need to introduce a new measure as late as October 1906. Chaplin's own explanation, that he had overlooked it since "they no longer send the Bills to me at this moment",¹ hardly seems adequate. Chaplin had known of Collings's objectives for years, and the same can of course be said of Chamberlain and his sons.² It seems more likely, therefore, that the Committee's 'establishment' felt a need to increase the attractiveness of its proposals to the agricultural community, and Collings's bill presented a well-timed opportunity to do so. Undoubtedly, the Committee looked favourably on the measure because it thought it to be "exceedingly popular" and "commanding a good deal of Attention" in rural areas, and "not unlikely at all to be extremely successful".³ The combination of Tariff Reform with such an ally was thought to be of great advantage:

There is no doubt there is nothing in the world would bring a new fiscal policy more completely to the front, and to the minds of the country, than a large addition of small owners all over the kingdom. (Hear, hear).⁴

Thus, the object was to link Tariff Reform's agricultural policy with a topical and popular piece of legislation, not only keeping the Committee's work at the centre of agricultural attention, but also widening the support for fiscal change in the process. Indeed, in forging a link between Tariff Reform and Collings's bill, Chaplin's enthusiasm overcame him, and he found himself close to advocating a principle he had so strenuously resisted elsewhere:

... this would all be on the assumption, as far as we are concerned, that our new fiscal policy sooner or later is going to be carried, and it would be quite possible to limit the advances in some way by the amount of the new revenues that we are going to have at our disposal.⁵

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1. Ibid. Chaplin had been defeated in the 1906 election.
 2. J.L. Garvin, Life of Joseph Chamberlain, vol. I, Chamberlain and Democracy, 1836-1885, (London, 1932), p. 149; vol. II, Disruption and Combat, 1885-1895, (London, 1933), pp. 165-6.
 3. A.C.M.(VT), 22 October 1906, pp. 35-36; T.C.P.
 4. Chaplin, *ibid.*, p. 37.
 5. Ibid.

This suggestion did not appear in the Report,¹ doubtless because Hewins and the 'establishment' forces persuaded Chaplin that the concept of earmarking for the purpose of loans was not dissimilar in principle from that of earmarking for the purpose of outright cash subsidy. In this sense, then, the Committee's straightforward advocacy of Collings's bill was costless to the Commission. It had been added to the Tariff Reform scheme but not incorporated into it. If the bill fell it could be abandoned, if it succeeded there might be profit to the Tariff Reform cause from its implementation. Yet the advocacy of Collings's measure did not commit the Tariff Reformers to large annual public expenditure, for after an initial outlay of some £12m the fund would revolve, and in the long run government expenditure could be measured in terms of the differential between loans made at $3\frac{1}{4}$ per cent and the rate at which the government borrowed. Even in the unlikely situation that the government had lent at 3 per cent less than it borrowed, the cost of the scheme, apart from the initial outlay, would only have been some £ $\frac{1}{3}$ m per annum.

It is perhaps not too harsh to conclude that the non-fiscal recommendations of the Committee were less substantial than they appeared. The vagueness of their presentation, and the tendency to advocate loans rather than outright subsidies, minimised their immediate importance within the overall plan, and also their potential impact. Certainly the Committee could claim that its Report demonstrated a general expertise on agricultural affairs, not merely an obsession with agrarian protectionism. But at the same time it had avoided the orgy of spending of new protective taxes in direct aid of agriculture that several members sought openly, and all perhaps desired. The Committee had thus not thwarted Chamberlain's plan for compensating reductions in revenue duties, nor had it widened the Tariff Reform Movement into one of state subsidy of continental proportions.

1. See Agricultural Report, paras. 370-371.

VII

In the 1880s agriculture was already "fertile ground for Fair Trade ideas", though there was much suspicion towards them, especially among the tenantry and the radical land reformers.¹ Protectionist feeling had made "marked gains" by the mid-1890s.² If Lowther's opinion that "the great mass of those engaged in agriculture" were protectionist³ was biased, later Free Traders were not inclined to disagree, and one styled agriculture as the "storm centre" of protection.⁴

Thus it would appear that, though all the major industries were divided over protection, agriculture was one of the least divided. And many agriculturalists who did not actively support protection did not really oppose it - they just could not see any hope of its being obtained. This mood of depressed fatalism seems to have developed as early as the 1890s.⁵

When Chamberlain's campaign appeared to put protection into the arena of practical politics for the first time in half a century, it went some way towards putting new spirit into a farming community already given breathing space by the bottoming of prices in 1896. Pessimism, of course, persisted: it was not unnatural that the main division amongst farmers was between those who welcomed any support from a national political leader⁶ widely expected (for the previous twenty years) to make his bid for the premiership, and those who argued that his promised gifts were inadequate, ineffective or politically unattainable. In many cases this difference was not a real one. To welcome Chamberlain's scheme in public was not to accept its effectiveness in private. Yet there were still those with the independence to

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1. B.H. Brown, The Tariff Reform Movement in Great Britain, 1881-1895, (New York, 1943), p. 143.
 2. Ibid., p. 149. Brown cites five Assistant Commissioners and counts 57 witnesses before the Royal Commission of 1894-1897 who regarded agriculture as strongly protectionist.
 3. Quoted in ibid., p. 152.
 4. W.E. Dowding, op. cit., p. 59.
 5. F.A. Channing, The Truth about the Agricultural Depression, (London, 1897), pp. xi-xvi; B.H. Brown, op. cit., p. 149.
 6. The lack of leaders of national prestige was, of course, one of the weaknesses of the movement of the 1880s.

question its value, men derisive of the moderacy of the Glasgow duties, fearful of the spectre of increased competition from the colonies, contemptuous of a movement for industrial protection and imperial preference with agriculture tacked on as an afterthought. It was these men, rather than those relatively rare and optimistic agriculturalists who were Free Traders,¹ that Chamberlain's movement had to satisfy and placate.

The Agricultural Committee had made the Glasgow programme more acceptable to agriculture more by blunting its edges than by acceding to the wishes of ultra-protectionists. It had whittled away Chamberlain's free list and had sought to banish the prospect of free entry of colonial produce. In this Chamberlain concurred. If he had feared, at the beginning, that he might find it necessary to disassociate himself from the findings of his Commission, he no longer felt this, and he accepted its modifications of the Glasgow programme. There can be no doubt, in spite of the lack of surviving evidence of the Tariff Reform League, that in many ways the Commission was far more Chamberlain's own child. It displayed a greater loyalty to Chamberlain than the League, with its more varied activities, could ever do. And on Chamberlain's part, there was a fonder sentiment for the Commission than for the larger, more overtly propagandist body.²

Thus the reaction to the Committee's efforts from Highbury was gratifying: Hewins heard from Mary Chamberlain that her husband was "very pleased" with the Agricultural Report,³ whilst Neville provided information which Hewins knew already in reporting that his father concurred with the inclusion of bacon and maize. Their exclusion had been a "weakness" of the Glasgow scheme, "But of course that scheme never pretended to be anything but a preliminary sketch".⁴ Hewins, who thought the Report "the most

1. Such as James Long. See his Making the Most of the Land, (London, n.d. but c. 1913).
2. See, e.g., the touching record of the stricken Chamberlain's last conversations with Hewins, in The Apologia of an Imperialist, (London, 1929), vol. I, pp. 226-228, 304-305. These are directly transcribed from Hewins's diary and there is no good reason for disbelieving them.
3. Mary Chamberlain to Hewins, 24 November 1906; H.P.
4. Neville Chamberlain to Hewins, 25 November 1906; H.P.

complete and exhaustive report the Commission has prepared",¹ was jubilant over the press reception. He telegraphed Chaplin, "Report has had magnificent reception. Mr. Chamberlain particularly pleased".² Enclosing an advance copy to Fielding in Ottawa, he chose to emphasise the degree to which "practical farmers and agriculturalists" had been represented on the Agricultural Committee as compared with the earlier Royal Commissions, and that the enquiry had revealed Chamberlain's opponents to be incorrect in asserting that British agricultural interests were hostile to imperial preference.³

Yet not all the members of the Commission were satisfied with the Agricultural Committee's modifications of the Glasgow speech. For a few the Agricultural Report was too timid. Follett remained a staunch advocate of bounties, and critical of the Committee's view that no increase in UK wheat output was possible without a considerable increase in domestic price.⁴ He even threatened a minority report, but the Committee stood by its evidence⁵ and he did not bring his rebellion to the public notice. There can be no doubt that other supporters of bounties on the Commission and the Committee, Peace, Boulton, Dennis, Matthews, had suffered defeat rather than conversion at the hands of the 'establishment'. It may be that others on the Commission were also disappointed at the failure of the bounty agitation: Pearson, for instance, had contemplated advocating bounties in the Standard early in 1905, but had been dissuaded.⁶ Goulding had also favoured them at one time.⁷

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1. Hewins to Austen Chamberlain, 24 September 1906; H.P.
 2. Hewins to Chaplin (telegram), 26 November 1906; C-76 (II), T.C.P.
 3. Hewins to W.S. Fielding, 20 November 1906; H.P.
 4. He wrote "I object most emphatically to this statement; and if it should be in the final report I shall write a report of my own denying it ... This [statement] does away with the whole case for Tariff Reform in one sentence, and justifies all the [hostile] placards at the last election. Our case is, that an import duty, with no taxation on home produce cannot, unless it is so high as to be almost prohibitive, raise price to consumers, because it stimulates home production and the price is kept down. Follett to Hewins, 5 November 1906; C-633, T.C.P. (Follett's emphasis).
 5. Agricultural Report, para. 375.
 6. Chamberlain to Hewins, 3 February 1905; 47/104-105, H.P.
 7. Chaplin to Hewins, 3 January 1905 (misdated 1904); 47/1-5, H.P.

But it is probable that the majority on the Commission thought that the Agricultural Committee had gone quite far enough. Some, as we have noticed, expressed surprise at the abolition of the exemption on bacon and maize.¹ Later others began to question the expediency of taxing food at all. Alfred Hickman quickly became disillusioned with a Tariff Reform policy that doomed itself to failure by refusing to abandon food taxes.² Even Frankish, representative of the Lincolnshire protectionists on the Agricultural Committee, changed his opinion after the election defeats of 1910, now stating that "Any idea of proposing to tax the articles of Food for the working Classes should be abandoned definitely and for ever".³

Such doubts about Tariff Reform policy were probably more widespread among Commission members than surviving evidence records. Though we have noted above the considerable extent to which the Commission retained the support of members, both in terms of attendance and finance, over time,⁴ there was nevertheless a gradual loss of contact as meetings became less frequent and less well attended, and as the character of its business changed. The Commission's proposals on agriculture were perhaps the least stable of all its conclusions, and with the removal of Chamberlain from active politics there was to be great difficulty in keeping the Glasgow programme, and its derivative, at the centre of Tariff Reform policy. Those politically active at a local level, and amongst Commission members these were numerous, were to encounter a divisiveness within Unionist ranks not entirely different from that of 1903-1906.

The rifts, confusions and fears within the Unionists were perhaps underestimated by Chamberlain's successors at first. The Valentine letters⁵ appeared to hold great promise for party unity: in Tariff Reform

1. See above, pp. 422-424, 426-427,
2. Hickman to Hewins, 26 April 1906; H.P.
3. Frankish to Hewins, 24 October 1911; C-1304, T.C.P. See also Frankish to Hewins, 3 April 1911, 10 May 1911, 17 March 1913; *ibid.*
4. See above, pp. 190-195,
5. See J. Amery, Life of Joseph Chamberlain, vol. 6, Joseph Chamberlain and the Tariff Reform Campaign, ch. 116.

eyes they removed the prime reason for the devastation of 1906. The purge supposedly carried out on the Unionist Free Traders by the 'Confederates'¹ could be seen as the last stage in the re-unification of the party. Hewins initially made considerable progress in converting Balfour to the Glasgow orthodoxy of 1903-1906, and in convincing him that food taxes were essential to any real and effective policy of imperial preference.² Austen Chamberlain's letters of this period are full of optimistic reports of the conversion of remaining Unionist Free Traders.³ Of 27 Unionist Free Traders in the Parliament of 1906-1910 many fought the first 1910 election as full Tariff Reformers, others retired, or campaigned as Liberals or independent Liberals.⁴ But Unionist harmony over the fiscal question was to prove less attainable than these surface indicators promised.

It does appear that, initially, the Tariff Reform League kept the Agricultural Committee's recommendations closely in mind when deciding its own future policy. In 1909 eight meetings of a League committee were held, Austen Chamberlain, Bonar Law, Ridley and Milner attending, together with Hewins, Hurd and Rosenbaum from the Commission.⁵ At this time the leaders of the League were certainly prepared to countenance a duty of 2 shillings on foreign wheat and one shilling on colonial wheat. They also agreed to a differential duty on flour, but thought the Agricultural Report's recommendation of 1/3d per cwt. "might be found rather too heavy".⁶ On meat and bacon the 5 per cent duty was accepted, with the suggestion that it be halved for colonial produce. But the relative treatment of live and

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1. For the identity, even the real existence, of this group see A. Sykes, "The Confederacy and the Purge of the Unionist Free Traders, 1906-1910", Historical Journal, XVIII, 1975, pp. 349-366.
 2. For Hewins's influence with Balfour after the 1906 election, see below, pp. 487-498.
 3. A. Chamberlain, Politics from Inside: An Epistolary Chronicle, 1906-1914, (London, 1936), e.g., pp. 84, 86, 98, 146, 148.
 4. R.A. Rempel, Unionists Divided: Arthur Balfour, Joseph Chamberlain and the Unionist Free Traders, (Newton Abbot, 1972), pp. 198-199.
 5. Very little TRL material has survived in the Tariff Commission Papers. This file of minutes, marked "Minutes of Committee Proceedings", is virtually the only exception.
 6. Third Meeting, 28 April 1909; *ibid.*

dead meat was still contentious enough to prompt Austen to write to his father of his perplexedness before one of the meetings.¹ The Committee subsequently decided in favour of higher duties on dead than on live meat, since live meat was easier to inspect for disease, would benefit the British farmer and by-product manufacturer, and would increase employment in slaughtering.² 8 shillings per cwt. on foreign butter (approximately 7½ per cent), 3 shillings on lard, and 4 shillings on cheese were suggested. In all cases the colonial rate was to be half the foreign rate.³

Thus, though specifying a preference of 50 per cent, a thing the Agricultural Committee had never done, and though overturning that Committee's recommendations on live and dead meat, this high-powered committee of the TRL was prepared, it would seem, to tax colonial wheat, if only at the preferential rate.

But there were those in the League that this upset. Prior to these confidential meetings the League had never, according to Sir Joseph Lawrence, accepted the Agricultural Committee's recommendation. T.A. Brassey, later Viscount Hythe, had fought to change League policy early in 1907, but his resolution had been defeated by Lawrence, who, in urging the retention of the unmodified Glasgow plan, "Mr. Chamberlain's policy as originally defined by him",⁴ had ensured that the League had "adhered to our original platform of no tax upon Colonial corn".⁵

1. "... [Tomorrow] at 11.0 I must attend our Tariff Committee to consider meat duties. Would you tax live meat or dead meat the heaviest? There are seven pages of the summary of evidence, given before the Agricultural Committee of the Tariff Committee (sic), in favour of heavier duties on dead meat and five pages in favour of a higher duty on live meat, with 40 non-summarised witnesses for the former and 70 for the latter. And after carefully reading the whole, I know a good deal more than I did before, but I don't know the answer to the original question, which, without knowledge, I would have answered with a fair degree of confidence. 'Where ignorance is bliss' 'tis folly to read the evidence. Well, we shall see." Austen to Mary Chamberlain, 16 March 1909; in A. Chamberlain, op. cit., p. 159 (Chamberlain's emphasis).
2. Second Meeting, 17 March 1909; "Minutes of Committee Proceedings"; T.C.P.
3. Third Meeting, 28 April 1909, and Fourth Meeting, 5 May 1909; *ibid.*
4. Lawrence to Hewins, 21 February 1908; C-7350, T.C.P.
5. Lawrence to Caillard, 15 May 1909; C-7350, T.C.P.

But despite Lawrence's claim, made in 1908, that taxation of colonial wheat "has never been adopted by the League", Tariff Reformers were confused over what was required of them by the League and divided over whether they should comply, whilst the lack of an accepted policy directive made the lot of those Unionist Free Traders seeking reconciliation even more difficult.¹ The confusion remained after the committee meetings of the TRL leadership.² After the first 1910 election, Balfour stated his opposition to the one shilling duty, and considered that its removal would "not in the least interfere with the general agricultural policy of Tariff Reform".³ Though the Morning Post did not agree with this "concession which is unnecessary Imperially",⁴ the TRL, according to a hostile critic, pledged itself "heartily" to Balfour's decision.⁵

More serious, and this time hitting at the policy of both the Commission and the League, was the opposition in some Unionist circles to any tax on food. This had never died away entirely, and even in the first 1910 election campaign Edward Coates found that "In one place he was told to say nothing about such taxes; in another, to declare that no duty would be put on Colonial corn; and in a third, that a ls. duty would be placed on that corn".⁶ Indeed, here was a larger problem that threatened a return to the pre-1906 Unionist split. Though Hewins thought Balfour converted, events were to show that the party leader was not permanently committed to food taxes. Under the influence of Garvin, who had gained the ear of his own private secretary Jack Sandars, Balfour toyed with the idea of dropping food taxes after the first 1910 election. To Austen Chamberlain, the chief obstacle in his way, he styled this as a "temporary" and tactical measure, though Austen doubted the practicality of re-introducing food taxes at a

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1. Lawrence to Hewins, 21 February 1908; *ibid.*
 2. A. Chamberlain, *op. cit.*, pp. 227-8.
 3. Quoted in W.E. Dowding, *op. cit.*, p. 109.
 4. Morning Post, 21 June 1910.
 5. W.E. Dowding, *op. cit.*, p. 109.
 6. Ibid., p. 108.

later stage.¹

Though Balfour abandoned the idea of dropping food taxes after his correspondence with Austen, he ultimately accepted the widespread pressure within the Unionists for a referendum on Tariff Reform, and announced that this was to be party policy at the Albert Hall on 29 November 1910.² This was, in effect, a return to the idea of a double election (though less was made of the related issue of a 'free' colonial conference) that he had held before 1906,³ and it is not surprising that Chamberlainite and League-orientated Unionists such as Edward Goulding, Milner and Ridley were "enraged at Balfour's eleventh-hour change of course".⁴ Unionist defenders of the referendum pledge, however, insisted that it was "meant to expedite Tariff Reform" in the crucial matter of electoral acceptability,⁵ and in the row between the owner and the editor of the Observer over the significance for Tariff Reform of the proposed reciprocity treaty between Canada and the USA, Garvin refused to follow the Daily Mail in urging the Unionists to abandon food taxes.⁶

But though the disaffection of Garvin from the Highbury policy had been a temporary disagreement over tactics, Balfour's distaste for food taxes endured. This would have mattered little had the 'Balfour Must Go' campaign, initiated by Maxse in the National Review, resulted in the election of Austen as party leader. But already Aitken, held in high awe after his seemingly impossible election victory in Ashton-under-Lyne, was persuading Edward Goulding to give his support to the candidature of Bonar Law.⁷ For

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1. A.M. Gollin, The Observer and J.L. Garvin, 1908-1914, (London, 1960), pp. 237-241. Garvin, and through him Sandars were convinced that Lancashire was the lynch-pin of election success, and in consequence had even considered urging Balfour to drop Tariff Reform altogether. Lansdowne and Derby (the key personality in the Lancashire electoral machine) added their weight to such suggestions.
 2. Gollin, ibid., pp. 257-270, shows well how Balfour's decision was engineered by Garvin at the Observer.
 3. A.J. Balfour to A. Chamberlain, 10 September 1904; in A. Chamberlain, op. cit., pp. 27-31; and A.M. Gollin, Balfour's Burden: Arthur Balfour and Imperial Preference, (London, 1965), pp. 228-230.
 4. A.M. Gollin, The Observer ..., op. cit., p. 273.
 5. Garvin, cited in ibid., p. 288.
 6. Ibid., pp. 293-295.
 7. Ibid., pp. 291-292, 350, 356.

all that, Law would have had little chance of being chosen as Balfour's successor had it not been for the heroic decisions of Austen and Walter Long to stand down in his favour to avoid an open split in the party.¹

Balfour resigned in November 1911, but Bonar Law inherited his troubles of reconciling those who thought a referendum pledge a necessary precondition for election success and those who did not, the latter now including Garvin who maintained the referendum to have applied to the 1910 election only. When he did reveal his hand in April 1912, Law had the support of his shadow cabinet in advocating retention of food taxes and abandonment of the referendum pledge. But this re-affirmation of Chamberlainite principles provoked complicated reactions from Unionists, not least from many "moderate Tariff Reformers ... who put the cause of Union first" and who could see no hope of the victory imperative on account of the Irish question unless food taxes were abandoned.² Law hoped that Unionists would accept the promise that duties would be imposed only if it emerged that "the Colonies strongly desire these duties" during the process of negotiation.³ But many Lancashire and Yorkshire Unionists, fearful of a fourth election defeat and its consequences for the more important issue of Union with Ireland, were now in almost open rebellion, incited by Northcliffe at the Daily Mail and Robinson at the Times. By the last day of 1912 Bonar Law knew he would have to concede, and on 7 January 1913 he agreed to remain as Unionist leader even though policy on Tariff Reform was to be modified. In Gollin's words, his decision "saved the Unionist Party at the same time that it destroyed Joseph Chamberlain's last valid hopes for the success of the [Glasgow policy]".⁴

If Chamberlain's Commission had attempted to improve the lot of the farmer in the Tariff Reform package, its work had been undone by a Unionist leader who, in spite of his personal leaning towards Chamberlain's measures, had put party unity and the question of Ireland first. It is an irony that

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1. See A. Chamberlain, op. cit., pp. 388-391.
 2. St. Loe Strachey to Lansdowne, 5 December 1912, quoted in A.M. Gollin, The Observer ..., op. cit., pp. 370-371.
 3. Bonar Law to Strachey, 9 December 1912, quoted in ibid.
 4. Ibid., p. 382.

the Agricultural Committee had taken great pains to secure full information from Irish agriculture, to the extent of its unprecedented move in a body to hear evidence in Dublin. 43 of the 147 witnesses examined, and 437 of the 2,251 questionnaires returned, were from Ireland, and the Irish Times praised the Committee in giving "a very liberal recognition to the importance of the Irish agricultural industry".¹ Perhaps the last word should come from Agricultural Committee member William Goulding, who in 1911 wrote from Belfast in answer to an appeal for funds:

... I am sorry you have struck such a bad time for the Tariff needs, as here we are full up with the Home Rule defence which is a far more important matter to us, as a case of existance (sic) and consequently demands all our assistance, however I have pleasure in enclosing cheque for Five pounds as a slight help to your appeal.²

Up to this date it is known that Goulding had subscribed at least £150 and had collected at least £50 from business associates.

Fundamentally, of course, the Commission had failed in its task of demonstrating that a rise in food prices could be avoided under a Tariff Reform policy involving food taxes. Individual Tariff Reformers may have privately agreed with the argument that colonial supplies would expand, or even with the extreme and illogical argument of Follett that home production would expand,³ or with the opinion of many farmers in the Report that the duties were too small to have any effect. They may have been convinced by Hewins's historical treatment of corn prices before and after 1846. But they knew that such inductive 'proofs' would be seen by the working men of Lancashire and Yorkshire as merely another polemical and self-interested contribution to the Tariff Reform propaganda. The Unionists had clung to food taxes through two election defeats in a year. Now, with the Irish crisis, there was no longer time for the laborious process of education to continue.

1. Irish Times, 23 November 1906.
 2. Goulding to Hewins, 1 December 1911; C-137, T.C.P.
 3. See above, p. 449 n. 4.

CHAPTER 8The Failure of the 'Scientific Tariff'

The period 1906-1910 was one in which Hewins became more and more embroiled in Unionist party affairs, and in which the Commission machine, not always to the satisfaction of individual members, became increasingly used in direct support of Tariff Reform propaganda. At the same time it is evident, in hindsight, that the primary purpose for which the Commission had been established was not being accomplished: to a large extent this must have been obvious at the time. Whether the failure to construct an overall tariff was the result of increasing diversion of the full-time staff into more propagandist pursuits is doubtful. The present writer would see as more likely the situation that, since so much propaganda activity could be executed semi-automatically by relatively junior staff, both activities were capable of being sustained simultaneously. This opinion would therefore suggest that the failure to construct a tariff was the autonomous feature of the Commission's post-1906 history, and that, to an extent at least, the growing propaganda work was consequent upon it.

Whether this is true or not, the failure to construct a scientific tariff had three aspects - the failure to emulate the tariff schedules of the early single-industry reports, the failure to deal satisfactorily with banking and foreign investment, and, consequent upon these, the failure to produce an integrated tariff in a 'Final Report'. It is to these issues that we will turn first.

I

What in the early years was regarded as the Commission's very strength - its determination to explore industries in all their detail and

complexity - was to be its undoing. It would be generally true to say that the Commission enquired first into the simplest industries. Iron and steel, with a relatively straightforward product classification, had caused only minor disagreements between Allen and Hickman.¹ Even the second enquiry, into the cotton industry, had encountered difficulties in classification which were overcome only by leaving undifferentiated large groups of more highly finished goods.²

Larger difficulties had emerged well before 1906. Mitchell objected to the worsted classification late in 1904, and found the cotton classification, supplied by Hewins as a model, of little value:

It appears to me that the cotton classification is all wrong in its divisions ... if I were to attempt to divide the [worsted] weaving industry into the different kind of goods made, as is done I see in cotton, the list would be far too long ... The same firm ... will, in Bradford, produce an immense variety of yarns, or of pieces, changing from year to year, as the fashion calls for one or other description of fabrics.³

If the complexity of the product structure in woollens and worsteds daunted the Commission, it was as nothing compared with later reports. By the time the Agricultural Committee was successfully plotting its way through the relatively simple product-structure of the farming industry, Hewins was almost engulfed by the sheer amount of information that had been collected on engineering. Trying to write the Engineering Report in the tranquility of the Wye Valley, he wrote to Hurd in London:

With regard to Engineering, the preparation of the Summary has been an entirely disgusting business. I thought cotton was sufficiently complicated, Wool made Cotton seem quite simple, but Engineering seems to me more complicated than all the others put together ... The evidence on some of the branches still appears to me to be rather inadequate ... [but on the whole] the Engineering evidence ... appears ... to be the best we have had on any subject. The Forms are extraordinarily good and I think it will be a great misfortune if we do not print the whole thing. It turns out also to be almost the strongest case we have for the application of Mr. Chamberlain's policy.⁴

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1. See above, pp. 285-287.
 2. See above, pp. 324-328.
 3. Mitchell to Hewins, 18 November 1904; C-741, T.C.P.
 4. Hewins to Hurd, 6 September 1906; C-174.1, T.C.P.

But Hewins's early opinion that the Engineering Report would be ready for the press almost immediately was to be proved wrong. Nine months later it still had not been laid before the Commission. By this time the forms of inquiry had revealed:

... something like 500 groups of Engineering products in regard to which Foreign importation, and dumping, is complained of ... and that most of those groups impinge on different industries, that the Engineering Industry is not one industry, but is really a large group of industries, [thus] the Commission will see how complicated the thing is.¹

Hewins had attempted to impose order on the engineering data by accepting the classification used by the Board of Trade in the Annual Statement of Trade of the United Kingdom. But this, as "the Board of Trade has practically admitted", was "hopelessly defective", not only to serve as the basis of a differentiated tariff, but also for providing an overall view of the state of trade and the extent of foreign competition in the industry.² Thus, there was nothing with which to test the general accuracy of assertions made by witnesses: "... the classification adopted by the Board of Trade does not correspond in the slightest degree to the Engineering industries that are carried on".³

Hewins's accusations were, of course, largely true, and the engineering classification is perhaps one of the least helpful to the historian in the official returns. In the long term the Board of Trade continually revised its classification,⁴ and certainly, on occasions, Tariff Commission insistence played a part in this. Frequently Rosenbaum's requests for detailed changes in the presentation of the returns were complied with.⁵ But in the meantime the Commission had "had to go to the separate Official Returns, and Statistics, of all the Foreign Countries with which we carry on trade, and separately tabulate those out for ourselves".⁶

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1. T.C.M.(VT), 23 May 1907, p. 28; T.C.P.
 2. Ibid.
 3. Ibid.
 4. See R.G.D. Allen and J.E. Ely, International Trade Statistics, (New York, 1953), pp. 292-3.
 5. See above, pp.
 6. T.C.M.(VT), 23 May 1907, pp. 28-29; T.C.P.

But, as Caillard had observed, the foreign material did not fit in well with the evidence taken by the Commission, making it "necessary ... to recast the whole thing so as to bring the evidence and tables into a comprehensible relationship".¹ Hewins was "not satisfied with the summary I have written; ... not satisfied that it is the best thing we can do for such an important group of industry as Engineering", and thought it wise to postpone publication until the faults could be overcome.²

Late in 1908 the Commission still found that the Board of Trade returns made it "extremely difficult, indeed almost impossible" to draw "precise and accurate deductions as to what the state of the industry really is", and was even at this late stage still collecting supplementary information from co-operative engineering firms in an attempt to overcome these difficulties.³

An industrial classification was essential to the design of a tariff schedule. Furthermore, the cotton enquiry had shown the Commission to be reluctant to recommend duties where foreign competition was little felt, and this could hardly be done if it was uncertain as to the 'state of the industry' and the degree of foreign competition being experienced. It is hardly surprising, therefore, that for all its length and detail the Engineering Report contained no tariff recommendations.

The reliance on official returns and industry experts in drafting an industry classification was forced on the Commission by its own inability to discover the manufacturing costs, or at least relative manufacturing costs, of different products. The basic rationale behind the scientific tariff was intended to be the protection of labour - as we have seen above this was a vague approximation to the concept of protecting goods according to 'value-added' in manufacture.⁴ But in very few cases had the Commission obtained information on product costs, and nowhere, except perhaps roughly

1. Ibid., p. 9.

2. Ibid., p. 29.

3. Hewins to Watson, Laidlaw and Co. Ltd. (Glasgow), 25 November 1908; C-6251, T.C.P.

4. See above, pp. 278-279.

in iron and steel, had it got an industry-wide picture of relative product costs. In 1908 Waring, who had been appointed a member of the Furniture Committee for the Board of Trade's Census of Production, sent a draft questionnaire to Hewins which sought information on net selling value of product, cost of fuel, raw materials and semi-manufactured inputs, value of work given out and work done for the trade, etc.¹ Hewins thought the Board of Trade unlikely to be successful in obtaining such information:

The principal point to keep in view is whether in fact manufacturers can be reasonably expected to answer the questions ... I do not see how manufacturers can be expected to give the information required without due notice which would enable them to recast their accounts in such a manner as to bring out the points in question.²

Waring, evidently wondering how his own managers would cope with the questionnaire, agreed.

The keenness with which Hewins felt failure in this area, and the importance he ascribed to it, is illustrated by an incident late in 1908. Henry Angst, British Consul General in Switzerland,³ wrote to Austen Chamberlain wondering whether the Unionists had any plans for implementing a tariff when it came into power, since this was a "difficult and laborious task" which required the "collaboration of a number of competent men engaged in manufacturing, trade and commerce".⁴ Angst continued:

I should like to assist your party in this, but being a Government Official find myself in a somewhat difficult position ... On the other hand it would be of considerable use for you to know how the Swiss went to work about their tariffs ... I might have ... [an expose of the tariff movement in Switzerland and the methods used to bring it about] ... written by a thoroughly versed man under my personal supervision; thus my name need not appear on the face of it.⁵

Hewins, however, wanted information in only two areas, one of which need not detain us.⁶ Of eleven questions he enclosed to Chamberlain for

1. Waring to Hewins, 10 February 1908; C-216, T.C.P.
2. Hewins to Waring, 12 February 1908; *ibid.*
3. From 1896 to 1916. See Who was Who, II, 1916-1928.
4. H. Angst to A. Chamberlain, 28 November 1908; copy in C-4149, T.C.P.
5. *Ibid.*
6. This concerned the technical operation of a system of drawbacks.

dispatch to Angst, the first six exclusively concerned the matter of costs:

- (1) Does Switzerland graduate her Tariff according to the labour involved?
- (2) If not merely in accordance with labour cost, what additional factors are taken into account?
- (3) Is any other principle adopted in the graduation of the tariff rates?
- (4) Is it possible to obtain specimens of the cost sheets submitted to the Customs officials which form the basis of the Tariff calculations?
- (5) If the labour cost is taken as a guide, is the Tariff adjusted to protect the whole of the labour involved or only a percentage of that labour, and if so, what percentage?
- (6) Is it possible to obtain some actual illustrations of the calculations that are made showing the method in detail?₁

Nothing appears to have developed from Angst's offer of help, but the incident shows clearly how Hewins had been defeated in perhaps the critical part of drafting the 'scientific' tariff.

Of course it is well to remember that the conditions in which the Commission operated were against it. Firms were less likely to reveal to an unofficial body with suspected propagandist objectives intimate detail on production costs (and, by implication, profit levels) than they might have been to an official civil service bureaucracy actually in the process of implementing a tariff. Such information might even have been of assistance to their rivals.

Industries smaller than engineering suffered the same problems of classification. In 1906 it was still intended to produce a tariff for the hardware trade,² but the industry was so immensely complex that the hardware report never appeared at all, even without a tariff schedule.³ Though Hewins had amassed much data on the glass industry, he warned that "trades ... small in volume are frequently trades of greater complexity than the big

1. Enclosure in Hewins to A. Chamberlain, 7 December 1908; C-4149, T.C.P.
2. T.C.M.(VT), 3 May 1906, p. 7; T.C.P.
3. Given the severity of German competition in hardware this was doubtless a matter for regret on the Commission. See E.E. Williams, "Made in Germany", (London, 1896), pp. 53-60, for the sensationalist view; also R.J.S. Hoffman, "Great Britain and the German Trade Rivalry, 1875-1914", (Philadelphia, 1933), pp. 246, 325.

trades on which we have reported", and that the Commission was still in a position where "a classification of that industry suggested by the evidence is not sufficiently detailed and precise for ... the calculation of that tariff".¹ It would only be by consulting experts in the industry that the Commission could "draw up a carefully classified scheme relating to cost, and ... the basis of a thoroughly sound tariff".² The Commission began work on the paper classification in summer 1908, when Evans sent one of his clerks to sea for a week with a pile of index cards. But he found the results of "little use", and felt that the improved Board of Trade classification used in the Census of Production presented "the best basis for a tariff".³ Hewins was nevertheless unhappy about the official classification, even as improved, and in 1911 the classification for the paper industry was still unsettled. When Rosenbaum sent a seven-page typewritten classification to Evans, the paper manufacturer thought it far too complicated and recommended that it be "condensed onto the classical half sheet of notepaper".⁴

If discussion in the Tariff Commission accurately reflected opinion, however, it would seem the main area of incompleteness preventing settlement of the Final Report was seen as being less the state of incompleteness in the schedules on industrial products than the lack of information and evidence from bankers, financiers, merchants and the representatives of working men.

Here a problem was met by the Commission that a normal Tariff Commission, an agency of government, does not have to meet. The Commission's self-imposed task was to draft a tariff, the best possible, but not to debate the desirability of a tariff.⁵ But, unlike for instance the

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1. T.C.M.(VT), 31 May 1906, p. 17; T.C.P.
 2. Ibid.
 3. Evans to Hewins, 28 August 1908; C-107, T.C.P.
 4. Evans to Rosenbaum, 12 December 1911; *ibid.*
 5. See above, pp. 33-35.

Import Duties Advisory Committee of the 1930s, its mandate to neglect proving that a tariff was necessary in the first place was methodological, one might even say philosophical, rather than statutory or authoritative. In its attempt to harmonise interests, IDAC could act on the assumption that protection was required for the national interest, because it had that mandate. Thus it tended to give short shrift to those who argued the case for Free Trade in any form other than that a certain tariff might destroy a particular industry's efficiency. That is:

... no attempt was made to provide for considering the interest in particular cases of the public as consumer as against the public as producer - though the Co-operative Movement made a valiant if rather ineffectual effort by opposing a large number of applications for higher duties as a matter of principle.¹

The Tariff Commission could not do this for two inter-connected reasons. The first was that some of those from whom it desired information and opinion could not visualise a harmonious compromise with a tariff-seeking industry whilst there was a hope (and a very real one) of retaining Free Trade. A banker was not likely, when before the Tariff Commission, to agree that since the steel industry required 20 per cent duties and he wanted it to have none, then 10 per cent would be an equitable compromise, whereas before IDAC he might, given the chance, very well have done so. The second reason was that the Commission had itself promoted the vision of a costless tariff, a tariff which would benefit everyone. It had promised to make omelettes without breaking eggs. It was political necessity that prompted the use of this method of persuasion, and the fact that this necessity was present made it inevitable that many in the community would not accept the Commission's methodological mandate.

It is an attractive thesis which sees an 'imperialism of Free Trade', dominated by mercantile, banking and financial interests, in counterpoise to an 'economic imperialism', led by producer interests in heavy and home-market-

1. Sir H. Hutchinson, Tariff Making and Industrial Reconstruction, (London, 1965), p. 45.

orientated industry. Whether it is oversimplified or not is unimportant. Though perhaps insufficient proof to the thesis, the fact remains that merchants and bankers co-operated little with the Commission.

A draft form of enquiry to merchants was approved as early as February 1904,¹ and formed the basis of Form No. 2, printed in both the Iron and Steel Report and the Cotton Report.² Response to the form was poor, and in 1906 the Commission had on its agenda the vetting of a further questionnaire addressed to merchants.³ Whether or not another form was issued is uncertain, but it does appear that in any event the Commission received only some forty replies to Form No. 2 or its replacement.⁴ The matter of examining witnesses from the mercantile sector was also in hand in 1906, but nothing seems to have come of it.

Given that, by 1906, the Commission had collected such large amounts of information on manufacturing industry and was concerned to reduce the size of the minor industrial reports on grounds of economy and public appeal,⁵ most were willing to accept Hewins's argument that consideration of the views of bankers, shipping companies and merchants should be left to the Final Report.⁶ Given the producer-orientated sympathies of the historical economist and Tariff Reformer, and given that the immediate and direct effect of protection is upon physical goods, there was some logic in postponing interest in the tertiary sector until later. But behind this willingness lay experience of the difficulty of mobilising the participation of bankers and financiers. When Mosely questioned whether relegation to the Final Report was not undervaluing the carrying trade, "so large a proportion" of the nation's business, he had to be content with Hewins's assurance that "we are going to take special evidence on that as you hear".⁷

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1. T.C.M.(P), 10-11 February 1904; T.C.P.
 2. Iron and Steel Report, para. 91; Cotton Report, para. 237.
 3. T.C.M.(VT), 17 May 1906, p. 4; T.C.P.
 4. In addition, 45 "general merchants" had replied to Form No. 1 and 24 cotton merchants had responded to the cotton enquiries.
 5. T.C.M.(VT), 17 May 1906, pp. 2, 5-12; T.C.P.
 6. Ibid., p. 7.
 7. Ibid., pp. 7-8.

The discussion on a draft of the questionnaire addressed to bankers highlighted the justification, in the pro-manufacturing mind, of leaving the tertiary sector until last. Hewins, after stating his opinion that a nation could not sustain its position in the world economy on the basis of the carrying trade alone, and that a strong manufacturing sector was indispensable for a strong economy, laid out the position thus:

Reporting on one branch of trade after another we could probably carry the public with us pretty well all through on the productive side, but when we have finished the reports in that way and put them all together you at once have a recrudescence of the general argument on the general desirability of changing your policy, and you have really to re-state, if I may say so, the theory of international trade to conform with the facts and conditions which have been discovered in the previous reports.¹

Thus, the defence of free trade by the merchant or banker was to be conducted on a carefully prepared field, one in which much information on dumping, unfair trade practices and overseas combination and tariffs had been planted as obstacles to that defence. Furthermore, the main thrust of Hewins's proposed questionnaire to bankers demonstrated a similar belligerence. It was intended to "throw ... light on the excess of imports", a question on which there was at present "no authentic information available".² The "guess ... made by Sir Robert Giffen some years ago" was not "based on actual evidence or actual figures":

Sir Robert Giffen found in existence in his time an excess of imports of something like 200 million. He said: let us take 180 of those millions leaving 20 million for oddments: then he said let us divide 180 by two and we get 90 and let us call 90 millions foreign investments and the other 90 millions freights. But there was no calculation about it, it was one of those guesses some of which by Sir Robert Giffen are extremely happy, but it does not really throw any light on the situation and we have to get some authentic information from those who know as to what is the cause of this phenomenon.³

The desire to discover objective information on the finance of Britain's import surplus doubtless concealed a fervent hope that it would reveal that

1. Ibid., pp. 17-19.
2. Ibid.
3. Ibid.

Britain had come to a stage of development where she was 'living on her capital', a phrase and a fear not limited to the amateur economists writing for the reviews of the day. At least it might show the extent to which overseas dividends were financing imports and prompt the question of how long a country could maintain this situation and still rank amongst the leading industrial powers. Thus the Commission was to seek information on total and net overseas British investment from bankers and financiers, though several members, including Caillard, feared that practical bankers would be unlikely to be able to provide the information.¹

Information was also desired on foreign investment in Britain, a question, as Hewins perceptively noted, that "nobody ever seems to devote any attention to".² Von Halle had estimated German investment in Britain at £250m, and Hewins thought the US figure to be larger, and the French by no means insignificant. It was realised that foreign investors had already reached beyond simple investment in British government stock, and that Germany and the US were already prominent as investors in British manufacturing industry. "Every share register is full of German names", commented Perceval.³ "In the fiscal controversy", Hewins added pungently, "we generally talk of Great Britain as the only country that has any foreign investments".⁴

If this demonstrated a xenophobia amongst Tariff Reformers over foreign involvement in British manufacturing industry, it was only a mild one. More important to the Commission was the implication that countries might be protectionist and still be important foreign lenders. Furthermore, an import surplus was not the inevitable corollary of being an important source of international capital. How was it, wondered Hewins, that France, with

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1. Perceval thought that a question asking for total British overseas investment was "rather a poser; ... almost an impossible question to answer". It was suggested that more information might be gained if respondents were invited to submit figures and estimates for individual countries with which they dealt, so that a composite total could be drawn up. See T.C.M.(VT), 17 May 1906, pp. 21-23; T.C.P.
 2. Ibid., p. 23.
 3. Ibid., p. 24.
 4. Ibid.

overseas investments of £600m in Russia alone,¹ had no deficit on balance of trade. Even Germany, with a slight import surplus, had "nothing compared to what we have".²

It is evident that certain Commission members felt foreign investment to be less than wholly desirable. Perceval sought to argue that direct investment overseas, or railway contracting, were "really very different" from "investment in French Rentes or in Russian stock".³ Gilbey, somewhat defensively, admitted to having investments in French vineyards, but did not think these should be termed as foreign investments. Hewins felt impelled to reassure him: "I do not think it is intended ... to suggest there is any moral reprobation upon one by having investments in foreign countries".⁴

Elsewhere the questionnaire sought banking opinion on the effect of British industrial retardation and the "substitution of direct for indirect dealings between the Colonies and foreign countries" on London's position as a banking centre. The bias is arguable: though we might say that it assumed retardation and a gradual weakening of British control over Empire commerce, we can scarcely argue that these assumptions were unrealistic or that, to a degree at least, Free Traders would not have conceded them. Nevertheless, it was perhaps only in one question, "How far, and in what manner, would any change in our fiscal system affect the position of London as a banking centre?"⁵ that the Free Trader was left to his own devices. As Hewins commented, "The position of the bankers is I gather that any change in our fiscal system would be disastrous to London as a banking centre".⁶

The approval of the questions to bankers is prima facie evidence of a

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1. A somewhat inaccurate figure according to Feis, who gives French long-term investment in Russia as 7.0 billion francs in 1900 (£333.33m at £1 = f.21) and 11.3 billion (£538.1m) in 1914. Feis estimates French investment in Russia to be about 25 per cent of her total long-term overseas investment in these two years. See H. Feis, Europe: The World's Banker, 1870-1914, (New York, 1965 edn.), p. 51.
 2. T.C.M.(VT), 17 May 1906, p. 24; T.C.P.
 3. Ibid., p. 26.
 4. Ibid.
 5. Qu. 7. See Appendix 6 below, p. 595.
 6. T.C.M.(VT), 17 May 1906, p. 31; T.C.P.

sincere intention to include the financial sector in the enquiry.¹ The draft was, in fact, based on consultations with Vicary Gibbs, who had circulated it to acquaintances in the City for suggestions and amendment. When Phillips raised doubts about the likely response rate, both he and Hewins thought that "a good many" bankers would participate in giving evidence.² Mr. Chamberlain is most anxious to have this question cleared up", added Hewins. "Whenever I see him he asks me about the excess of imports".³

Two weeks later, at a small meeting of predominantly London-based members, Hewins revealed that enquiries among bankers and financiers showed a deviation from normal procedure to be necessary. A City man might have "excellent information" on the "particular branch of the business in which he is engaged", but would be unable to give aggregate figures.⁴ The Executive Committee had therefore suggested that the Commission should draft statistical memoranda, even a Financial Report, on the principal issues and submit them to the scrutiny of practical experts in international trade and investment, thus "reversing the order of the investigation".⁵

Hewins regarded the "excess of imports" as critical to the Free Trade case, and a matter "which I want to go into at some length".⁶ "... if the calculations come out in one particular way", he argued portentiously, "I am afraid it simply knocks the heart out of the Free Trade theory absolutely".⁷ Essentially his ideas, though nowhere clearly stated, seem to have been this: that the growth of Britain's merchandise import surplus since 1870 had been too big to be accounted for by the growth in overseas investment and freight earnings. He knew that British overseas investment was large⁸ and that new investment was being undertaken at a rapid rate, but what he wanted

1. The questionnaire, of which no printed copy has survived, has been reconstructed from the verbatim minutes and appears in Appendix 6, below, p. 595.

2. T.C.M.(VT), 17 May 1906, p. 31; T.C.P,

3. Ibid., p. 30.

4. T.C.M.(VT), 31 May 1906, p. 2; T.C.P,

5. Ibid., p. 3.

6. Ibid., pp. 2-3.

7. Ibid., p. 3.

8. Hewins's estimate of the existing stock was around £2,000m.

was figures for net investment rather than new investment. The existing stock of overseas investment and the income from it might be considerably less than Free Traders imagined since old investments were being continually, maybe increasingly, repatriated.

In an attempt to quantify the situation Rosenbaum had produced a working paper,¹ which attempted to split up the merchandise import surplus, of around £180m in 1900-1905, between earnings on overseas investments and freight earnings, and then to make estimates of the existing overseas capital stock, perhaps by capitalising investment earnings by an appropriate rate of interest. Talking to Rosenbaum's paper, Hewins gave only a confused account of the methods used, but it is clear that Rosenbaum's approach was ingenious, complex, laborious, and probably to an extent misconceived.² So far, however, Hewins was convinced that the investigation, though still incomplete, showed it to be "extremely unlikely" that the growth of the import surplus between 1883-1892 and 1893-1902 was capable of being financed by the growth of foreign investment earnings, so that "you may have to fall back on another explanation: and that is that money has been coming home".³ But even if Rosenbaum's later work should not bear this out, there were other items of importance to the fiscal controversy:

Then supposing there has been a growth - and we may assume there has been a great growth of our foreign investments - the question arises: Have these investments been at the expense ... of home investments or are they something in addition? If they are [at the expense of] home investments, what sort of home investments? Then you come to the question of the difficulty or ease with which you raise capital for our industrial enterprises here. Then you come at once ... to the tariff problem.⁴

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1. Of which no copy has survived.
 2. It appears that freight earnings were calculated by totalling world merchandise exports (commonly valued f.o.b.) and deducting them from world merchandise imports (commonly valued c.i.f.), and then dividing up the world total for insurance and freight according to the shipping returns of the various foreign countries. Rosenbaum had also attempted a 'direct' estimate of British overseas investments and net accretions to them by investigating the Stock Exchange Register "in great detail". See T.C.M.(VT), 31 May 1906, pp. 9-10, 15; T.C.P.
 3. Ibid., p. 8.
 4. Ibid., p. 13. This, of course, is a question which has long vexed economic historians. The present state of opinion, best represented

Hewins emphasised that Rosenbaum's work was still far from complete: indeed, Leverton Harris thought the exercise "a Herculean task".¹ Furthermore, the secretary was aware of the novelty and contentiousness of the methods used, and was wary of publicising them before expert opinion had been sought. Though the banking community could not give an overall picture, they should at least be able to use their specific and localised expertise to criticise and explain the aggregate analysis:

For instance, we know that our investments in Argentina have grown by £200,000,000 in the last 20 years. Now, is that £200,000,000 .., genuine new investment, or is it merely the transference of an old investment? Has [British] money [effectively] gone from the United States or other countries to Argentina, or what has happened? That you can only get at by actually consulting the people who have the handling of the stock.²

Therefore he invited Commissioners to submit "the names of the best shippers and people of that kind ... [and] the names of the people who actually have the handling of investments of one kind and another in the different countries of the world".³

Phillips voiced the mild bafflement of many of the Commission members present. If there was so much confusion over this important issue, he wondered, why was "almost every banker ... opposed to Tariff Reform?"⁴ Hewins, who claimed close acquaintance with the banking fraternity from his LSE days, thought a partial explanation lay in the very problem that Rosenbaum's work was attempting to overcome: "... though your individual banker or financier knows a great deal about the things which actually come into his hands, the number of people in the City who can give you an accurate account

by Edelstein, is that the bias towards overseas issues was relatively weak. Of course, the ultra-economic-nationalist might still argue that a certain level of overseas investment was disadvantageous to the lending economy even if perfectly rational. See M. Edelstein, "Rigidity and bias in the British capital market, 1870-1913", in D.N.McCloskey (ed.), Essays on a Mature Economy: Britain after 1840, (London, 1971), pp. 83-105. For criticism see the discussion on Edelstein's paper, especially the remarks by S. Pollard, pp. 106-111.

1. T.C.M.(VT), 31 May 1906, p. 8; T.C.P.
2. Ibid., p. 10.
3. Ibid.
4. Ibid., p. 14.

of a big movement is extremely small".¹ In any case, he was not sure, or so he claimed, that all City men were so hostile. There were "a great many people in the City who are not strong opponents".² Mosely agreed, arguing that brokers and bankers on the Stock Exchange were in a different position from "those ... doing a general business ... who would benefit by the increased prosperity to the country [and who] more or less favour [Tariff Reform]".³

Thus, the questionnaire to bankers was replaced by Rosenbaum's statistical memorandum in the Commission's scheme. Given that many of the issues he faced, even such bedrock matters as the total stock of British overseas investment in 1914, continued to bedevil economic history for some 50 or 60 years,⁴ it is hardly surprising that the memorandum faded into obscurity. When it failed to materialise the question of international finance in the Commission's enquiries was effectively closed. When, in a Commission meeting a year later, the matter was raised again, the investigation had got no further. Caillard, in the chair, noted that "there still remain Shipping, the Import and Export figures and the Relation of Banking Interests to the Tariff Reform movement".⁵ Hewins claimed that "We have made a lot of enquiries in the City amongst prominent bankers", but that the problem was still one of finding anyone who could see the whole sphere of international finance in overview.⁶ It was still, however, intended to produce memoranda on these issues and to take evidence.⁷ Caillard, perhaps sensitive to the embarrassment of the full-time staff's failure, saw publication of the Commission's findings in this area as

1. Ibid.

2. Ibid.

3. Ibid., p. 15.

4. See M. Simon, "The Pattern of New British Portfolio Foreign Investment, 1865-1914", in J.H. Adler (ed.), Capital Movements and Economic Development, (London, 1967), reprinted in A.R. Hall (ed.), The Export of Capital from Britain, 1870-1914, (London, 1968), especially pp. 16-23; P.L. Cottrell, British Overseas Investment in the Nineteenth Century, (London, 1975), pp. 11-15.

5. T.C.M.(VT), 23 May 1907, p. 12; T.C.P.

6. Ibid., p. 23 & 24 (one page).

7. It was thought that "a special sitting" might suffice for this purpose.

something which could "very properly" be delayed until the Final Report.¹

It had been stressed from the beginning that provisional scales for each of the industry studies would need to be amalgamated and adjusted with reference to each other - a reconciliation and ordering necessary to achieve that harmony within and between industries that the scientific tariff presupposed to exist. The discussion of future plans occasioned by the defeat of 1906 centred around the need for harmonisation and, as a necessary element to achieve this, for consultation with interest-groups not well represented in the enquiry so far.

This reconciliation was to be achieved in the Final Report. At first it did not seem that it was far off. Hewins seems to have started writing it before the later of the industrial series were finished. Holding discussions with Rosenbaum at Willersley, he was able to write to Hurd that it would be ready by the middle of September 1906 - all but the last few pages were complete.² How this was possible cannot be guessed. It may be that Hewins had written a broad survey of industry in relation to Tariff Reform, even anticipating the still-born enquiry into banking, but he cannot have attempted an integrated tariff given the incompleteness of the industry studies. It is almost certainly true, however, that he was counting on a much quicker completion of the industry reports than was to be in fact achieved. Certainly the Commission, meeting as a whole in May 1906, felt it not at all unrealistic to endorse Chamberlain's motion "That all the Reports of the Commission (including ... the complete Report) be finished by the end of the Parliamentary Session".³

The Sugar Report⁴ did not appear until August 1907, however,⁵ whilst,

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1. T.C.M.(VT), 23 May 1907, p. 12; T.C.P.
 2. Hewins to Hurd, 6 September 1906; C-174.1, T.C.P.
 3. T.C.M.(VT), 3 May 1906, p. 9; T.C.P.
 4. Report of the Tariff Commission, vol. 7, Sugar and Confectionery, (London, 1907).
 5. Hurd to Hewins, 24 August 1907; C-174.1, T.C.P.

on the basis of Chamberlain's resolution, the Engineering Report, published in February 1909, was at least two years late, and the enormous effort of its completion severely delayed other work in hand such as the Paper Report.¹

Furthermore, two of the industry series were never to see publication at all - those on hardware and chemicals - and at the time Hewins was claiming the Final Report to be nearing completion he must have known that it was likely that the latter of these, at least, would never appear.

The particular reasons for these failures are not well documented in the Commission's records. Though, after production of a tariff schedule on iron and steel there was apparently nothing to prevent a hardware report from going ahead,² it may be that the sheer heterogeneity of the small metal trades defeated an attempt at orderly classification of the mass of information in the questionnaires returned, the more so since the difficulty of locating firms in the Birmingham trades meant that the Commission could not count on the representativeness of those questionnaires.³

The non-publication of the Chemicals Report is perhaps harder to explain. Here, of course, was a field in which many of the most significant advances were held surely in the grip of German dominance: there was every opportunity for alarmism. At the same time it can be assumed that the 'reduction' process would not have revealed to the Tariff Reformers that German predominance had been achieved by fair and neutral methods. In dyestuffs, especially, German manufacturers were advantaged under patent law and were able to operate cartels and trade agreements, of varying degrees of formality, within their home market.⁴

1. This appears, in fact, never to have been published, though as late as 1912 it was still in progress.

2. T.C.M.(VT), 3 May 1906, p. 7; T.C.P.

3. See above, p. 139.

4. L.F. Haber, The Chemical Industry during the Nineteenth Century, (London, 1958), p. 129. It is not meant to suggest that the German chemical industry was highly monopolised. Elsewhere, Haber is rather equivocal on this point. See L.F. Haber, The Chemical Industry, 1900-1930, (London, 1971), ch. 5, cf. p. 148. When one of the Manchester Gartside Scholars visited Germany around 1907 he painted a clearer picture of combination and trade agreements in the German dyestuffs industry, but one can read from between the lines that the degree of concentration was perhaps less than in certain other German industries. See S.H. Higgins, Dyeing in Germany and America, (2nd Edn., Manchester, 1916), pp. 97-101.

The investigation into chemicals started normally. The industrial classification was causing disagreement as early as January 1904,¹ and by September a list of possible witnesses was being prepared.² In June 1905 Hewins announced that work on the Chemicals Report could go ahead as soon as those on textiles and agriculture had been completed,³ and a communication from Hurd in October confirmed that this was now the case.⁴ Witnesses were invited using a complete membership list of the Society of Chemical industry, the largest scientific society in Britain.

Chemical manufacturers were, however, very reluctant to give evidence. Even the ponderous and technically-backward United Alkali Co., of which Tariff Commissioner Sir Charles Tennant was president, would not co-operate,⁵ and nor would E.A. Brotherton, Conservative MP for Wakefield and head of a small dyestuffs concern which had begun as a tar distillers.⁶ In heavy chemicals this is perhaps easily explained - even Levinstein admitted that cheap raw materials and high transport costs kept the British market safe from German producers of alkali and caustic soda, and that the dramatic decline of Britain's exports to Europe and the US had been compensated by the "enormously increased" consumption of the previous 20 years,⁷ and the significant expansion of British markets in Latin America, India and the Far East.⁸ Such an explanation is less suitable for the synthetic dyestuffs sector of the industry, however. Here British failure was more obvious. German output was 20-30 times greater than British, firms were larger and product ranges wider, and 90 per cent of the dyes used in Britain were imported. Though the Commission secured the agreement of representatives

1. Levinstein to Hewins, 24 January 1904; C-599, T.C.P.
2. See above, pp. 143-144.
3. Hewins to Levinstein, 8 June 1905; C-599, T.C.P.
4. Hurd to Levinstein, 21 October 1905; *ibid.*
5. When John Brock declined, an invitation was sent to F. Davidson of the same company, but the result was the same.
6. Hurd to Levinstein, 6 November 1905; C-599, T.C.P.
7. Printed proof copy of Levinstein's evidence (unpaginated); T.C.P.
8. British soda-ash production doubled in the period 1885-1905, See H.W. Richardson, "Chemicals", in D.H. Aldcroft (ed.), The Development of British Industry and Foreign Competition, 1875-1914, (London, 1968), pp. 279-283.

of the three largest British dyestuffs manufacturers to appear before it, only two did so with certainty. These were Levinstein himself and L.B. Holliday of Read, Holliday and Sons, Huddersfield aniline dyestuffs manufacturers.¹ Apart from these, the only chemical witnesses examined were Tariff Commissioner Sir Samuel Boulton, and John Burton of William Burton and Sons, a small dye and chemicals firm in Bethnal Green, whose evidence occupied only half a page in printed proof form and was largely taken up with the decay of the silk-dyeing business and short, predictable paragraphs on technical education, freight costs and patent laws which contributed nothing that the interested layman would have found unfamiliar.

It may be, as Haber has suggested, that the chemicals industry had nothing to gain from protection.² But Tariff Reform had, for many, a wider appeal than protectionism alone, and, as we have seen, there is evidence that in many cases party loyalty had as much, and even more, to do with fiscal alignment as did industrial interest.³ Furthermore, industrial self-interest and perceived industrial self-interest do not necessarily coincide: even if Haber is correct there must have been many dissatisfied with the closing of former European and American markets and the high level of import penetration in certain branches, men such as Houldsworth in cotton. It is perhaps curious that so few open supporters of fiscal change were found amongst the Society of Chemical Industry's 2,400 members given the widespread dissatisfaction of the industry over patents legislation, an area close in its appeal to Tariff Reform,⁴ and curious also that none of those supporters came from the Leblanc interests. Given that Tennant, himself a convert from

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1. Martin Dreyfus of the Clayton Aniline Co. Ltd. does not appear to have given evidence, though it is possible that his evidence has not survived.
 2. L.F. Haber, The Chemical Industry, 1900-1930, p. 148.
 3. See above, ch. III.
 4. It is possible that some dyestuffs manufacturers, especially those who produced intermediates for export to Germany, were fearful that a British tariff would provoke concealed retaliation by German concerns. Such retaliation was experienced by Levinstein for his active role in the patent law reform of 1907. See L.F. Haber, The Chemical Industry, 1900-1930, p. 148.

orthodox Liberalism, was a Tariff Commissioner, and that we know the board of United Alkali to have been divided over the fiscal issue,¹ it is hard to imagine the heavy chemical manufacturers so firmly united behind Free Trade.

There were more than just technical difficulties in producing a Final Report, however. In the years after 1906 even Hewins was prepared to admit, in private, the extent to which the Commission was involved in Tariff Reform propaganda,² though it was always the Commission's attitude that its work was objective, educative and scientific "groundwork" rather than outright propaganda.³ As what we might term the 'more direct' propaganda activities of the Commission escalated, not only in providing Unionist leaders like Austen Chamberlain, Balfour and Bonar Law with information for speeches and debate but also in providing Unionist MPs with a deluge of parliamentary questions with which to harass and embarrass the government, and as Hewins's outside work in TRL affairs and in making speeches in the country increased, there can be no doubt that division and uncertainty within Unionist ranks made him reluctant to forge ahead with a Tariff Commission strategy which would increase friction within the party.

In 1907 a Chippenham barley miller complained to Austen Chamberlain that TRL policy, as laid out in Pamphlet 116,⁴ proposed an ad valorem (equivalent) duty of 10 per cent on barley but a duty of only 5 per cent on pigs, a situation "detrimental to the interests of dairy farmers in this country".⁵ Hewins reminded Chamberlain that the TRL publication "is only a rough indication of Tariff Reform proposals with regard to corn".⁶ Referring to the more cautious approach of the Agricultural Report,⁷ he advised

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1. Levinstein to Hewins, 29 October 1905; C-599, T.C.P.
 2. Hewins to H. Hirst (of GEC), 9 November 1911; C-286, T.C.P.
 3. Caillard to A. Jackson, enclosed in Caillard to Hurd, 20 July 1911; *ibid.*
 4. "A Policy for Agriculture: Tariff Reform and Imperial Preference", Tariff Reform League, Leaflet 116, (n.d.), 4 pp.
 5. R.E.S. Tanner to A. Chamberlain, 16 July 1907; C-4149, T.C.P.
 6. Hewins to A. Chamberlain, 19 July 1907; *ibid.*
 7. Para. 381.

Chamberlain:

I should not go into details, but merely say that the points he raises have always been kept in view ... and will be carefully considered before a detailed and complete scheme is drawn up.¹

Given that the TRL had never accepted the Agricultural Committee's proposals,² and given the critical importance of a united front on the central issue of food duties, Hewins's reluctance to lay down a firm line of future policy can be appreciated, especially since there was some unsureness in the Commission offices about the precise intentions of the Agricultural Committee in regard to barley.³ Even where there was less disagreement between Tariff Reformers, however, a reluctance to commit the Commission to a detailed scheme was becoming more apparent. In September 1907 Hewins was unable to provide Bonar Law with a Commission policy on drawbacks, though being "personally of your [Bonar Law's] view ... [that] it will be necessary in the final tariff suggestions to imitate to a certain extent the German example" of a full remission of import duty on materials subsequently exported.⁴ And as late as 1910 it was the case that no further consideration had been given to harmonisation of interests between industries. When Scottish Tariff Reformers wrote from the agricultural districts in the first election campaign of 1910, requesting information as to whether the Commission recommended duties on feedstuffs and fertilizers to aid the chemical industry, Hewins vetoed Hurd's suggested argument that the farmer would be compensated for a duty on chemicals by a fall in the price of offals. "In dealing with the question it would be better to omit the Chemical trade qualifications", he asserted.⁵

By 1907 it had not gone unnoticed by the Free Traders that the scientific tariff had still not appeared. "I think that we shall do well

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1. Hewins to A. Chamberlain, 19 July 1907; C-4149, T.C.P.
 2. See above, pp. 451-453.
 3. Hurd to Hewins, 6 January 1910; Hurd to Phillips, 7 January 1910; Hurd to Hewins, 9 January 1910; C.174.1, T.C.P.
 4. Hewins to Bonar Law, 30 September 1907; C-7543, T.C.P.
 5. Hewins to Hurd, 5 January 1910; C-174.1, T.C.P.

to choose our moment for issuing our Final Report", commented Caillard dryly in a Commission meeting.¹ He explained that the delay in producing the Final Report lay in the tremendous amount of other business, including the production of memoranda, the preparation of statistical material for the 1907 Imperial Conference, and the supplying of information for parliamentary use or speeches on the fiscal question, that had been undertaken. In the meantime Tariff Reform had become "a great party movement in this country",² and it therefore followed that the appearance of the Final Report should be timed with the next general election in view.

Cockburn was fearful that, if the Final Report "comes forth with the imprimatur of party upon it ... or with even a suspicion of party, its value is largely discounted".³ The Commission must maintain "its attitude of devotion to facts, and association with neither political party - an independent body pursuing the question in the interests of national welfare and enlightenment".⁴ He realised that "circumstances over which we have no control have given it [Tariff Reform] very largely a party tinge", but rejected the idea that the Commission should "have its hands tied by any party leader".⁵

Caillard agreed that this was no part of his intention: "the fact that the Tariff Reform movement had taken a Party colour ... had absolutely nothing to do with us".⁶ Hewins thought that the Board of Trade's consultations with the Commission on the methods to be used in the census of production showed the latter to be officially:

... accepted as being practically non-partisan,
and purely official. Of course the whole effort
of the Commission has been to establish that

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1. T.C.M.(VT), 23 May 1907, p. 10; T.C.P.
 2. By this Caillard meant that the perceived conversion of Balfour meant that "there is no question whatever now that the Tariff Reform movement is working hand in hand with the Unionist party". He thought this "probably ... a very good thing".
 3. T.C.M.(VT), 23 May 1907, p. 14; T.C.P.
 4. Ibid., p. 15.
 5. Ibid., pp. 14-15.
 6. Ibid., p. 16.

reputation, and having established it we shall not destroy it, because it is a most valuable asset.¹

There can be no doubt that many Commissioners, and doubtless many other Tariff Reformers too, felt that their objectives were not subject to narrow party aims. Gilbey, himself from a family and a business with strong Liberal and Free Trade leanings,² reminded the Commission that even a strongly radical constituency like Wycombe had seen meetings in which resolutions "3 or 4 to one in favour of Tariff Reform" had been passed.³ But whether such sentiments were as sincerely felt as they had been in the heady days of 1903-4 is open to doubt. For the Liberal budget of 1907 had demonstrated clearly the government's adoption of a system of graduated direct taxation, and there is great attractiveness in Emy's contention that direct versus indirect taxation was an element in the "fundamental difference in party philosophies" that had emerged in the years before 1914.⁴ In part this was what was meant by those Unionists who were later faced with the (to some unattractive) choice between Tariff Reform and 'socialism'. After the 1907 budget Hewins was still able to talk of it in terms of the elasticity, certainty and convenience of the new taxes.⁵ It is an irony, therefore, that the radical Tariff Reformers were in some senses closer to advocating those "principles of taxation [which] had remained the same from Adam Smith to

1. Hewins was almost certainly inclined to over-rate the influence of the Commission on the Board of Trade, though it is true that Lewis, Mitchell and Birchenough were members of its Advisory Committee. Though Waring consulted the Commission over the census of production, there is no evidence to suggest that the Board sought assistance officially. And though the Board made changes in the trade returns on Rosenbaum's suggestions, the Commission was but one of many groups which influenced the improvement of statistics after 1880. See R. Davidson, "Llewellyn Smith, the Labour Department and government growth 1886-1909", in G. Sutherland (ed.), Studies in the Growth of Nineteenth-Century Government, (London, 1972), p. 230.
2. Sheffield Daily Telegraph, 30 December 1903, p. 8.
3. T.C.M.(VT), 23 May 1907, p. 18; T.C.P.
4. H.V. Emy, "The Impact of Financial Policy on English Party Politics before 1914", Historical Journal, XV, 1972, pp. 126-127, 131.
5. See two typescripts by Hewins, "Inelasticity of Present Revenues" and "Possibilities of Increasing the Yield of the Income Tax", and Hewins to Balfour, 2 May 1907; Add. Mss. 49779, Balfour Papers. It seems likely that "Numericus", writing on Asquith's budget in the Standard, 1 May 1907, was Hewins.

J.S. Mill"¹ than were their political opponents.

But, in spite of assurances by the Commission establishment, that the purpose of the scientific body of enquiry was unchanged, technical difficulties and the need for a united Unionist party were conspiring to defeat that purpose. When, in 1908, Hewins made a statement of progress to the Commission he "expressed the opinion that it [the Final Report] could be published in the Spring, but that the volume should not include a scheme of tariffs".² The Commission was apparently satisfied with this, though it was resolved that the drafting of an integrated tariff should nevertheless proceed, even though it was not to be published.

But even this was not to be achieved. At the next full meeting of the Commission, in December 1909, Hewins indicated that "the Commission would be ready to present a draft tariff within 3 or 4 months of the accession of a Unionist ministry to power".³ That this represented a change in his view of the Commission's function became clear in the first election campaign of 1910. Whereas the Commission had originated in a desire to work out a scientific tariff for consideration by voters prior to an election on the fiscal issue,⁴ Hewins now saw the Commission's researches and collected wisdom as merely the basis for drafting a Unionist tariff. In a statement to the Press Association he wrote:

Assuming that a Tariff Reform Government were in office as a result of the general election, then, so far as the technical difficulties of tariff construction are concerned, there is no reason why it should not in its first Budget give a definite fulfilment of its pledges to the country ... Provisional schemes published by the Tariff Commission show that there are practical methods of carrying out a Tariff Reform policy, that those methods would not disturb existing interests, and would involve small additional expense on machinery ... and that they would meet with the approval of the vast majority of the business firms of the country.⁵

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1. H.V. Emy, loc. cit., p. 106.
 2. T.C.M.(P), 28 October 1908; T.C.P.
 3. T.C.M.(P), 20 December 1909; *ibid.*
 4. See above, pp. 32-33, 34-35.
 5. "The Introduction of Tariff Reform. Statement by the Secretary of the Tariff Commission". Copy in Hewins to Blumenfeld, 10 January 1910; C-176, T.C.P.

Thus it is clear that the Commission, or at least its leaders, no longer felt it either desirable or possible to publish a draft overall tariff before a Tariff Reform government came into power. From late in 1908 onwards the original intentions of the founders had gradually been dropped. How far this was resisted by members is difficult to determine, since, perhaps significantly, the verbatim minutes of the two critical meetings do not survive. But it is worth mentioning that attendance of both meetings was fairly low, though no lower than the average for 1907-1913,¹ and that there are occasional glimpses of the dissatisfaction of individual members with the Commission's progress. As Lyle wrote in 1911:

... I regret I must decline to subscribe further to the funds of the Tariff Commission as I am not satisfied with the lines on which it is now working. It has now been at work for ten (sic) years and has not yet done what it was originally formed to do, viz. to frame a tariff; and it has developed into a statistical bureau doing, no doubt, good work but work I am not inclined to participate in.²

Furthermore, given the state of incompleteness of the industrial reports and the slender cost basis on which they rested, not to mention the lack of information from tertiary industry and the labour movement, even the much-reduced objective of the Commission was still somewhat optimistic. It was over-sanguine of Hewins to suggest that the Tariff Commission's work had reduced the planning stage of a Unionist tariff to three or four months. As Austen Chamberlain remarked in February 1910, from a knowledge of both the Exchequer and the Commission, "a Tariff Reform Budget cannot, in spite of all Hewins may say, be produced at a moment's notice".³ A few months earlier, Alfred Mond had put the matter even more pungently: "There is not one single item of the elementary machinery of a tariff which this great and almighty Commission, with this learned professor of economics as its

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1. 18 on 28 October 1908 and 17 on 20 December 1909. The average for 1907-13 was 17.5 with a minimum attendance of 8 and two maxima of 33. Eleven of the 15 meetings had attendances of between 14 and 18.
 2. Lyle to Burbidge, 23 June 1911; C-1154, T.C.P.
 3. A. Chamberlain, Politics from Inside, (London, 1936), p. 209,

secretary, has yet endeavoured to handle".¹ Though many of the considerations which had led him to this conclusion were mistaken,² he was not far from the centre of the issue.

II

After the 1906 election and Chamberlain's stroke, the irrepressible spirit of the Tariff Reformers began to re-emerge. Perhaps the start of this was the realisation that Unionists had done best where they had advocated Tariff Reform: some two-thirds of the Unionists in the parliament of 1906-1910 were Tariff Reformers.³ Balfour was soon to make the first of his small and equivocal steps that finally led to an apparently united Unionist party contesting the 1910 elections - the Valentine compact. In 1908 trade recession strengthened the Tariff Reform appeal. In 1909 Lloyd George's budget accelerated the desire of the landowning and City Unionists to accommodate themselves to the mainstream of the party. To them, Tariff Reform was less unattractive than wealth taxes, property taxes and socialism. As the clamour over the budget and the constitutional issue grew, the Tariff Reform League increased its circulation of leaflets and pamphlets - 1909 was the record year of its post-1906 history, and perhaps of its whole history.⁴ According to Scally, the League was now giving pre-eminence in its propaganda to social reform financed by import duties. Garvin's "Tory

1. Alfred Mond at the Memorial Hall, Manchester, 23 July 1909; reported in Manchester Guardian, 24 July 1909, p. 10.
2. Mond accused the Commission of a "dread of details", in failing to inform the public whether they recommended specific or ad valorem duties, how, where and when import valuations would be made, whether there would be export rebates, and whether cotton manufactures were to be allowed in free. Most of these issues had been considered by the Commission, but frequently it had decided not to publish its recommendations on grounds of political expediency, or had buried them in obscure memoranda, or left them to be decided at a later date when the Unionists were in power.
3. There is some dispute over precise numbers. See N. Blewett, "Free Fooders, Balfourites, Whole Hoggers. Factionalism within the Unionist Party, 1906-10", Historical Journal, XI, 1968, pp. 96-97.
4. T.J. Macnamara, Tariff Reform and the Working Man, (London, 1910), p. 19; Standard, 29 March 1910.

Socialism", with its social-Darwinist emphasis on regeneration, efficiency and expertise, was seen by the younger and more active Unionists as the answer to the "palliatives" of mere "relief" that were being implemented by the Liberals.¹

Scally, in his intriguing and provocative study of social imperialism, is under no doubt that the years after 1906 saw a take-over of the Tariff Reform movement by a dynamic but small group of younger and more radical men. Chamberlain's successors were Milner, Amery, Hewins, Garvin and McKinder, rather than his own faithful son. Milner, indeed, became the "eminence grise" of the movement, the key figure of a group who were the "leading voices" of the movement in its "most aggressive period".²

In the sense that all these were closely involved with the TRL, this analysis carries conviction. It holds its dangers, of course. To identify the movement with the League is to forget that the League was not well represented amongst senior members of the Unionist party, and that League headquarters in London was only the organisational centre of a far-flung network of local branches where grass-roots feeling might well involve no close harmony with Milner's "nobler Socialism",³ or with the virtues of a society organised and administered by a self-denying samurai class of the type that he had, in jaundice after his censure over South Africa, adopted from the Webbs and the Co-efficients.⁴ There is a danger, too, in ascribing too great a novelty to the ideas, ideologies and propagandas of the Milner-Garvin-Amery clique, as even a careful reading of Scally's own work sometimes reveals. The Liberal Imperialists may indeed have been a spent force by 1910 - a fact recognised not only by Scally but also by the Webbs and Hewins as early as 1904 - but much of their ideas, even their terminology,

1. R.J. Scally, The Origins of the Lloyd George Coalition: The Politics of Social-Imperialism, 1900-1918, (Princeton, 1975), p. 138.
2. Ibid., pp. 74, 95.
3. Milner at Wolverhampton, 17 December 1906; in A. Milner, The Nation and the Empire, (London, 1913), p. 161. The theme of a nobler form of socialism recurs throughout this volume.
4. R.J. Scally, op. cit., pp. 105-107.

was still common currency in Milner's speeches. Too often one is left with the impression, as Scally's complex analysis embraces a speech by Milner in 1909, or an editorial by Garvin in 1910, that Chamberlain's words of 1903-1906 have been forgotten. Was the new-style "Imperial patriot"¹ really different in kind and in appeal from the earlier visionary of the African veldt? Was the harsh critic of the "Rotten Assembly at Westminster"² not descended from the statesman who had pleaded that Britain now faced "a situation that was never contemplated by any of those whom we regard as the authors of Free Trade",³ and who urged the removal of the imperial question from the sphere of national party politics? No: as Scally admits, and as his thesis constantly demonstrates, there was far greater continuity in Tariff Reform ideology than this.⁴

Nevertheless, we can agree with much of Scally's analysis. It may be that, though such things are hard to quantify, TRL propaganda was more virile after 1906. The excellence of Garvin as a propagandist needs no emphasis, though in the case of Amery we should perhaps remember that newspaper publicists are usually the last to under-rate their own impact.⁵ Perhaps,

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1. Milner at the Author's Club, 2 December 1912; in A. Milner, op. cit., p. 492.
 2. R.J. Scally, op. cit., p. 107.
 3. Chamberlain at Birmingham, 15 May 1903; in C.W. Boyd (ed.), Mr. Chamberlain's Speeches, (London, 1914), vol. II, pp. 138-139.
 4. Scally's prevailing inference, never, it is true, plainly spelt out, is that Milnerism was innovative. It is perhaps based on the feeling that an agitation which was sustained through such a turbulent decade must have developed in itself. What is in fact remarkable about the movement is the remarkable extent to which Tariff Reform, as an ideology especially, and to a large extent as a policy, did not evolve materially. Largely, one suspects, this was because Tariff Reform had to run to stand still, not only in its campaign to affect public opinion but also in its fight to convert its own party leaders. The problem was not so much to develop the simple Glasgow plan of a General Tariff with Imperial Preference, but to defend it, not to produce further arguments in favour of preferential tariffs, but to secure acceptance of the myriad of them which had been tried before 1906. In parts of Scally's analysis this can be clearly seen: though he claims that Garvin's principal role in the movement was not innovative, he does attribute to him too large a responsibility for drafting the "Doctrine of Development" so emphasised by the TRL, leaving to Hewins and Ashley the function of merely "expand[ing] on the theme". See R.J. Scally, op. cit., pp. 117-118, cf. ch. 2 above.
 5. See L.S. Amery, My Political Life, (London, 1953), vol. I, ch. 9.

too, the 'red budget' of 1909 encouraged them to new levels of rhetoric and exhortation which excelled in their impact the quieter passions of the springtime of Tariff Reform before 1906.

One of the most interesting features of this analysis is its contention that the Tariff Reformers put more accent on the social question after 1906. Scally maintains that, in the 1909 onslaught, "Spurred on by the competitive dynamism of Lloyd George and Churchill, the Tariff Reformers gave first place in their literature to their policy of social reform".¹ He admits that "imperialists had been tutoring themselves for years in this language with the help of the Fabians", but asserts that now, in 1909, "their time had finally come".²

Even if we put aside the issue of the innovatory nature of Milnerite social-imperialism, the claim that social reform became the primary emphasis of the Tariff Reformers is still a contentious issue. Certainly, it would seem to be an invalid assessment of the overall Unionist strategy in the election campaigns.³ But there is no doubt of the importance of social-imperialism as an element of the more radical approach of the TRL: in this Scally's findings are confirmed by the earlier researches of other writers on social-imperialism.⁴

As a prominent member of the TRL and one closely associated with the Milnerite group of radical Tariff Reformers, Hewins might well have been expected to introduce into Tariff Commission business the matter of re-charging Tariff Reform policy with socially-orientated measures. That he did not do so might be regarded, on one level, as consistent with the Commission's reluctance to become embroiled in mere party politics or electioneering, or, on another level, as an indicator that as Hewins became more involved in Unionist politics a gap developed between his activities

1. R.J. Scally, op. cit., p. 147.

2. Ibid.

3. N. Blewett, The Peers, The Parties and The People: The General Elections of 1910, (London, 1972), pp. 123-124.

4. Notably by B. Semmel, Imperialism and Social Reform, (London, 1960), passim.

for the League and for the Commission. There is also the possibility that Hewins was reluctant to throw away the 'scientific moderacy' and 'objectivity' of the Commission when he was attempting to convert Balfour to Tariff Reform. In this valiant effort, however, he was to demonstrate an increased emphasis on the revenue benefits of Tariff Reform that was at least consistent with, and might well be regarded as a necessary precondition to, the more socially-orientated propaganda of the more radical Tariff Reformers.

Apart from making speeches and the visit to Canada, Hewins's real, direct involvement in the world of national politics developed after 1906. Perhaps the most immediate vehicle for this was the emergence of a curious relationship with Balfour, a relationship perhaps promoted by Austen Chamberlain in the hope of making a more stable convert of the enigmatic Unionist leader.¹

In their first meetings, Hewins found that Balfour "had never had the case [for a scientific Tariff Reform] properly explained to him, so I hoped I might remove his objections if I had the chance".² Balfour "had no business or academic objections to food taxes: in fact, he rather liked them. But he thought the electorate would not stand them. He seemed to me to shrink from taxes on manufactures because of the complication of a tariff".³ When Hewins visited Whittingehame, Balfour seemed in agreement with a preferential scheme combined with industrial duties in the range of 2½ - 10 per cent, "all duties [being] kept at a revenue level".⁴

Hewins was remarkably sanguine about his apparent success with Balfour. "I do not think there is any substantial difference as to aims or methods

1. It is generally held that Balfour conceded little in the 'Valentine Letters' of February 1906. Gerald Balfour wrote, "I never expected that the Chamberlains would yield so much. There is nothing in A.'s letter which he has not already said in his speeches". See S.H. Zebel, Balfour: A Political Biography, (Cambridge, 1973), p. 148.
2. W.A.S. Hewins, The Apologia of an Imperialist, (London, 1929), I, 186.
3. Ibid., p. 185.
4. Ibid., p. 187. This first visit occurred in January 1907.

between what Chamberlain wants and what Balfour wants", he wrote. Rather, "Balfour strongly objects to what he conceives the Tariff Reform League to be. He is unduly sensitive to inaccuracies of expression ..."¹ At the same time, Hewins had gained the impression that the Tariff Reformers had badly mismanaged the situation from 1903 onwards:

It is quite evident that Balfour feels strong hostility not to Chamberlain's policy, but to his methods and action during the last three years. The whole matter has been atrociously muddled. I did not know until Balfour told me that the Cabinet actually agreed to give the Colonies the ls. preference by a large majority. Why in the world did not Chamberlain stick to his guns, when Ritchie wanted to take off the corn duty? Chamberlain's own explanation is hardly adequate. I suppose he failed in intellectual grip and knowledge of the subject, could not show the necessity or reasonableness of the new departure, and fell back on mere cantankerousness. At any rate he seems to have failed first in the Cabinet, then in the presentation of the case at Birmingham in May 1903; then by resigning; and fatally in 1905.²

These opinions were committed to Hewins's diary shortly after his early meetings with Balfour. They surely show him to be at least partially under the influence of the ex-premier. Though Hewins occasionally, elsewhere, criticised Chamberlain's depth of knowledge of economics, there is nowhere else in his writings and papers such a sustained and heavy criticism of the stricken hero. Furthermore, the remarks on the cabinet crisis which led to the resignation of Chamberlain and Ritchie seem inspired by one-sided information from Balfour, giving no account of the duplicity involved on his part. In addition, Balfour's professed distaste of the propagandism of the TRL may have been calculated to strike a chord in the heart of the sober, professorial head of the scientific Tariff Commission, especially when we remember Balfour's known talent for flattery.³ "It is extraordinary", remarked Hewins, "that he [Chamberlain] never told Balfour anything about the Tariff Commission, a new departure which he misdescribed in his Leeds speech and to which Balfour naturally attached great importance".⁴

1. Ibid.

2. Ibid., pp. 188-189.

3. A. Chamberlain, Politics From Inside, (London, 1936), p. 83.

4. W.A.S. Hewins, Apologia ..., I, p. 189.

There is evidence, therefore, that Hewins hoped that Balfour could be moulded into the new leader of a united Tariff Reform party. "Balfour now has it in his own hands", he wrote after discounting the chances of Austen Chamberlain taking over the reins. "The Imperial question having broken Rosebery and Chamberlain, we shall see whether Balfour will fare better. Tariff Reformers do not share my views of him".¹

This early meeting was prelude to a constant stream of correspondence between Balfour and Hewins, in which the former sought details on the industrial situation for his speeches and clarification of Tariff Reform policy and the latter, in addition to providing them, kept the Unionist leader up to date with the constantly changing world of international commercial negotiations. Essentially, there were five leitmotivs in Hewins's arguments, all related in the attempt to convince Balfour of the moderacy and inevitability of a preferential scheme.

The first was that treaty negotiations, constantly under way between Empire and foreign countries, were putting Britain into a fiscal peril which might be irreversible. Early in 1907 he reported that US officials were dancing attendance on Canadian ministers. Though he saw Secretary Root's suggestion, reported in the New York Evening Post, that Canada and the US adopt free trade internally and a common tariff towards the rest of the world, as obviously impractical, Hewins saw it as at least a starting point for negotiation. "... it is only possible to conclude", he observed, "that the United States Government has offered a deliberate bribe to Canada to go out of the British Empire".² He reported a large body of opinion in Canada favourable to the abolition of the surcharge on German goods,³ and the collecting of petitions by the German Centralstelle für Vorbereitung von Handelsverträgen,⁴ an association financed by German industrial interests

1. Ibid.

2. Hewins to Balfour, 25 January 1907, 3 February 1907, 23 March 1907; Add. Mss. 49779, Balfour Papers.

3. Hewins to Balfour, 3 February 1907; ibid.

4. Association for the Preparation of Commercial Treaties.

and with influence on the Reichstag's Tariff Commission, in favour of a German-Canadian treaty to end a decade of commercial warring.¹ Other countries were also seeking admission to Canada's intermediate tariff - France, Italy and Austria in 1907-1908. Hewins made sure that each fresh move, each false start, each rumour in the foreign press, lay on Balfour's desk in the form of neat, typewritten abstracts from the Tariff Commission offices.²

The second leitmotiv was that this movement could be stopped only by imperial preference. The negotiations were "the natural and inevitable outcome of existing trade relations", claimed Hewins, and "they can only be made innocuous in one way ... It is impossible to over-estimate the importance of the decision our Government has to make next when the Preferential discussions come on [at the Imperial Conference]".³ Allied to this was his insistence that the only barrier to the conclusion of an imperial scheme was the attitude of the Liberal government, an argument reinforced by obvious colonial support for preference at the Conference of 1907.⁴ If Canada's new tariff of 1907 effectively reduced the preference given to British exporters, Australia's tariff changes later the same year saw it maintained. The preference given to Britain was still "certainly substantial",⁵ and Hewins forwarded advance notice from Deakin that UK preference had been increased during the Tariff Bill's passage through the Australian legislature.⁶ He constantly stressed the willingness of colonial ministers to enter a preferential arrangement with the UK.⁷

Thirdly, Hewins sought to emphasise the 'moderacy' of the scheme necessary to unite the Empire. Early in 1907 he argued from a Commission

1. Hewins to Balfour, 10 June 1908; Add. Mss. 49779, Balfour Papers.
2. Hewins to Balfour, 23 April 1907, 10 January 1908, 10 June 1908, 22 July 1908, 26 May 1909, 12 April 1910; *ibid.*
3. Hewins to Balfour, 23 April 1907; *ibid.*
4. J.E. Kendle, The Colonial and Imperial Conferences, 1887-1911: A Study in Imperial Organization, (London, 1967), p. 90 n. 1.
5. Hewins to Balfour, 11 October 1907; Add. Mss. 49779, Balfour Papers.
6. Hewins to Balfour, 30 December 1907; Deakin to Hewins, 27 November 1907 (copy); *ibid.*
7. Hewins to Balfour, 12 February 1907; *ibid.*

memorandum¹ that there was a wide margin for negotiation even in the new Canadian tariff, and that even with a "system of low revenue duties" Britain would be able to conclude an "arrangement which would be most attractive to every part of Canada and which would command in return generous concessions".² In 1908 he reminded Balfour, inaccurately, that the maximum duty advocated by the Tariff Commission was 10 per cent, and the average duty considerably less.³

This was closely connected with the fourth leitmotiv in Hewins's letters, a shift in accent away from the 'protective' element of tariffs, emphasised in 1904-1906, to the 'revenue' element. In part this is to be seen as consistent with a change in tactics throughout the Tariff Reform movement - it was apparently decided to bring revenue considerations to the forefront of the appeal to the country in the "four-fold Birmingham resolution adopted in November 1907".⁴ But, in part also, it was doubtless a strategy tailored closely to the peculiar case of the conversion of Arthur Balfour.

Emphasis on revenue did not mean that protection was forgotten: Hewins maintained that a "moderate scheme of duties" would "have the desired effect of safeguarding our great industries ... give that sense of security which is lacking ... [and] put an end to the possibility in many cases of unfair competition".⁵ But, nevertheless, "our tariff ... would be a revenue tariff, not protective as in the United States".⁶ It seems that, in such curious statements, Hewins was trying to equate moderate tariffs with revenue tariffs, and contrast them with higher, 'protective' tariffs. Needless to say, such subterfuge was unlikely to take Balfour unawares. But it might have been suggested in the belief that Balfour desired to be convinced, and needed a gentle, moderate approach to quieten his doubts. Not long before the first

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1. "The New Canadian Tariff and Preferential Trade within the Empire", Mm. No. 28, 23 January 1907. See especially p. 2.
 2. Hewins to Balfour, 25 January 1907; Add. Mss. 49779, Balfour Papers.
 3. Hewins to Balfour, 16 January 1908; *ibid.*
 4. Hewins to Balfour, 26 July 1909; *ibid.*
 5. *Ibid.*
 6. Hewins to Balfour, 16 January 1908; *ibid.*

1910 election Hewins reiterated that only a low tariff was necessary to secure colonial concessions, that this would still supply adequate revenue, that it could be arranged and administered quickly and simply, and that it would disturb commerce little.¹

The introduction of the fifth leitmotiv shows clearly the strategy with which Hewins hoped to convert Balfour. This was the adequacy of UK revenue. Here he had reason to believe that he was on strong ground. Balfour was fearful that "the Election of 1906 inaugurates a new era" of socialism in British politics, "a faint echo of the same movement which has produced massacres in St. Petersburg, riots in Vienna and Socialist processions in Berlin".² The budgets of 1907 and 1909 only served to increase Balfour's distaste for the new policies, and by the latter he appeared to regard Tariff Reform as the only alternative to further 'socialist' progress.³

Hewins's argument was that, given the need to increase revenue, whether to finance naval shipbuilding, or old-age pensions and unemployment insurance, or to grant direct aid to agriculture,⁴ the Liberal way of doing it was impracticable. Both direct taxes and the existing indirect taxes were approaching their elastic limits. Given his hot-headed criticism of the 1907 budget, which former Chancellor Austen Chamberlain thought "sound" and "not an easy budget to fight",⁵ Hewins may have taken a deliberately inflammatory line in his communications with Balfour:

The proposed extension of income tax to working class incomes by extracting a compulsory return from employers could not be administered without very great friction, because in many industries where working men nominally earn above the income tax limit the amounts with wh. they are credited are not the net amounts received. It wd. be necessary to devise machinery to deal with a wholly new class of deductions wh. are extraordinarily difficult to estimate.⁶

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1. Hewins to Balfour, 20 September 1909; *ibid.*
 2. Quoted in S.H. Zebel, Balfour, p. 143,
 3. A. Chamberlain, op. cit., p. 182.
 4. This latter, of course, being an objective of Hewins rather than of the Liberal government.
 5. A. Chamberlain, op. cit., p. 71.
 6. Hewins to Balfour, 2 May 1907; Add. Mss. 49779, Balfour Papers.

Apart from the difficulties of estimating the yield of Asquith's budget, Hewins stressed the high level of income tax, the inelastic yield of future rises, and the political resentment likely to be forthcoming from the large number of foremen, clerical workers and "superior workmen" who earned more than £160 per year, the new tax threshold.¹ Income tax "becomes a fixed charge upon the industry of the country which must be taken into account in all calculations as to costs", and the new distinction between earned and unearned incomes discriminated against public companies and in favour of partnerships, thus acting "as a premium against what has proved to be the most economic form of business organisation".² A "system of preferences on a revenue basis",³ given Hewins's pessimistic assumptions, thus became not merely an alternative method of meeting the inevitable rise in government expenditure, but the only method possible. Tariff Reform became merely a desirable facet of an inevitable future.

The close relationship between Balfour and Hewins lasted right up until Balfour's retirement. As early as February 1907 Hewins's influence at the first Whittingehame visit was seen in Balfour's concentration on the "revenue needs of this country for the purpose of social and other reforms" in a speech at the National Union, and shortly afterwards Hewins reported Sandars as expressing "the hope that there might be closer relations between official Conservatism and me".⁴ Hewins, who had had detailed discussions with Balfour on the Liberal budget, thought his contribution to the budget amendment debate "the only speech with any reasoned argument in it", and was evidently annoyed that it "did not create a good impression amongst Tariff Reformers".⁵ As late as his Bingley Hall speeches of September 1909 and May 1911 Balfour was consulting Hewins frequently, and during the first election campaign of 1910 they were in contact "almost daily".⁶

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1. Hewins to Balfour, 15 July 1907; *ibid.*
 2. *Ibid.*
 3. Hewins to Balfour, 15 February 1907; *ibid.*
 4. W.A.S. Hewins, *Apologia ...*, I, pp. 196-197.
 5. *Ibid.*, p. 217.
 6. *Ibid.*, pp. 247-248.

Though appearing impressed with Hewins's arguments, with his organisation of the Commission offices (which he visited at least twice) and with his 'imperial approach', Balfour remained a Tariff Reformer only in a rather generalised and detached way. A firm believer in the view that the business of the opposition was to oppose,¹ he often saw Hewins's arguments in a negative rather than a positive way. "To make sure the British public understand the fiscal perils which are ahead is certainly much more our duty while we are in opposition than to make ourselves responsible for any special scheme for meeting them when they arise",² he wrote to the disappointment of Tariff Reformers in 1907. According to Hewins, he fell into mild panic in November 1908, fearing that he would have to form a government and implement a tariff scheme at short notice the following spring.³ But, for all this, Hewins seems to have accepted that Balfour's support for Tariff Reform should be remote, lofty and detached: "we did not want Balfour to bother with details but to take the big Imperial line, especially showing his knowledge of and sympathy with the Colonies".⁴ It is a sign that Hewins still accepted such an unspecific stance after four years of close contact with Balfour that he described the opposition leader's Bingley Hall speech of May 1911 as marking "a new conception of Imperial policy".⁵

Austen Chamberlain was, no doubt, prepared to watch developments between Balfour and Hewins in the hope that a similarity of academic minds might yield results that he and his father had failed to do in 1903-1906. He had little to lose: it was Hewins's time and effort, and Hewins's business too, for he could certainly be trusted not to sell Tariff Reform down the river. Furthermore, the good-natured and honest Chamberlain fervently desired a

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1. B. Turner, Free Trade and Protection, (London, 1971), p. 83.
 2. Quoted in A. Chamberlain, op. cit., p. 48.
 3. "He even said he hoped we should not win the next election ... and that if we did he would not take office. I suppose he is tired and anxious". See W.A.S. Hewins, Apologia ..., I, p. 225.
 4. Ibid., p. 197.
 5. Ibid., p. 271.

noble alliance in an honourable fight.¹ In February 1907 Balfour spoke in the Commons of the Unionists' intent to impose new duties. Chamberlain, while regretting Balfour's omission of "a definite statement as to what duties we should find necessary", applauded the fact that "he spoke with no qualification and no reserve".² In May he noted with satisfaction that "A.J.B. and Hewins appear to be 'as thick as thick'", and he believed Hewins's report that Balfour was getting "very keen and interested" in the concrete details of a scheme of duties on agricultural and manufactured goods to be true.³ In June 1908 Chamberlain hazarded the opinion that even the Liberals were beginning to regard Balfour as an out-and-out Tariff Reformer. It was still, however, "a point of honour [with Balfour] not to say that he will tax corn",⁴ the very admission that Tariff Reformers most wanted. In March 1909 Balfour made what Chamberlain thought a "capital speech" to the TRL executive, and at the Agricultural Hall he spoke of a "natural transition to Tariff Reform" on lines inspired by Hewins and Chamberlain.⁵ Austen was further encouraged by Balfour's attacks on the Liberal budget shortly afterwards.⁶

More militant Tariff Reformers were, at first, less willing to wait for Balfour in charity and hope. By 1908 Maxse was bitterly complaining of the resurrection of Balfour's pre-1906 ambiguity and procrastination. By the 1909 budget they were furious with Balfour's concentration on dreadnoughts and Church schools, in spite of his known view that current politics turned on the issue of 'socialism' versus Tariff Reform. Edward Goulding wrote to Garvin that "our party has no earthly with A.J.B. The country don't

1. His biographer wrote, "he was subjected to divided loyalties, namely to his leader and to the enthusiastic Tariff Reformers, who looked to him now that his father was laid aside. It was a conflict which was to continue for several years". C. Petrie, The Life and Letters of Austen Chamberlain, (London, 1939), I, p. 202.
2. Chamberlain reported a speech made by Balfour in May in exactly the same terms. See A. Chamberlain, op. cit., pp. 52-53, 79.
3. Ibid., pp. 80, 86.
4. Ibid., pp. 117, 146 (Chamberlain's emphasis).
5. Ibid., pp. 157, 172.
6. C. Petrie, op. cit., p. 233.

understand or believe him & they know that he is a loser & they are right".¹ But the 1909 budget had made Balfour's conciliation with the Tariff Reformers easier and, in the short run at least, inevitable, both in intellectual terms and in terms of party organisation.² Even the most extreme could not hold out after Balfour's Bingley Hall speech in September, and Garvin's clever manipulation of public opinion in the Observer that accompanied it. When Amery wrote to Garvin of the "excellent" nature of Balfour's speech, but at the same time wishing that he "could have been a little more definite on the question of food taxes", Garvin replied curtly that Balfour "alone saved tariff reform and everything else in August and September".³

Of course, the post-1910 fortunes of Tariff Reform within the Conservative party show that the "victory of the Whole Hoggers [in the autumn consensus] was both temporary and pyrrhic".⁴ Tariff Reform was the only viable and constructive alternative to the 1909 budget, and there was a large element of opportunism in the new-found Conservative solidarity. Many of the Unionists who contested the first 1910 election were still equivocal, 51 per cent of them claiming they stood for colonial preference but making no mention of the fact that this involved taxing food.⁵ But this was for many a tactical consideration, and should not obscure the fact that "many who [on the basis of published election addresses] fell into the doubtful categories were, in fact, ardent Tariff Reformers".⁶ The January election of 1910 saw the greatest degree of unity on Tariff Reform that the Unionists were ever to achieve before 1914.

It is difficult to assess Hewins's particular role in the conversion, if only temporarily, of Balfour. After the favourable signs of Unionist

1. A.M. Gollin, The Observer and J.L. Garvin, 1908-1914, (London, 1960), p. 103.
2. For a generalised support of this view see N. Blewett, The Peers, The Parties and The People: The British General Elections of 1910, (London, 1972), p. 82.
3. A.M. Gollin, Observer, p. 126.
4. N. Blewett, op. cit., p. 82.
5. Ibid., p. 322. In fact, only 17 per cent of Unionist candidates did admit that food taxes would be necessary.
6. Ibid.

revival in 1907 and 1908, accompanied by trade recession even more serious than that in which Chamberlain had opened the first campaign, the Liberal budget of 1909 was balanced on a knife edge. Unpopular with many upper-middle-class Liberals and the old-style Gladstonians, with the City interests who had deserted Conservatism in 1906, with certain Irish interests and with the drinking classes, encouraged by the brewers, the budget nevertheless had a popular appeal in its discrimination against wealth and property. Conservatives, of whatever social stratification, had little choice but to fight the 1909 budget. Of no one was this more true than the House of Lords. Indeed, given their success in emasculating the less popular legislation of 1907 and 1908, and given the widespread suspicion of Lloyd George's budget in the country, they could be forgiven for analysing the situation as one in which they stood to gain heavily, and had little to lose.

Undoubtedly Balfour was forced into a less equivocal position on Tariff Reform by pressure from within the Unionist ranks. The new budget created a desperate need for party unity. But the fact that it also provided, in itself, a bridge between Whole Hogger and Balfourite positions should not be regarded as a convenient coincidence. For, in this sense, it was the less immediately-threatening 1907 budget that was the starting point of the path towards Conservative unity. From that date Hewins, and probably many more besides, had been urging on Balfour the interlinked destiny of the revenue and tariff questions. This was an accurate forecast, for it was on precisely this issue that the January election of 1910 was fought. Of all the advice Balfour received between 1906 and 1910, Hewins's was perhaps the most likely to appeal to his rarified mind: it was cogent, interlinked and logically demanding, even persuasive. It provided him with the positive line he adopted in 1909. But it effected no long-term conversion. If Balfour was impressed by the most respectable wing of Tariff Reform ideology in his inner self, he continued to put the acceptability of the policy to the electorate first. If this meant a new accord late in 1909, it also meant the resurrection of the referendum pledge within a year. At the most

cynical, we might say that Hewins was more successful in providing Balfour with the tools and credentials to make the temporary transition to Whole Hogger than he was in bringing him permanently into the Tariff Reform fold.¹

The developing relationship between Balfour and Hewins revealed two trends in the latter's manipulation of the Commission. The first was that Hewins was prepared to accept, and indeed probably himself helped to encourage, the increasingly prevalent fashion amongst Tariff Reformers to talk in terms of the 'moderacy' of their projected duties, putting relatively greater stress on the revenue effects than they had done before 1906. Protective effects were not, indeed could not be, ignored, but prominent speakers like Milner sought to make a close equation in the public mind between 'moderacy' and 'revenue'. In this, the work of the Commission itself was seen as proof of the viability of a moderate scheme. In a speech which constantly stressed the moderacy of Tariff Reform plans Milner exhorted his audience to:

... read the reports or summaries of the reports of the Tariff Commission. They contain not only the most valuable collection that exists anywhere of the present facts about almost every branch of British industry, but they are also an authoritative source from which to draw inferences as to the intention of Tariff Reformers ... What they have done is to show by a few instances that a

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1. Such cynicism is undoubtedly dangerous, not least because it raises the great bane of contemporary historical philosophy, the counter-factual. Ideally, the retreat of Balfour from Tariff Reform cannot merely be seen as proof of the argument that Balfour was a 'Balfourite' right through from 1903 to 1911, with the party harmony of 1909 as an aberration. How far was Balfour's 'conversion' in 1909 tactical, and how far was it heart-felt? The cynical answer is that it was tactical. But the untestable test of this is whether Balfour would have retreated from Tariff Reform in the absence of the twin holocausts of pre-1914 politics, the constitutional wrangle over the Lords and Irish Union. It could be (and this is presented only as conjecture) that without these critically important issues, representing so much more than the normal parliamentary crises out of which one government succeeds another, Balfour would have been prepared to remain a Whole Hogger even though it meant losing the December 1910 election in consequence. But the new issues made a Conservative victory essential. It should be remembered that soon, under Bonar Law, many Unionists with previously unimpeachable Chamberlainite records were perfectly willing to follow him.

policy of Tariff Reform ... is a practical, business-like working policy ... [their] experimental duties vary on average from something like 5 per cent to 10 per cent on the value of the articles. In no one case in my recollection do they exceed 10 per cent.¹

The appeal of the shift towards revenue was doubtless increased by the Liberal budgets of 1907 and especially 1909. But even before this Hewins had accepted the change of emphasis. In conversations with Balfour early in 1907:

We then discussed the alternative methods of fixing a tariff and he [Balfour] said he agreed that the graduated scale was necessary. Generally the tariff scheme agreed on was Preference, including a corn duty and readjustment of food taxes in accordance with a preferential scheme and duties on manufactures, divided into a few classes, and duties ranging from 2½ per cent to 10 per cent, i.e. all duties kept at a revenue level.²

Later, in December 1908, Balfour and Hewins discussed again the introduction of a tariff bill in the circumstances of a Unionist election victory. The Tariff Commission's evidence:

... showed that we only wanted a moderate revenue tariff for most purposes. I suggested therefore by way of illustration that he might fix the tariff groups at 0, 2½, 5, 7½, and 10 per cent ad valorem and every article should be placed in one of these groups.³

Of course, as the Tariff Reformers' emphasis on social reform increased, the reasons for the accompanying emphasis on moderacy and revenue can be appreciated. But in reality Hewins was playing a double game. The Tariff Commission had not designed its tariff strategy with revenue considerations in mind: the elasticity and yield of successful revenue duties would have been at odds with the desires of the Commission to aid industry, and such concepts had never really been discussed at Commission meetings. Tariff Commissioners might well, on grounds of expediency, have agreed that they had advocated moderacy, but they could not honestly have claimed that they "only wanted a moderate revenue tariff".⁴ Furthermore, Hewins had exaggerated the

1. Milner at Rugby, 19 November 1907; in The Nation and the Empire, (London, 1913), pp. 245-246.
2. W.A.S. Hewins, Apologia ..., I, p. 187.
3. Ibid., p. 230.
4. As ibid.

moderacy of the Commission's intentions, a task made easier by the reluctance of the Commission to expose itself to the accusation of high protectionism. This was not because he had distorted the Commission's formal recommendations. It has been seen that, in certain articles such as special and high-speed steels, the Commission had toyed with the idea of duties higher than 10 per cent, but that in the end political expediency had led it to lower the average protective level below that implied in Chamberlain's Glasgow programme by imposing a maximum of 10 per cent on the General Tariff.¹ Rather, it was because he neglected to mention the higher tariff which was to be imposed on countries which would not come into line with the British General Tariff.² He does not even seem to have discussed this with Balfour, merely remarking in his memoirs that this was a feature of Tariff Reform strategy "which we still have to discuss".³

The second trend was the increasing concern shown by Hewins for what he saw as the worsening British position in relation to the world network of commercial treaties. Such concern had always been present, not only in Tariff Commission publications but also in Hewins's pre-Commission writings, but the problems grew in his estimation after 1906 and, by 1910-14 (by which time the industrial reports had ground to a halt), they had become the dominant occupation of the Commission's full-time staff. It could perhaps be argued that the 'treaty question' became the refuge of the Commission whilst the Unionist party was once more tearing itself to pieces in deciding whether or not to abandon food taxes. But in another way, of course, the issue had direct relevance to food taxes. Without British reciprocity all hope of imperial preference would vanish: thus even those who disapproved of food taxes should see them as a necessary, even an inevitable, sacrifice in the interests of imperial unity and a favoured British presence in Empire markets.

1. See above, pp. 291-292.

2. See above, pp. 273-275, 293-296.

3. W.A.S. Hewins, Apologia ..., I, p. 231.

Of the twenty five Commission memoranda published between 1906 and 1913, a few stood alone in seeking to integrate certain issues of the moment, such as India or unemployment, into Tariff Reform strategy.¹ But far more common were those describing, often in great detail, the tariff changes instituted by different countries, with commentaries and statistical analysis on whether Britain's trading position relative to rival exporters had improved or worsened under the new tariff or the changes proposed in a tariff bill going through a foreign legislature.² Several of these were examinations of changing tariff policy within Empire countries, and in these were to be found warnings when unilateral preferences granted to Britain were threatened,³ or relief when Britain's advantages in the Empire market had not been harmed materially.⁴ Other memoranda sketched the development of colonial preference and attempted to show that a wide margin existed for a system of mutual preference under existing colonial tariff structures.⁵

Such publications, with their small print and heavy with statistics and schedules, were obviously not intended for mass consumption. Some were prepared specifically to circulate to those attending the 1907 Colonial Conference,⁶ whilst rather more were intended for the more general purpose of supplying reasoned and detailed information to make more effective the power and authority of those promoting the imperial cause both in the House and the country. It was only when the Commission was prompted by the fear of a US-Canadian reciprocity treaty in 1910-11, which "provoked more

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1. "Unemployment", Mm. No. 37, 23 March 1908; "The Trade Relations of India with the United Kingdom, British Possessions and Foreign Countries", Mm. No. 38, 9 November 1908.
 2. See, e.g., "The New Continental Tariffs", Mm. No. 27, 10 March 1906; "The Proposed Japanese Tariff and its Effect on British Trade", Mm. No. 42, 26 August 1910.
 3. "The New Canadian Tariff and Preferential Trade within the Empire", Mm. No. 28, 23 January 1907, pp. 1, 6, 7-9.
 4. "The New Australian Tariff", Mm. No. 31, 14 October 1907, pp. 1, 18-21. In fact, the British position under the tariff of 1907 was actually improved.
 5. "Colonial Preference and Imperial Reciprocity", Mm. No. 35, 22 July 1908, especially p. 18.
 6. W.H. Clark to Hewins, 24 January 1907; C-7687, T.C.P.; A. Hunt (p.p. Alfred Deakin) to Hewins, 22 April 1907, Earl of Elgin to Hewins, 25 April 1907, W. Laurier to Hewins, 15 April 1907; H.P.

controversy in Great Britain than any development involving the United States ... since agitation over the 'American invasion',¹ that more strident and obviously propagandist memoranda started to appear.² Under the new terror a new vocabulary was introduced into Commission publications. British relations with the Empire had "reached a new and critical stage", the UK had now to choose "not between Free Trade on the one hand and Preference on the other, but between Preference and the break-up of our existing commercial and Imperial relations", and Britain's imperial policy had been shown to be "inapplicable" and "effete".³ In the last of its memoranda to be published before the outbreak of war, the Commission produced a political pamphlet without a single appendix in it, indistinguishable apart from its format and the quality of its printing from countless others advocating Tariff Reform, and arguing that "the declared Free Trade policy of the Government has broken down", and that this failure had "compelled even the present Government to depart from their Free Trade principles in many directions".⁴

Thus the character of Tariff Commission publications place the organisation at the sober, or 'respectable' end of the propaganda spectrum until after the election of December 1910,⁵ allowing Hewins to maintain the stance that its approach was scientific or educative. Even after this date, the Commission never came anything near to plumbing the depths of banality frequently achieved by combatants from both sides.⁶ But by this time Hewins

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1. B. Perkins, The Great Approchement: England and the United States, 1895-1914, (London, 1969), p. 129.
 2. See, e.g., "The Proposed Reciprocal Trade Agreement between Canada and the United States of America", Mm. No. 44, 6 March 1911; "Most-Favoured-Nation Arrangements in Relation to the Proposed Reciprocal Trade Agreement between Canada and the United States of America", Mm. No. 45, 11 April 1911; "The Problems of the Imperial Conference and the Policy of Preference", Mm. No. 46, 18 May 1911.
 3. Mm. No. 46, pp. 32-33.
 4. "The Abandonment of Cobdenism: A Seven Years' Survey of Fiscal Developments in the United Kingdom and the British Empire", Mm. No. 50, 17 October 1913, p. 3.
 5. This did not, of course, mean that the concealed assistance to other propagandist bodies, or Hewins's open contributions on an individual basis in the press and on the platform, were conducted in a similar manner.
 6. For some of the worse examples see H.E. Hare, Tariff Without Tears, (London, 1905), and J. Robertson Watson, The Case for Tariff Reform, (London, 1909).

was personally embroiled in Unionist politics, having fought hopeless battles at Shipley and the Middleton Division of Lancashire, and was searching hard for the offer of a seat possible to win.¹ At the same time, the brief concorde over Tariff Reform in the Unionist party was breaking up, and the resignation of Balfour did not diminish the difficulties faced by his successor, Bonar Law. In the last analysis, the Tariff Commission was mobilised in the losing battle to keep Tariff Reform as a principal object of Unionist policy.

III

By now the association of the Commission with its membership had become very weak. Around ten had died, one or two had deserted Tariff Reform for the more important issue of Union with Ireland, some had recanted their faith in food duties in the desperate belief that without stomach taxes Tariff Reform might present a greater appeal to the electorate, and some disapproved of the politicisation of the Commission. Most, however, gave no reason for their absence from meetings. It is doubtful that the majority disapproved of the Commission's response to the changing political situation, since they continued their financial support. But the Commission, and the campaign, had gone on too long. The industrial reports were largely finished, and Hewins now had his lists of manufacturers throughout the country willing to supply information by post. It was evident to all that the one job left undone, the production of a Final Report, would never be allowed by the secretary as long as the Unionists were divided or as long as they were in opposition. The day of effective businessman-participation on the Commission

1. As early as May 1908 Austen Chamberlain noted that Acland Hood wanted Hewins in the Commons, "not to speak but to coach our boys". Chamberlain's poor opinion of Hewins as a debater was revised when Hewins made an "unexpectedly good" maiden speech in 1912 (See A. Chamberlain, Politics from Inside, pp. 106, 465). According to Hewins, the Chamberlains had hoped to secure him a safe Birmingham seat as early as 1907. In the next two years 9 seats were mentioned in his name. See Hewins to Balfour, 10 July 1908 and 2 March 1910, and Hewins to Sandars, 2 March 1910; Add. Mss. 49779, Balfour Papers.

was over. As an information centre and statistical bureau the Commission could run itself.

The Commission met twelve times between February 1911 and the outbreak of war. At ten of these meetings the main business was to discuss the proofs of memoranda written and prepared by Hewins, Rosenbaum and the full time staff. As is shown in Table 21 some 29 of the original members put in an appearance at one or more of these meetings, but only seven attended half of them, and nearly all of these lived in London or the Home Counties.

TABLE 21

Number of Attendances at 12 Commission Meetings:
9 February 1911 - 24 June 1914

<u>9-11</u>	<u>6-8</u>	<u>3-5</u>	<u>1-2</u>
Burbidge	Caillard	Chaplin	Desborough
Gilbey	Follett	Corah	Colmer
	Evans	Cockburn	Waring
Matthews (AgC)	Phillips	Rank	Peace
	Mosely	L. Harris	Dennis
	Sanderson (TxC)	Perceval	Parsons
	Hirst (NM)	Littlejohn	J.M. Harris
	Thomas (NM)	Candlish	Baynes
		Henderson	Boulton
		Orlebar (AgC)	Webb
		Neame (AgC)	Smith
		Turnor (NM)	Keswick
			Pearson
			Kaye (TxC)
			Don (TxC)
			Stratton (AgC)
			Hunter (NM)

Note: AgC = Agricultural Committee member
TxC = Textile Committee member
NM = New member (admitted 29 March 1911)

Source: "Tariff Commission Attendance Book"; T.C.P.

Thus, down to the outbreak of war, the Commission continued its policy of producing memoranda on colonial preference to warn the public of the threat to imperial unity posed by colonial tariff changes and proposed reciprocity agreements. The Commission gathered heart from the failure of the Canadian-American negotiations, which Chamberlain had feared might herald

"a radical change in the policy of Canada",¹ and from the results of the Canadian general election of autumn 1911, and decided to "undertake an investigation as to the bases of a preferential arrangement between the United Kingdom and the self-governing dominions".² Nevertheless, it was not until 1913 that the Commission seemed to be in the final stages of producing a 'Report on Preference', which Chamberlain had been urging since the 1906 election.³

Much of this work was still concerned to establish the validity of imperial preference. In a way it was similar to the efforts made by pre-1906 Tariff Reformers to prove that an effective colonial "offer" existed, but the Commission also clung to its contention, made as early as 1907, that an equitable scheme of preference would require not only the imposition of the food duties suggested in the Agricultural Report but also that of a general 10 per cent tariff on manufactures.⁴ Here one can see a rearguard action being fought against divisive forces within the Unionist party.

At the same time the Commission sought to revise some of its findings in view of the rapidly changing economic conditions since 1906. The Engineering Report was published so long after the evidence had been collected that it was necessary to obtain supplementary evidence from

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1. Chamberlain to Tariff Commission, 8 February 1911; printed in T.C.M.(P), 9 February 1911; T.C.P.
 2. T.C.M.(P), 26 October 1911; T.C.P.
 3. T.C.M.(P), 3 May 1906; T.C.P.
 4. The Commission found that the percentage of colonies' exports to the UK under a scheme of preference on existing duties (scheme I), on existing duties plus a corn duty (scheme II), on the duties suggested in the Agricultural Report (scheme III), and on the duties in the Agricultural Report plus a general tariff on manufactures (scheme IV) to be as follows:

	<u>I</u>	<u>C</u>	<u>BWI</u>	<u>CC</u>	<u>(S Af)</u>	<u>(SS)</u>	<u>SGC</u>	<u>(Can)</u>	<u>(A)</u>
Scheme I	16.5	75	62	-	-	-	-	-	-
Scheme II	46	75	62	-	-	-	13	18	16.5
Scheme III	53	75	62	44	-	15	45	73	33
Scheme IV	68	75	62	74	10	88	52	77	45

(I = India, C = Ceylon, BWI = British West Indies, CC = Crown Colonies, S Af = South Africa, SS = Straits Settlements, SGC = Self-Governing Colonies, Can = Canada, A = Australia). See "Calculations bearing upon various schemes of Reciprocal Tariff Preference", Mm. No. 30, 13 April 1907.

witnesses by letter.¹ But an unusual step was taken later in the publication of a second report on agriculture, which noted the recent improvement in prices but stressed the stagnancy of farm wages. This, together with the memorandum on unemployment, perhaps mirrored the greater social-reform content of the immediately pre-war Conservatism of the Milnerites and the Unionist Social Reform Committee of F.E. Smith,² but cannot be regarded as any radical change in the objectives or approach of the Commission. Though the Commission's publications became, as we have seen, both more polemical and more hectoring after 1911, they still clung largely to the imperatives of the imperial system.

After the 1910 elections the Commission lost all hope of acting as the expert body of tariff formulators allied to a Conservative government pledged to introduce a tariff. It is true that Hewins, when he finally entered parliament as MP for Hereford in 1912, was to emerge as one of the radical Tariff Reform members attempting to keep the cause alive within the party. But Tariff Reform died in 1913, with Bonar Law's retreat, and if we regard it as having been resurrected in the war we should remember that during the war years the Commission, as a whole body, met only once, and that was largely a social occasion, a dinner at the Savoy Hotel to celebrate Hewins's appointment as parliamentary under-secretary of state for the colonies.³

Nevertheless, Hewins strove against continually difficult financial conditions to keep the Commission alive. As a leading member of one of the more radical ginger groups within the parliamentary party, the Unionist Business Committee, he was later to claim that the Commission, in acting as "an unofficial expert body" in aid of the UBC, had "played a determining

1. Engineering Report, paras. 1198-1285.
2. F.E. Smith, Unionist Policy and Other Essays, (London, 1913); U.S.R.C., [S.J.G. Hoare], The Schools and Social Reform, (London, 1914); U.S.R.C., [J.W. Hills and M. Woods], Poor Law Reform, (London, 1912); U.S.R.C., [J.W. Hills, W.J. Ashley and M. Woods], Industrial Unrest, (London, 1914).
3. Twenty eight Commissioners or committee members attended. Telegrams were received from fourteen others.

part in deciding and shaping the course of events in regard to the present war".¹

This claim must be seen in perspective. The UBC was nothing more than a Unionist backbench pressure group, and it may well be that the Commission's supporting role was limited to "supplying data upon economic questions as they arise in parliamentary discussion and for the purpose of representations to Ministers and Departments on specific questions of policy",² a role not dissimilar to that in which it had been the source of hundreds of questions tabled by Unionists in the Commons between 1908 and 1913. Furthermore, it does seem that the activities of the UBC were restrained with reasonable success by both front benches during the war.³ Nevertheless, there were occasions when the UBC did embarrass the government and, if Hewins's account is to be believed, did effect some change in government policy.

It also appears that more Tariff Commission information went into government hands than was the case before the war. This was not the case to start with. On the outbreak of war Hewins offered to place material on munitions production at Kitchener's disposal, but the offer was not taken up. By the time of the munitions crisis in March-April 1915, he had "four times offered all our material to the government unconditionally", and by late May was almost beside himself in mute fury with the neglect of the Commission's facilities.⁴ But, whilst the government never recognised the Commission officially, it does seem that individual members such as Walter Long and Arthur Balfour (the latter especially when at the Foreign Office) were willing recipients of Commission intelligence on overseas trade treaties and colonial supplies, and Hewins's published recollections suggest that these two were in favour of full co-operation between government and the Commission.⁵

1. "The Tariff Commission - Dinner to Mr. Hewins, MP - Savoy Hotel, Nov. 6 1917"; T.C.P.
2. Hurd to Caillard, 12 August 1919; C-286, T.C.P.
3. See below, pp. 509-517.
4. W.A.S. Hewins, The Apologia of an Imperialist, (London, 1929), vol. II, pp. 33, 35.
5. Ibid., p. 102.

Furthermore, Hewins's selection to sit on the Balfour of Burleigh Committee doubtless extended his opportunity to disseminate Commission material, not least since, with the effective departure of business participation, the views of the Commission were inseparable from his own. A retrospective note drafted by Hurd contained a list of material supplied to the BBC, including information prepared especially for "public purposes" on the effect of war on British trade, British economic policy and the treaty question, food supplies, wages and prices, contraband, and export and import regulations.¹ It is certainly true that parts of the reports of the BBC bear the hallmark of the Tariff Commission approach.² But it is less certain that the Commission made much impact on the Imperial War Conference of 1917. In the same note Hurd listed material "specially prepared for Government uses in connection with the Conference", including memoranda on the supply of iron and steel, copper and pyrites, nickel, zinc, lead, tin, manganese, tungsten, aluminium, wool, jute and sugar, and "special notes" on Britain's dependence on the US, the vulnerability of raw material imports, Germany's imports of raw materials from the British colonies, and so on.³ But there is no indication that the Commission's role was any different from that in the conferences of 1907 and 1911, when unsolicited copies of Commission memoranda evoked sometimes favourable and sometimes cool responses from colonial delegates, and the Colonial Office and the Board of Trade occasionally sent round for copies to see what the enemy was up to. In any case, the colonial premiers did not need persuading in the direction of preference. Convinced that British fiscal policy must soon be altered, they were content to play a waiting game.⁴ Thus it seems likely that Caillard's inference, made late in the war, of close relations between the Commission and the government, must be discounted as over-optimistic:

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1. Hurd to Caillard, 12 August 1919; C-286, T.C.P.
 2. Especially, Committee on Industrial and Commercial Policy, Interim Report, Cd. 9032, 1918, vol. xiii.
 3. Hurd to Caillard, 12 August 1919; C-286, T.C.P.
 4. See below, p. 516.

Under the circumstances we have to take as a definite instruction to the Tariff Commission that no information supplied to the Government Departments, or which has been or may be the subject of collaboration with those Departments, can be conveyed to any other than the Government, or published ... This applies, of course, to matters which have arisen, or may arise, during the War.

A definite arrangement concerning ... finance will have to be come to with the Government, and I hope to get this part of the matter settled within say about a fortnight.¹

It must be remembered that this was written when Caillard could have had no idea that Hewins had only a few months left in office, and it may be that there were plans abroad amongst the Tariff Reformers to use Commission material more systematically in the Colonial Office in the future. Thus there is no sound basis for the view that, apart from Hewins's influence on the BBC,² the Commission made any substantial impact on government thinking during the war, or that the Commission's work was any more than a small part of the information explosion which government departments, if they desired, could tap. Indeed, as we will now attempt to show, Hewins's own recollections show how clearly first Asquith, then the two coalition governments, managed to thwart a large part of the protectionist design during a war whose very scale was a perennial threat to Free Trade orthodoxy.

During the early months of the war, Hewins became associated with that group of Unionist MPs who exhorted the government to adopt 'all-out' mobilisation of the economy. This group, soon to crystallise into the Unionist Business Committee, were soon to become incensed with Asquith's negativism on munitions, labour and finance.³ To the displeasure of Bonar Law, Hewins introduced a motion critical of government policy on munitions

1. Caillard to Hurd, 19 July 1918; C-286, T.C.P.
2. See below, pp. 513-516.
3. Many at the time shared these views of the UBC. It must, of course, be remembered that the tendency, not only of Asquith's governments but also of the Lloyd George coalition, to delay implementation of comprehensive state controls as long as possible, whilst "magnify[ing] the risk of breakdown ... had their compensating advantages in the immense simplification which a thorough psychological preparation for state interference brought about". See E.M.H. Lloyd, Experiments in State Control at the War Office and the Ministry of Food. (Oxford, 1924), pp. 268-269.

into the House on 23 April 1915, and by May he was voicing his support of a war ministry.¹ In this, the "most confused crisis of the war", Hewins's motion took its place with the Times' revelations of shell shortages in France and Fisher's resignation as contributing to the new "Front Bench Coalition".² But the injection of Tory 'old blood' into government did not satisfy Hewins: the two front benches now coalesced had both "already proved their incompetence".³

Hewins used the cabinet changes as an opportunity to offer again the Tariff Commission's collected material as the basis for planning munitions production, but again the government was uninterested. By July UBC attacks had been widened to include government policy on Australian zinc and on US exports of 'contraband' cotton to belligerent Europe.

The exchanges were so precarious in the second half of 1915 that Tariff Reformers received help from an unexpected quarter. In his September budget, McKenna introduced 33½ per cent ad valorem duties on a narrow range of luxuries, the most important of which was motor cars. Such action from an impeccable Free Trader excited "amazement and indignation" amongst Free Traders,⁴ especially in view of the widespread belief that there was a truce on the fiscal controversy in operation for the duration of the war. It is doubtful that McKenna and Asquith were pressed hard by Bonar Law, Chamberlain and Balfour, all of whom honoured such a truce more readily than many Unionist backbenchers, and McKenna's affirmation that "no fiscal principle of any kind is compromised by the present proposals",⁵ so that after the war the country could resume its fiscal controversy where it left off, negated the criticisms of Alfred Mond and provided the rationale for large Liberal

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1. W.A.S. Hewins, Apologia..., II, pp. 25, 29.
 2. R.J. Scally, op. cit., pp. 254-255. Robert Blake considers that the most important and the immediate factor leading to the first coalition was Fisher's resignation. See The Unknown Prime Minister: The Life and Times of Andrew Bonar Law, 1858-1923, (London, 1955), p. 241.
 3. W.A.S. Hewins, Apologia..., II, pp. 33-34.
 4. F.W. Hirst, From Adam Smith to Philip Snowden: A History of Free Trade, (London, 1925), p. 62.
 5. Quoted in F.W. Hirst and J.E. Allen, British War Budgets, (London, 1926), p. 93.

abstentions in favour of Asquith's coalition. Nevertheless, Hewins and Walter Long were surprised at McKenna's lack of opposition in the cabinet, and Mond told Hewins that Free Trade was finished.

The McKenna duties were only a tiny first step in Tariff Reformers' eyes. Several commodities were excluded from the scheme in debate¹ and the expected revenue was only £2m overall. Although Hewins, in the committee stage of the budget, agreed with McKenna, that "nothing done in this War in this way is likely to be quoted by any of us here as a precedent",² he undoubtedly saw the duties as a significant beginning. He regarded McKenna's next budget, in April 1916, with some disappointment however.³ This seemed to shift emphasis away from protective duties and towards prohibitions and licences operated by the Board of Trade. Not only were such arrangements objectionable to businessmen, but also Hewins knew well that after the war it would be easier to remove prohibitions than tariffs.⁴ Subsequently Lloyd George was to support such non-tariff restrictions, presumably for this very reason.

Tariff Reformers saw clearly the doubtful value of the McKenna duties as a foundation for a post-war tariff policy. But already they could see a way of locking them more permanently into the British fiscal system by the outside agency of treaties with the allies. Late in 1915 concern arose over German efforts to establish a 'Central European economic policy', and Hewins sent Asquith a memorandum, arguing that allied economic co-operation was necessary to counter this threat, which was circulated to the cabinet. On 10 January 1916 Hewins's motion that the government should "enter into immediate consultation with the Governments of the Dominions in order with their aid to bring the whole economic strength of the Empire into co-operation with our Allies in a policy directed against the enemy",⁵ was

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1. Commercial vehicles, plate glass and hats.
 2. Hewins, quoted in F.W. Hirst and J.E. Allen, op. cit., p. 109.
 3. W.A.S. Hewins, Apologia..., II, p. 68.
 4. F.W. Hirst and J.E. Allen, op. cit., pp. 144-145. In public, and unconvincingly, Hewins argued that vested interests made prohibitions just as difficult to remove as tariffs.
 5. W.A.S. Hewins, Apologia..., II, p. 61.

passed unanimously in the House.

The origins of the allied economic conference of June 1916 are obscure, and the extent to which Hewins's influence with Asquith, or his unofficial contacts with the French Foreign Office, played a part is unclear, though doubtless he exaggerated them in his autobiography. For whatever reason, Hewins was confident that Asquith's deputation would follow the line he desired in Paris, and when the recommendations of the conference were published on 21 June he found them "admirable".¹ They explicitly contained general statements of policy for "the period of commercial, industrial, agricultural and maritime reconstruction" after the war, and "permanent measures of mutual assistance and collaboration among the allies".²

Hewins saw McKenna's second budget as a rejection of the resolutions of the very recent Paris conference,³ and there can be little doubt that many in government found those resolutions extremely distasteful. Many, including Walter Runciman, the former shipowner and orthodox Free Trader⁴ now at the Board of Trade and responsible for administering the new licences and prohibitions, thought normalcy still possible to re-attain, and Hewins noticed much reluctance in government circles to endorse anything in the Paris resolutions which might leave a "permanent impress" on British economic policy after the war.⁵

Clearly, in Tariff Reform eyes, there was a need to make the Paris resolutions effective, for only by complete government acceptance of them could the McKenna duties, or a better substitute, be tied into British post-war policy. Before the Paris meetings it had been decided to establish a committee on commercial and industrial policy after the war, and Austen

1. Ibid., p. 75.

2. Headings to sections B and C of the Recommendations of the Allied Economic Conference, Paris, 14-17 June 1916, reproduced in J.A. Hobson, The New Protectionism, (London, 1916), Appendix A, pp. 141-152.

3. F.W. Hirst and J.E. Allen, op. cit., pp. 144-145.

4. W. Runciman, "Tramp Shipping", in H. Cox (ed.), British Industries Under Free Trade, (London, 1903), pp. 127-141; W. Runciman, "Shipping", in Sir Swire Smith, et al., Protection and Industry, (London, 1904), pp. 80-94.

5. W.A.S. Hewins, Apologia ..., II, p. 78.

Chamberlain had sounded out Hewins as to whether Tariff Reformers would find Balfour of Burleigh an acceptable chairman. Hewins saw this committee, with its wide terms of reference and its power to co-ordinate the work of other government committees and departments, as the embryo of the ministry of economic policy that he so desired, and, in a way, had always wanted the Tariff Commission to be. He must have been delighted when, perhaps because of the closeness of his ideas with the Paris resolutions, he was invited onto the committee by Asquith.¹

The Balfour of Burleigh Committee's terms of reference were to make recommendation on post-war economic policy with reference to the Paris resolutions, the need for security of essential industries, the recovery and extension of markets lost in the war, and the development and safeguarding from foreign control of Empire sources of raw materials.² It thus attracted strong criticism from those Liberals and Free Traders who had opposed the Paris conference. Hewins was soon able to discern Board of Trade obstruction of the committee's work, and the committee itself was divided between those who, like Balfour of Burleigh, wanted prohibitions on German trade after the war, and those who, like Hewins, Faringdon and Arthur Balfour, wanted a discriminatory tariff. Furthermore, the BBC was in Hewins's opinion understaffed, and the government was still unwilling to acknowledge Tariff Commission aid officially, a precondition now demanded by Hewins for use of its material. By November 1916 Hewins thought the committee "useless at present".³ He was presumably soured by an interim report, just signed, which suggested a prohibition on imports from enemy countries for a year after the end of the war, a report to which Hewins dissented.⁴ Whilst Hewins saw in this the Free Trade strategy of

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1. Tariff Commissioners Henry Birchenough and Lord Faringdon (Sir Alexander Henderson) were also members of the committee.
 2. Committee on Commercial and Industrial Policy, Interim Report, Cd. 9032, 1918, vol. xiii.
 3. W.A.S. Hewins, Apologia . . ., II, p. 93.
 4. Committee on Commercial and Industrial Policy, Interim Report, Cd. 9033, 1918, vol. xiii.

outflanking protectionism, some Free Traders were less sure. Such was the confusion that the BBC's turmoil activities created that J.M. Robertson, usually a high grade Free Trade propagandist, was led to see this as an effort "to compel the Government to lay down in advance an after-war tariff policy".¹ He knew it had "been darkly hinted in some quarters" that this was a way of "circumventing" the protectionists, but he could not accept such an interpretation, and was "bound to believe that the Committee as a whole made its recommendation in entire good faith".² Perhaps Robertson was being intentionally naive.

The advent of the Lloyd George Coalition in December 1916 brightened Hewins's vision of the future usefulness of the BBC, and he was pleased by the announcement of a war conference of the Empire, which would meet early in 1917 and sit continuously until hostilities ended. But he was not so sanguine as Balfour and Long, who apparently talked wildly of allying the Tariff Commission to the government as a department of state in this new venture.³ Those Tariff Reformers who had by now spent long years waiting for Lloyd George to embrace openly a social-imperialist policy must have been well prepared for delay. In January 1917 there was friction in the BBC, the chairman maintaining that the "whole tariff question" should be discussed before imperial preference,⁴ an obvious delaying tactic given the impending Imperial Conference. According to Hewins, Walter Long got more and more annoyed at Lloyd George's evasiveness and Bonar Law's inactivity. There was even a danger that the agenda for the forthcoming Imperial Conference would appear without any mention of economic relations.

In February 1917, however, the BBC unanimously passed resolutions that the government should declare its adherence to the principle of preference "in respect of any customs duties now or hereafter to be imposed", a gesture considered empty by Sir Keith Hancock in view of the nature of British

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1. J.M. Robertson, The New Tariffism, (London, 1918), p. 6.
 2. Ibid., pp. 12-13.
 3. W.A.S. Hewins, Apologia ..., II, pp. 102-103.
 4. Ibid., pp. 104-105.

duties favoured later by the committee.¹ This does seem curious action on the part of the committee, and remains unexplained by historians. Clearly there are two main possibilities. One is that Robertson's hindsight was correct, and that the committee had always been protectionist.² But this was not Hewins's view. He was in no doubt, though he implies rather than states it in his autobiography, that it was he who achieved unanimity on the committee: according to his UBC supporters, some leaders on both sides of the coalition were terrified of his successful manipulations.³ During this period Lloyd George was seen to cling to the possibility of effecting preference by restrictions and prohibitions rather than by tariffs, presumably since the former would be easier to dismantle in the peace. Clearly the Free Trade strategy towards the Paris resolutions was capable of extension into the realm of preference.

From then onwards, according to Hancock, the BBC became more and more protectionist. In its final report, "Allied solidarity was almost entirely forgotten and imperial questions were surveyed perfunctorily at second hand", the accent instead being on 'key' duties and an anti-dumping tariff.⁴ By the issue of the final report Hewins had left the committee, but his stamp remained in that seven of the members dissented from 'key' duties, preferring a general tariff. Five of them, indeed, recommended the old 10 per cent of Chamberlain's Glasgow speech.⁵

In the meantime, the endorsement of preference and the Paris resolutions by the British cabinet and the Imperial War Conference in April 1917 prompted discussion among Tariff Reformers about the government

1. W.K. Hancock, Survey of British Commonwealth Affairs, (London, 1940), Vol. II, Problems of Economic Policy 1918-1939, Part I, pp. 97-98.
2. See above, p. 514.
3. W.A.S. Hewins, Apologia ..., II, pp. 101-102, 118-138. During this period Hewins's diary conveys the impression, supported by his recounting of the opinions of Balfour, Long and the UBC, that there was a determined effort by Lloyd George, Bonar Law and others to keep him out of government.
4. W.K. Hancock, op. cit., p. 97. Hancock's analysis derives purely from the published reports of the committee.
5. Committee on Commercial and Industrial Policy, Final Report, Cd. 9035, 1918, vol. xiii.

machinery necessary to carry them out. Hewins, Long and Caillard all wanted to see formal ties between the Tariff Commission and the government, a relationship much closer than the unofficial aid given to Balfour when he was at the Foreign Office. But it was soon evident that the coalition members were unlikely to allow any significant preference. On 27 April Lloyd George and Bonar Law both repudiated the idea that the preferential resolution at the Imperial Conference made necessary import duties on food-stuffs, whilst shortly afterwards Borden, the Canadian premier, agreed that the resolution "does not necessarily propose, or even look to, any change in the fiscal arrangements of the United Kingdom".¹ Borden's claim that the "specially favourable treatment" mentioned in the resolution could take the form of "better and cheaper facilities of communication" was perhaps a sign that colonial premiers were willing to wait for what they now saw as an inevitable change in UK fiscal policy.²

Hewins knew, however, that Lloyd George was also playing a waiting game. His advocacy of prohibitions and restrictions early in the year had by 10 April given way to support for preference "by tariffs or some other means".³ By late June the UBC was meeting to discuss how to push the government into implementing the policy that it had, under their interpretation, agreed to, and in August Hewins forced a motion in the Commons that was defeated by only 25 votes. According to Hewins it was this which led Lloyd George to establish a cabinet committee, headed by Long, to carry out the resolutions of the Imperial War Conference. Hewins saw this as pure procrastination, a repeat of the sad affair of the BBC, a view which seemed confirmed when, at its first meeting, the cabinet committee decided that its further proceedings must wait upon the recommendations of the BBC.⁴

Hewins's appointment as under-secretary of state for the colonies in September 1917 has been seen by Hancock as the means by which "the leading

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1. J.M. Robertson, *op. cit.*, pp. 31-32.
 2. *Ibid.*, p. 32. See also W.K. Hancock, *op. cit.*, p. 127.
 3. W.A.S. Hewins, *Apologia ...*, II, p. 132.
 4. *Ibid.*, pp. 149-64.

spirit" of the UBC was "easily kept ... quiet".¹ Drummond is less sure that this was the intention, arguing that Bonar Law's offer was "presumably to involve him [Hewins] in the planning of a preferential system".² Certainly the appointment did secure Hewins a seat on Long's cabinet committee, later known as the Committee on Trade Relations of the United Kingdom within the Empire. Furthermore, Hewins was appointed chairman of a sub-committee to consider preferences on goods already subject to existing duties. Difficulties were found in obtaining detailed information, but with the assistance of 7 or 8 government departments, and some use of Tariff Commission material, a scheme of preference was drafted. It rejected exemption of Empire goods as being beyond the means of the Treasury, but the final list of preferential concessions was "generous".³ Hewins's sub-committee had initially recommended a preference of 33 $\frac{1}{3}$ per cent on all existing duties except tea and wines but, on finding that the Board of Trade "favour a flat rate of 33 $\frac{1}{3}$ % without exception", subsequently dropped its reservations on those beverages.⁴

According to Drummond, the scheme would have cost 18 per cent of Britain's 1912-13 customs revenue, leaving a deficit of £6.4m, but a War Cabinet under some pressure from Dominions leaders nevertheless accepted the Long-Hewins concessions.⁵ To Hewins, this constituted "the restarting point for much of the constructive work which has been accomplished in the last ten years".⁶ But Bonar Law made it clear that nothing was to be done until after the War. Furthermore, though the Imperial Conference of 1918 reaffirmed its resolutions of the previous year, imperial preference was little discussed,⁷ in part because Borden and other colonial premiers continued to

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1. W.K. Hancock, op. cit., p. 138.
 2. I.M. Drummond, British Economic Policy and the Empire, 1919-1939, (London, 1972), p. 57.
 3. Ibid.
 4. Public Record Office, CO 532/114, eighth meeting, 2 January 1918; reprinted in ibid., pp. 150-4.
 5. Ibid., p. 58.
 6. W.A.S. Hewins, Apologia ..., II, p. 171.
 7. W.K. Hancock, op. cit., p. 127. It should be noted, however, that there was an economic committee of this conference, chaired by Hewins at the request of the colonial premiers. See Apologia ..., II, p. 170.

play a waiting game, and in part because of the upsurge of interest in Empire settlement.¹

By the time interest in preference was resumed the War was over, Hewins had left parliament and Long had moved to the Admiralty. At a Treasury committee in April 1919 it was left to Amery to maintain the pressure for a flat rate 33 $\frac{1}{3}$ per cent preference. But he was less than wholly successful:

... I had to agree that with our high revenue duties on such articles as sugar, tea and tobacco sixteen and two-thirds per cent was as much as we could afford ... I ... returned to the charge with Austen, and pleaded for thirty-three and a third per cent off the McKenna duties ... on the ground that this would form a useful precedent if we ever had ordinary protective duties, and as a gesture to Canada for whom the other preferences would be of little value. Austen laughed at my pertinacity, but gave way as no appreciable loss of revenue was involved. I am not sure that he knew that Canada actually produced motor cars.²

The granting of imperial preference in the 1919 Finance Bill and the institution of duties on 'key' industries and of measures against dumping in the Safeguarding of Industries Act of 1921,³ measures which perhaps owed not a little to the reports of the BBC, occurred when Hewins was no longer in office. In October 1918 his constituency was merged with South Hereford, its neighbour, and, surprisingly, the new constituency association chose Charles Pulley, previously MP for South Hereford, as the new candidate. In December Long suggested Hewins for the Westminster seat, but if Hewins's version is accurate Lloyd George was unwilling, and there were objections to a Catholic representing this constituency.⁴

1. During the war Hewins did show some interest in Empire settlement. In December 1918 he instituted weekly meetings of the Emigration Committee at the Colonial Office. Though these may have "laid foundations for the later sessions over which Amery presided" after January 1919, the work had only just been begun. See I.M. Drummond, Imperial Economic Policy, 1917-1939, (London, 1974), pp. 45, 55.
2. L.S. Amery, My Political Life, II, War and Peace, 1914-1929, (London, 1953), pp. 186-7. See also I.M. Drummond, British Economic Policy ..., op. cit., p. 58; B. Mallet and C.O. George, British Budgets: 1913-14 to 1920-21, (London, 1929), pp. 191-3, 201-3.
3. For a good, though biased, short summary see F.W. Hirst, Safeguarding and Protection in Great Britain and the United States, (London, 1927), ch. 2.
4. W.A.S. Hewins, Apologia ..., II, pp. 177, 191.

From then on Hewins was an observer, though he remained active at the periphery of Tariff Reform politics. He was for a time vice-chairman of the TRL and was associated with the foundation of the Empire Development Union.¹ He made frequent speeches and press contributions, as well as writing two books on trade policy and imperial relations.² He contested Swansea West in 1922, 1923 and 1924. But perhaps his most significant influence on the imperial-protectionist movement of the 1920s was that he appears to have had the ear of Baldwin from 1923 onwards. In November 1923 Neville Chamberlain invited him onto the new Tariff Advisory Committee, but this met only once before Baldwin decided to go to the country, perhaps to rid himself of Bonar Law's pledge that a Conservative ministry would make no fundamental change in fiscal policy.³ In power again, Baldwin in 1925 sought Hewins's advice as to the best way of safeguarding iron and steel and shipbuilding.⁴ But this came to nothing: for the moment, agitation for tariffs subsided under the new diversions of the General Strike and the European-American tariff armistice at Geneva in 1927.⁵ When the Imperial Economic Conference met in Ottawa in July 1932, Hewins had been six months in his grave.

IV

Against this background it is clear that the Commission was experiencing increasing financial difficulties. These seem to have set in before the war, but, though it is probably true that the attractiveness of the Commission as an object of political charity diminished fairly steadily after the 1910 elections, they only became acute after Bonar Law's retreat from food taxes in 1912. In 1911 income from donations and subscriptions totalled £5,125,

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1. Ibid., pp. 204, 252.
 2. Trade in the Balance, (London, 1924), and Empire Restored, (London, 1927).
 3. B. Turner, Free Trade and Protection, (London, 1971), p. 92.
 4. W.A.S. Hewins, Apologia ..., II, pp. 300-314.
 5. B. Turner, op. cit., p. 95.

including an unusual and anonymous contribution of £1,000 from Sir Ernest Cassel, the banker. In 1912 the total figure was £3,474. But in 1913 income could be maintained only with an "agreed"¹ donation of £2,500 from the Imperial Fund:² without this income would have been only £2,444. In 1914 income of £3,527 included a further £1,625 from the Imperial Fund, and in 1915 income of £5,220 included not only £2,050 from this source but also £2,000 from Caillard.³

TABLE 22

Total Number of Donations and Subscriptions
(1911-1922)

	<u>January-June</u>	<u>July-December</u>	<u>Total</u>
1911	n.a.	n.a.	565
1912	348	346	694
1913	292	253	545
1914	245	115	360
1915	151	133	284
1916	128 (i)	115	243 (i)
1917	43	22 (ii)	65
1918	16	2	18
1919	n.a.	n.a.	24
1920	n.a.	n.a.	49
1921	16	23	39
1922	n.a.	n.a.	21

Notes: (i) approximate figure only.
(ii) all contributed under the 1917 Guarantee Fund.

Source: "Tariff Commission Account, 1910-1922"; T.C.P.

It seems clear that the donations from the Imperial Fund and Caillard are to be regarded as emergency finance: clearly the decline in other gift income was autonomous. Furthermore, there is no strong evidence that, in this period, either big or small donors dropped out more rapidly. If the large, abnormal contributions of Cassel, Caillard,⁴ and the Imperial Fund are excluded, the ratio of subscriptions under £10 to those of over £10 stays

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1. i.e., The inference is that the donation was negotiated. See "Tariff Commission Account, 1910-1922"; T.C.P.
 2. I have been unable to discover details of this organisation.
 3. Presumably an indirect donation from Vickers, Sons and Maxim.
 4. Though not excluding Caillard's normal contributions of £250 p.a.

fairly constant at 31-42 per cent of total gift income between 1911 and 1915. It is clear that by 1915 the Commission had come to rely heavily on emergency finance. Even so, there is an indication that there may have been considerable salary arrears building up in 1914 and early 1915.¹

The degeneration of Commission finance was perhaps less important in the lull in Tariff Reform following Bonar Law's abandonment of food duties and the "tariff truce" of the first months of the war.² Staff employed, which had varied in number between 16 and 18 in 1909 and declined slowly to 10 by early 1911, normally stood at 6 in 1912 and 1913.³ Though the figure was slightly higher in 1914 and 1915 this was because, for some reason, the establishment now included the TRL's accounts department. But in 1916 and 1917, under the impetus of the Paris conference and the Imperial War Conference, Commission activity expanded and employment reached 10 or 11 once more.

At the same time as these wider events put more demands on the Commission, the most important source of emergency finance dried up. The Imperial Fund, which between 1913 and 1915 supplied £5,175, or 36.75 per cent of the Commission's total gift income, gave no more after this. Though there were to be more 'abnormal' donations in subsequent years (for instance, £1,000 from the Federation of British Industries in 1917 and £500 from the TRL in 1918) a heavy dependence on a very few large sources could obviously be unstable.

On taking government office, Hewins resigned as secretary of the

1. The evidence, from an employee's acrimonious correspondence with Caillard some years later, and threatening legal action for arrears of salary to which Hurd felt he was not entitled, is not entirely trustworthy. See E. Rowson to Caillard, 24 October 1919 and 19 December 1919 (two letters); C-286, T.C.P.
2. According to Sir Joseph Lawrence the TRL had, along with the FTU, "bound itself ... to a truce not to carry on any propaganda" during the war. He claimed to be "chafing under the restraint". Hewins hotly denied knowledge of any such pledge: "Whether we take action or not is purely a matter of expedience". See Lawrence to Guilford Molesworth (copy), 20 November 1915; Hewins to Lawrence, 26 November 1915; C-7350, T.C.P.
3. Throughout this period there were also 2 or 3 part time staff. The figures do not include senior salaried staff.

Commission, Hurd taking his place. Now, perhaps, the Commission seemed less central to Hewins's design of promoting imperial unity: certainly in September 1917 he felt that "As long as I can utilise all the preparations which have been made and provide for my staff I don't mind much what happens to the Tariff Commission", though he did entertain hopes that it might be taken over by the Colonial Office.¹ It appears that Caillard, however, was strongly of opinion that the Commission should continue. In November a meeting was held to discuss its future. Eighteen attended. Desborough moved that the Commission should continue as an independent body, "provided that satisfactory financial arrangements be made".² The motion was passed unanimously. Convinced of the need to press the government into implementing the wishes of the 1917 conference, and probably of the mind that now Hewins was in government the day of the Commission's destiny was at hand, a seven-strong finance committee recommended the institution of a five-year guarantee fund of £5,000 p.a. In the subsequent appeal, Caillard heavily overestimated the government's attitude to the legitimacy of the Commission:

The data and organisation of the Tariff Commission can be used in one of two ways:- (i) by keeping the Commission as an independent body, though able and willing to assist the Government with its specific information, or (ii) by leaving the organisation to be taken over by the Government as a department of the administration.³

Though Caillard did urge the first course, this is not necessarily because he was being disingenuous. He undoubtedly did think that Hewins's under-secretaryship and the government's apparent concessions at the 1917 conference might lead to much closer links between the Commission and the administration, and he was probably seduced along this path by the wilder statements of Arthur Balfour and Walter Long, both of whom knew more clearly than Caillard what was and what was not meant seriously in the world of politics.

The guarantee fund was less than wholly successful. Five Commissioners

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1. W.A.S. Hewins, *Apologia ...*, II, p. 166.
 2. T.C.M.(P), 7 November 1917; T.C.P.
 3. Caillard to Commission members (circular), November 1917; C-286, T.C.P.

and one Textile Committee member were unable to contribute. Thirteen Commissioners, three Textile Committee members and three Agricultural Committee members did not reply to the appeal. Old 'friends' of the Commission were approached, but many remained silent. Only the Duke of Bedford gave his reasons, that since Empire preference had been accepted in principle by the government, the work of the Commission was over.¹

Joseph Rank agreed to guarantee £100 p.a. only if £5,000 p.a. were achieved. He need not have paid, though he did so. Only £2,165 p.a. was guaranteed for five years, by 24 individuals and firms.² But by 1918 the guarantee was heavily in arrears, and on 24 January 1921 £4,300 of the £10,825 promised was still outstanding.³

During the last three years of its existence the Commission continued to act as advisory body to the UBC, and increased its work in direct support of the TRL. When Hurd became Unionist MP for Frome in December 1918⁴ he took over Hewins's role on the UBC. Furthermore, the Commission itself became more direct in its lobbying of government. It sent deputations to Bonar Law on preference, import and export licences and the exchanges, to Milner (when Colonial Secretary) on Empire supplies of essential metals, to Austen Chamberlain (when Chancellor of the Exchequer) on budget proposals and national expenditure, and the economic position of Germany and other potential export rivals, to Sir Auckland Geddes (when Minister of Reconstruction) on import and export licences, anti-dumping legislation and the proposals for 'key' industry duties, and to W.C. Bridgeman (when

1. Caillard to Hurd, 7 January 1918; *ibid.*
2. Sir Arthur Pearson; Hugo Hirst; S.J. Waring; A.W. Maconochie; the Marquis of Zetland; Charles Lyle; Lord Iveagh; Edgar Cohen; John Dennis; Dudley Docker; William Morrison; A.J. Sanderson; Turney Bros. Ltd.; Marshall, Sons and Co. Ltd.; W. Rutherford; Leverton Harris; C.J. Phillips; Thomson Bennet (Magnetos) Ltd.; Sir Charles Allen; Lord Faringdon; Joseph Rank; Moore, Eady and Murcott Ltd.; Joseph Lucas Ltd.; Lanarkshire Steel Co. Ltd.
3. Complete details of the Guarantee Fund are given on a loose paper in "Tariff Commission Account, 1910-1922"; T.C.P.
4. Hurd subsequently had a long parliamentary career, being Unionist MP for Frome until 1923 and being Conservative MP for Devizes from 1924 to 1945. See Who was Who, IV, 1941-1950.

parliamentary secretary to the Board of Trade).¹

The Commission also developed links with the FBI. Dudley Docker, the founder and first president of the new association was a guarantor of the Commission's fund of November 1917, and Caillard, prominent in the organisation from its early years, was its president in 1919.

Docker, whose vision of a "completely integrated society and economy" included an imperial tariff, and who had earlier been involved with the British Manufacturers' Association, a Birmingham Tariff Reform group,² must have seemed a perfect ally, and doubtless the Commission hoped for regular repeats of the £1,000 donation of 1917. Such hopes appeared justified when, on 1 and 2 March 1917, the FBI discussed a questionnaire returned by its members, which showed 92 per cent to be in favour of "a system of duties imposed in the defence of national economic interests", and only 0.8 per cent against.³ 352 firms and 56 associations answered, which must have been very close to the total membership of the FBI.⁴ On this occasion the FBI passed a number of resolutions, with delaying amendments by Sir Hugh Bell, the Free Trade ironmaster,⁵ attracting only two votes.

But this favourable augury for Tariff Reform proved short-lived, Joseph Lawrence, reporting the events at the FBI to Hewins, warned that "there are Radicals on the Council", and that consequently the FBI had delayed sending a report of its meeting to the press.⁶ Hewins agreed to his request that the results of the questionnaire be shown, in confidence, to Balfour of Burleigh.⁷ But the very success of the FBI - by 1920 it had 1,392 members - was to accentuate the difficulties of using it as a

1. Hurd to Caillard, 12 August 1919; C-286, T.C.P.
2. S. Blank, Industry and Government in Britain: The Federation of British Industries in Politics, 1945-65, (Farnborough, 1973), p. 14.
3. 94 per cent were in favour of Imperial preference. See J. Lawrence to Hewins, 5 March 1917; C-7350, T.C.P.
4. Blank, op. cit., p. 15, gives membership as 337 firms and associations at an unspecified date in 1917. Given the rapidity of the FBI's growth in this period the figures are not incompatible.
5. Son of Sir Lowthian Bell.
6. Lawrence to Hewins, 5 March 1917; C-7350, T.C.P.
7. Hewins to Lawrence, 7 March 1917; *ibid.*

protectionist vehicle. The Manchester cotton manufacturers made FBI neutrality on Tariff Reform a condition of their membership, and thus "Docker's dream of tariff reform was the first casualty of the expansion of the organization".¹ Though, in January 1919, Hurd could compile a two-page catalogue of statistical and other data supplied to the FBI in the previous year, this activity fell away in 1919 and 1920.

By February 1920 even Caillard was beginning to see the continuance of the Commission as an independent organisation as unrealistic, it being "neither possible nor desirable that the Tariff Commission and the Tariff Reform League should be completely separated",² though he urged that complete amalgamation was in the interests of neither. His plan, that co-operation between the two would be facilitated by Hewins, still prominent in the League, taking his own place as chairman of the Commission,³ was endorsed by a heavy majority of those answering his circular,⁴ though there is little evidence that the new arrangement had any effect on the Commission's work in the remainder of 1920. The Commission continued to press, through UBC members and Unionist MPs, through statements to the press, and through its own representations to ministers, the "urgent importance that His Majesty's Government should take such steps as will give confidence to the business community" during this period of renewed export collapse, and to criticise specific items of policy such as Sir Auckland Geddes's first, abortive, anti-dumping bill, and to prepare memoranda for distribution at the forthcoming Imperial Conference of June 1921.⁵

35 out of 47 surviving members had answered Caillard's circular of February 1920. Doubtless many approved of partial amalgamation with the TRL as a way of getting the Commission off their backs. At three of the

1. S. Blank, *op. cit.*, p. 15
2. Caillard to Commission members (circular), 18 February 1920; C-286, T.C.P.
3. Caillard to become president.
4. T.C.M.(P), 25 March 1920; T.C.P.
5. "The Work of the Tariff Commission in 1920", in T.C.M.(P), 20 January 1921; T.C.P.

four meetings held early in 1921 attendance was only six.¹ Early in August there was a meeting to discuss a complete merger with the TRL, but only Caillard, Hewins and Hurd attended. Seven others, however, had written approving of the plan, though Cockburn thought it would be "well to wait until the Protection of Key Industries was safely on the Statute Book and then let it be understood that the amalgamation [only] took place in view of the fact that the principle of Imperial Preference had been recognised".² To the end, then, at least some of the Commission remained jealous of its reputation. The meeting resolved to go ahead with the amalgamation, and to collect outstanding guarantees and additional contributions to pay off outstanding debts.

The Safeguarding of Industries Act, in fact, became law later that August. In his last appeal to Commissioners, Caillard admitted that it needed improvement, especially in its lack of an expert body to administer it. But it was plain that a tariff must be based on this act, and it would be of no purpose to start the agitation all over again:

The propagandist period of the Tariff Reform Movement is now over. The main work which lies before us is to interpret the measures which have been adopted and to educate the country into an understanding of what they involve so that the effective administration can be secured. The resolutions adopted by the last three Imperial Conferences, and the principles involved in the legislation which the present Government has now passed, cover every point which Tariff Reformers formerly demanded.³

Then he asked for money. Apart from the honouring of some of the outstanding guarantees, the amount brought in was tiny. The imperial preference now in being was a travesty of Chamberlain's former vision and to the annoyance of both British and colonial farmers agriculture was still unprotected. A general tariff was as far away as ever and the government had no clear

1. Fourteen different Commission or committee members attended one or more of the four meetings held in January and February 1921. These were: Hewins, Orlebar (4 each); Turnor, Cockburn (3 each); Gilbey, Matthews (2 each); Caillard, Perceval, Sanderson, Woodman Burbidge, Phillips, Hirst, Desborough and Follett (1 each). It is noticeable that at least half of these had interests in agriculture, uncovered by the McKenna duties or the Safeguarding of Industries Act.
2. Cockburn, quoted in T.C.M.(P), 4 August 1921; T.C.P.
3. Caillard to Commission members, 20 September 1921; C-286, T.C.P.

administrative machinery, let alone a collective will, for designing a tariff strategy. There was no guarantee that the evasiveness demonstrated so clearly by the British government since 1916 and 1917 was at an end. But after the passing of the Safeguarding of Industries Act the Tariff Commission was more than prepared to call it a day.

CHAPTER 9

Conclusion

This thesis has examined the history of the Tariff Commission and, in particular, its role in the Tariff Reform Campaign of 1903-13. Three main aspects have emerged as the study's preoccupations: firstly, the nature of the Commission and the biases inherent in its establishment and operation; secondly, the way in which the Commission sought to plan a 'scientific', almost costless tariff; and thirdly, the failure of this narrow purpose and the gradual change in the Commission's perception of itself to a point where those forces conspiring to turn it into simply yet another propagandist organisation reasserted themselves.

Free Traders, of course, insisted that the Commission was a mere propaganda-orientated interest group right from its inception, and historians such as Semmel¹ have followed this precedent. In the sense that the Commissioners were Tariff Reformers, this judgement remains valid. But it gives a distorted impression of the Commission in three important respects. The first is that a narrow conception of industrial interest frequently fails to provide adequate explanation of support for Tariff Reform. Any close identity of interest cannot be maintained over a wide range of industry unless those who perceive that identity hold, in conjunction, the belief that the interests of an industry, or of industry in general, are synonymous with those of the country as a whole. Industrial interest representation on the Tariff Commission was too wide to be seen as reflecting the dominance of a narrow, crass self-interest. Furthermore, this point is capable of a wider generalisation throughout the whole fiscal controversy. Differing internal conditions and external marketing considerations meant that many industries

1. B. Semmel, Imperialism and Social Reform, (London, 1960).

were divided over the fiscal issue. Indeed, individual firms were far more divided than has hitherto been realised, a phenomenon that reinforces the point that even under identical conditions of production, distribution and competition, different individuals may possess very different perceptions of causes and remedies. Thus Tariff Commissioners were found who represented both sides of what we might term the 'Schumpeterian divide'¹ between free trade and protection. This is not to deny the general validity of the Schumpeterian thesis - no one could claim that the Commission's excursions into cotton, shipbuilding and banking were not fraught with difficulties - but it does warn us of the need to refine that thesis, often further subdividing industries to get a more detailed picture of industrial alignment. Future research may show that even this approach fails. Whilst this study in some senses supports the broad validity of Schumpeter's division, it also lends support to the belief, recently emerging in the writings of Rempel and Clarke,² that political alignment was as important in determining fiscal alignment as fiscal alignment was in determining political alignment. To the extent that historical factors may have concentrated political alignments within different industries, the two apparently conflicting theories are capable of a degree of reconciliation.

The second distortion lies in the criticism that all the Tariff Commissioners were Tariff Reformers. Of course they more or less had to be, in the sense that no one else was likely to take seriously the task of formulating a scientific tariff. Furthermore, as is shown best in the exchanges between Hewins and Herbert Gladstone, the view of the Commission as usurper of the prerogative of government misunderstands, perhaps deliberately, what the Commission in its early years was trying to do. It was to attempt to construct the best possible tariff, to be put before the people prior to an election. In its own mind, the Commission's competence to do this was

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1. J.A. Schumpeter, Imperialism and Social Classes, (Oxford, 1951).
 2. R.A. Rempel, Unionists Divided: Arthur Balfour, Joseph Chamberlain and the Unionist Free Traders, (Newton Abbot, 1972); P.F. Clarke, Lancashire and the New Liberalism, (Cambridge, 1971).

vindicated by the broad philosophy of historical economics which lay at its core, the belief that inductive study uncovered definite answers irrespective of the personal biases of those conducting it, and the belief that no theory of economic behaviour was universally valid irrespective of the conditions in which it had to operate.

A third distortion was more commonly introduced by Free Trade contemporaries than it has been by historians. This is that the Commission, as an industrial interest group, was concerned only with protection, and not with the imperial and preferential aspects of Chamberlain's scheme. To the extent that the Commission was to draft a tariff as the basis for preference, it was of course inevitable that much of its attention was concentrated more narrowly on an analysis of British industrial conditions than was that of other Tariff Reform groups, at least in the early years. And no one could deny that some members may have seen preference as the only feasible way of obtaining the protective tariff that was their true desire. But none said so, and only in the discussions on agriculture was there any prolonged discussion of the level of preference. How far the Commission would have favoured preferential agreements with a more highly industrialised Empire is perhaps improper to conjecture: it is interesting to note that even Chamberlain thought that the industrialisation of Canada would raise different priorities for British policy makers in the long run. But the presence of the ex-colonial Commissioners, the imperial sympathies of industrial Commissioners such as Caillard, Jones and Birchenough, and the inclinations of the secretary prevented any marked development of a 'siege economy' mentality on the Commission. For his time, Hewins can be counted as an Empire 'visionary',¹ and with Chamberlain's help he ensured that the Commission's path lay more in the direction of Empire economic consolidation than in that of narrow industrial protectionism.

1. For confirmation, see N. Blewett, The Peers, The Parties and The People, (London, 1972), p. 32; I.M. Drummond, British Economic Policy and the Empire, 1919-1939, (London, 1972), pp. 37-8.

An uncritical acceptance of the Commission's published statements of its objectives would, of course, expose the historian to accusations of extreme naivete. There was a strong propagandist purpose in the Commission's establishment, and it is a constant difficulty to separate the legitimate from the illegitimate in its subsequent activities, especially given the self-imposed terms of reference to construct a scientific tariff. Many members belonged to the TRL and spoke on its platforms. But this did not shake their belief that theirs was the most sober, the most legitimate, the most objective, the most moderate and the most worthy of the organisations operating in the controversy. And it would take a cruel observer to deny them every one of those claims. For there is no publication directly engendered by the Tariff Reform campaign, not even the 'Fiscal Blue Book' of 1903,¹ which has been subsequently so widely cited by economic historians as have been the industrial reports of the Tariff Commission.

The Commission's discussions provide frequent examples of the desire for caution and sound method. But, to a large extent, that sound method was prescribed by the secretary, who was able to secure members' agreement to such retrospectively contentious devices as the 'reduction' process with relatively little difficulty. It may be that the business mind was too easily dominated by the academic, but this would neglect the desire of the Tariff Reformers for a respectable and cohesive doctrine, for an article of faith comparable to that possessed by the Manchester School. It would also neglect that much of the Tariff Reform case rested on the effects of foreign tariffs and trusts on British industry, effects which many Commissioners had experienced at first hand. Apart, perhaps, from the depths of its pessimism, much of the Commission's description of the economic situation in the early twentieth century is not contentious: indeed, one writer has recognised the Commission as a pioneer in the study of the "relative decline of British industries".² Furthermore, the Commission's important analysis

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1. British and Foreign Trade and Industry ..., op. cit., Cd. 1761, 1903.
 2. N. Jha, The Age of Marshall: Aspects of British Economic Thought, 1890-1915, (2nd edn., London, 1973), p. 61.

of dumping and 'continuous running' attempted to raise the Tariff Reform debate to a new level of sophistication, though its very complexity meant that it never became typical of the controversy as a whole.

Judged by its own standards, the Commission failed to construct an integrated, scientific tariff. The concept of a tariff graduated according to labour content was most nearly approached in the Iron and Steel Report. Elsewhere, the result was less than successful, Commissioners often disagreeing from the outset on the industrial classifications which were the essential basis for such a tariff. Partly this was because of the complexity of many trades, combined with a lack of government information on the precise structures of individual industries which was itself largely the result of British official statistics not being based on a tariff in the first place. More specifically, given that in a sense it was the job of the Commission to overcome such difficulties in the official statistics, failure occurred because firms replying to the questionnaires were unwilling or unable to give information on the relative costs of production of different products. By 1909-10 it had been realised that further efforts to secure such information were of little use.

The failure to harmonise the tariff interests of different industries was in part a consequence of the failure to produce a complete series of industry reports. But, in part also, it was a reflection of the difficulties experienced by the Commission both in securing the participation of the tertiary sector, particularly banking and finance, and in developing arguments in favour of protection that would be attractive to the manipulators of international capital.

But there were also more specifically political constraints that influenced the Commission. Many, probably most, of its members favoured moderate tariff levels, along the lines of the Glasgow plan, at least in the first instance. The rationale behind this may have been partly based on economic reasoning, perhaps a crude or vague familiarity with the thinking

pioneered by Bickerdike,¹ but there is little doubt that in the main it was a rationale of political expediency and the personal distaste of being ridiculed as ultra-protectionist. If members were from the start jealous of the Commission's reputation for moderacy, events after 1906 reinforced this tendency. For, after the election, the whole Tariff Reform movement moved in the same direction. The very result of the Liberal landslide was to many a lesson in caution, whilst new trends in Liberal fiscal policy raised the opportunity of portraying a modest revenue tariff in a new and less terrible light, in the hope of seducing deserters such as City bankers back into their traditional place in the Unionist camp.

In that it represented the moderate wing of Tariff Reform activity, the Commission anticipated such developments. It is interesting to note that even before the Liberal budget of 1907, which introduced differentiation between earned and unearned income, increased death duties and made the first moves towards a graduated income tax, the Agricultural Committee had been constrained, at times by stealth, to conform to the moderate precedents of earlier Commission recommendations. To an extent separate from the Commission, and containing members favourable to quite extreme policies of agricultural aid and protection, the Agricultural Committee did succeed in making some advance on Chamberlain's original proposals in order to increase their popularity amongst farmers. But it was prevented from going so far as to destroy the overall strategy of moderacy that the Commission, and, increasingly, the whole Tariff Reform army, were trying to create.

This strategy of moderacy was closely connected with the need for unity within the Unionist party. This need further constrained the Commission in its task of producing an integrated tariff. There can be little doubt that the leaders of the Commission became reluctant to issue a final report on an overall tariff plan, not only because their enquiries had met with

1. C.J. Bickerdike, "The Theory of Incipient Taxes", Economic Journal, XVI, 1906. See also Charles Booth, "Trade and Tariffs", National Review, XLIX, 1907.

failure in strategic areas, but also because they were hesitant to publish cut-and-dried plans which would almost certainly raise again half-forgotten differences within the party and amongst its supporters. Thus Hewins came to see the Commission not as the architect of a tariff policy to be judged by the electorate, his earlier view, but as the planning and administrative department of a government already elected with a Tariff Reform mandate. By 1910 this had become his almost exclusive concern, necessitating much greater emphasis on efforts to influence opinion within the parliamentary Unionist party, even at the level of its leadership. In the process, the obligation to produce an integrated tariff in advance of need was forgotten.

This heralded the declining phase of the Commission's history. Many Commissioners lost interest without exactly becoming positively disaffected, and the Commission's publications became more directly propagandist, especially on such issues as Canadian-American reciprocity and the need to prevent the decay of Empire economic ties. Furthermore, Hewins's entry into direct politics led the Commission more and more into activities directly subservient to his parliamentary career. Though some Commissioners still continued to attend the by now infrequent meetings, and still more continued to contribute to the funds, businessman-participation in the pre-1910 sense had largely ceased.

Hewins hoped that the Commission's fortunes might be revived by the war. He made much of the Commission's activities in supplying firms with information on where to obtain much-needed raw materials and semi-manufactures, and tried hard to persuade Asquith and then Lloyd George that the Commission should be taken over by government to form the nucleus of a sort of ministry of economic planning and policy. Doubtless his memoirs have exaggerated the degree of seriousness with which his suggestions were received, and even Hewins came to realise that his schemes could expect no favour from Lloyd George. On the other hand, his achievements, with a now almost totally Unionist-policy-orientated Commission behind him, were not

negligible in this period. Prominent in, and soon leader of, the Unionist Business Committee, he played a part in the downfall of Asquith's first war ministry and sustained pressure in the movement which led to British representation at the Paris Economic Conference of 1916. With Unionist representation on the two wartime coalitions his chances of directly influencing policy increased further. There can be little doubt that he stiffened the resolve of the Balfour of Burleigh Committee, whilst his successful steering of Walter Long's cabinet committee towards recommending a preferential scheme led to the introduction of preference in the 1919 budget, perhaps one of the most significant beacons on the long road to Ottawa.¹

But whether the Commission, as the vehicle through which Hewins was launched into his short parliamentary career, materially aided the cause of protection and imperial preference or not, its early aim to prove the possibility of an objectively constructed tariff which avoided the excesses and dislocations forecast by its opponents failed. Furthermore, its ability to construct an even less than perfect tariff policy proved extremely limited. In the course of 7 or 8 years, Hewins and his businessmen colleagues came to realise that 'scientific protectionism' was less disinterested and less attainable than they thought. They were to learn that, rather than achieving some mystical balance of dovetailed support, tariffs meant compromise between interests. With no mandate to conduct overseas negotiations or to command industrial attention and participation at home, they were to learn that many anti-tariff interests would not discuss proposals until forced to by administrative committees empowered by a protectionist government to erect a tariff. Given the crudity with which tariffs were generally administered before the First World War, there can be little doubt that successful tariff-making relied more on continual

1. For an interesting treatment of the protectionist debate in the 1920s, see R.K. Snyder, The Tariff Problem in Great Britain, 1918-1923, (California, 1944).

tinkering with a tariff already in operation than on a flawless blueprint.¹ Given such a tariff, Hewins might well have shown himself an able and judicious administrator. Beatrice Webb noted that, before the disillusionment of the 1906 election, Hewins:

... thought, I am convinced, that in a few years, if not immediately, he would be arranging tariffs, and tariff wars, and tariff treaties, at the Board of Trade - hurrying from continent to continent, in close and confidential intercourse with ministers and great financial personages - one long and delightful intrigue with a World Empire as a result.²

But Professor Hewins was not to be given the opportunity of constructing his tariff in reality, and he was to discover the political and economic impossibility of doing it on paper.

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1. See, e.g., H.T. Wills, Scientific Tariff Making: A History of the Movement to Create a Tariff Commission, (New York, 1913); T.W. Page, Making the Tariff in the United States, (New York, 1924).
 2. B. Webb, Our Partnership, (London, 1948), p. 329.

APPENDIX 1

Short Biographical Notes on Tariff Commission Members

(a) Original Members - Appointed Early 1904¹

COL. CHARLES ALLEN (1851-1920) Attendance 41.² Chairman of Sir Henry Bessemer and Co. Ltd., employing 700; Managing Director of Ebbw Vale Steel, Iron and Coal Co. Ltd., employing 2,500; Vice President of the Sheffield and Hallamshire Bank.

Since the formation of Bessemer and Co., first as a partnership in 1858, the firm had been left largely in the hands of W.D. Allen (Bessemer's brother-in-law) and his sons. Bessemer stated that his purpose "was not to work my process as a monopoly, but simply to force the trade to adopt it by underselling them",³ and it is noted by Erickson that though the firm made "the monopoly profits of the innovator" it apparently did not use them for large-scale expansion, for paid-up capital was only £96,000 in 1895, after 18 years of limited liability and six as a public company.⁴

Charles was educated partly in Germany, and had been associated with the firm from his youth. In 1892 the Ebbw Vale Steel Co. was in serious difficulties and he was brought in to organise the salvage operation. The company, which had paid only three dividends in the 16 years 1877-1892, was able to return a dividend averaging 2½ per cent over the next 11 years, even though still chronically overcapitalised, and 6 per cent in 1903-1904.⁵ Allen was knighted in 1908 for his services to the Territorial Army and the Volunteer Reserve, an activity which illustrates both his interest in the Dominions and his enthusiasm for schemes to promote 'national efficiency'.⁶

FREDERICK BAYNES (1848-1917) Attendance 36. Cotton manufacturer of Blackburn; Mayor of Blackburn, 1896; High Sheriff of Lancashire, 1900; first chairman of Cotton Trade Tariff Reform Association; director of London and North Western Railway Co.

Baynes' father had taken over the Knuzden Brook Mills in 1848 on the dissolution of a partnership in which he had been involved. Acquisition of the Cicely Bridge and Furthergate Mills brought the number employed to over 1,500. Frederick, the fourth son, was educated at Rugby and Cambridge and

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1. Information taken from the list of Commission members in Iron and Steel Report, para. 1, and "Members of the Tariff Commission", B-272, T.C.P., is not footnoted separately.
 2. Total attendance at all Commission meetings.
 3. Sir Henry Bessemer, An Autobiography, (London, 1905), p. 176.
 4. C. Erickson, British Industrialists: Steel and Hosiery 1850-1950, (Cambridge, 1959), p. 143.
 5. Free Trader, 4 December 1903, p. 150; 1 July 1904, p. 169.
 6. See also "Captain Allen", Sheffield Illustrated, I, 1884, p. 90; "Big and Little Guns of Sheffield", South Yorkshire Notes and Queries, I, 1899-1900, pp. 119-122.

took over the firm on his father's death in 1873, controlling it until it became a limited company in 1905. By 1904 the workforce at the three mills had shrunk to under 1,100. Baynes also had a partnership in the Manchester firm of Baynes and Dixon, cotton merchants, which seems to have been an intermediary between cotton manufacturers and export merchants.¹

J. HENRY BIRCHENOUGH (1853-1937, Bt. 1920) Attendance 30. Silk manufacturer, John Birchenough and Sons, Macclesfield; President of Macclesfield Chamber of Commerce; director of Imperial Continental Gas Association Ltd.;² director of British Exploration of Australia Ltd.; member of council of Royal Statistical Society.

By 1904 Birchenough was already known as an advocate of 'national efficiency', in particular in his efforts to improve trade intelligence and foster imperial trade. A warm supporter of Chamberlain's activities at the Colonial Office and a close friend of Lord Milner's,³ he later attended meetings of the Co-efficients "to strengthen the financial side".⁴ He advocated the fostering of Imperial trade as a counterpoise to Germany's 'new imperialism' in Africa, and it would seem that the German reaction to Canada's unilateral preference of 1897 was the occasion of his first serious re-appraisal of the value of Britain's free trade policy.⁵ Less sensationalist than many, he warned his readers not to exaggerate the extent of the new trade rivalry in the colonies, but reminded them that our commercial system might not be suited to world competition based on "the methods of monopoly" and cartelisation.⁶ During the Boer War, if not before, he became an enthusiastic advocate of improved physical education in schools and of the formation of volunteer corps and rifle clubs, and was active in promoting these causes in Macclesfield.⁷

Birchenough attacked Giffen's dismissal of Imperial Preference, in the Nineteenth Century in 1902,⁸ by arguing that the dangers of retaliation were exaggerated, and that an imperial system was not incompatible with Britain continuing a large trade with foreign countries. His assumption was that

1. G.C. Miller, Blackburn Worthies of Yesterday, (Blackburn, 1959), pp. 32-34; Cotton Report, para. 513; Who was Who, II, 1916-1928.
2. A company, established in 1824, for supplying gas to various large cities in Europe. By 1900 the company had capital and reserves of nearly £6m. See N.K. Hill, "Accountancy Developments in a Public Utility Company in the Nineteenth Century", Accounting Research, VI, 1955, pp. 382-390, especially p. 382.
3. J.H. Birchenough, "Mr. Chamberlain as an Empire Builder", Nineteenth Century, LI, 1902, pp. 360-368.
4. H.G. Wells, Experiment in Autobiography (London, 1934), II, p. 761; see also L.S. Amery, My Political Life, (London, 1953), I, p. 225.
5. Cf. J.H. Birchenough, "Do Foreign Annexations Injure British Trade?" Nineteenth Century, XLI, 1897, pp. 993-1004, with his "England's Opportunity - Germany or Canada?", Nineteenth Century, XLII, 1897, pp. 1-8.
6. J.H. Birchenough, "The Imperial Function of Trade", Nineteenth Century, XLVI, 1899, pp. 352-366, especially pp. 359, 361.
7. J.H. Birchenough, "Local Beginnings of Imperial Defence (An Example)", Nineteenth Century, XLVII, 1900, pp. 728-733; "Our Last Efforts for a Voluntary Army - A Civilian View", Nineteenth Century, XLIX, 1901, pp. 545-554.
8. R. Giffen, "The Dream of a British Zollverein", Nineteenth Century and After, LI, 1902, pp. 693-705.

"moderate and responsible men" intended preference to be applied only to "existing tariffs", and that the institution of new duties, "an aggressive policy towards foreign countries", was not contemplated.¹ At this time, of course, the Unionist cabinet had not repealed the Corn Registration Duty.

At the turn of the century, Birchenough felt that the South African situation was the only obstacle to closer imperial trade, and he was much concerned with the business aspects of "pacification".² In 1903 he was appointed as the first Special Commissioner to the Board of Trade,³ and his visit to South Africa convinced him that the USA, rather than Germany, was "undoubtedly our most formidable rival present and future".⁴ Subsequently he was to be an advisory member of the Advisory Committee to the Board of Trade (1906), a member of the Royal Commission on Shipping Rings (1906), a member of Lord Balfour of Burleigh's Committee on Commercial and Industrial Policy (1916), chairman of the Royal Commission on Paper (1917), a government director of the British Dyestuffs Corporation, and president of the British South Africa Co., as well as being on several government committees on the textile industry.⁵ He was a signatory to the Pollock Committee memorandum of 1907 on imperial organisation.⁶

CHARLES BOOTH (1840-1916) Attendance 36. Senior partner in Alfred Booth and Co., leather merchants and manufacturers; chairman of the Booth Steamship Co. Ltd.; director of Manaos Harbour Ltd.; president of Royal Statistical Society, 1892-4; member of the Royal Commission on the Aged Poor, 1892-5.

The outline of Booth's business career and social-investigation work are far too well-known to need even the briefest repetition here. It is perhaps difficult for the historian to accept that "Booth always regarded himself as primarily a merchant and financier",⁷ or that his social "research, even on so ambitious a scale, was simply a leisure-time interest which had to be fitted into spare moments mainly in the evenings and at weekends".⁸ Even if this is true, it cannot be argued with any conviction that Booth's business interests over-rode his social conscience in allowing him to be seduced into advocacy of Tariff Reform. As a merchant and shipowner, his trading links (largely with the USA and South America),⁹ did not clearly possess those imperial elements that might have changed a shipowner and merchant's allegiance from Free Trade to protection.

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1. J.H. Birchenough, "Preferential Tariffs Within the Empire", Nineteenth Century and After, LI, 1902, pp. 893-894.
 2. J.H. Birchenough, "Imperial Function ...", loc. cit., pp. 363-364; and "A Business View of South African Pacification", Nineteenth Century, L, 1901, pp. 536-546.
 3. The three temporary commercial missions of 1903-6 (to South Africa in 1903, Australia and New Zealand in 1905, and Canada in 1906) were the forerunners of the four permanent Trade Commissioners to the Dominions appointed in 1908. See Sir H. Llewellyn Smith, The Board of Trade, (London, 1928), pp. 76-77.
 4. Quoted in R.H. Heindel, The American Impact on Great Britain, (Philadelphia, 1940), p. 165.
 5. Who was Who, III, 1929-1940.
 6. J.E. Kendle, The Colonial and Imperial Conferences, 1887-1911, (London, 1967), Appendix (A), p. 231. See also ch. 4.
 7. T.S. and M.B. Simey, Charles Booth: Social Scientist, (London, 1960), p. 26.
 8. Ibid., p. 98.
 9. A.H. John, A Liverpool Merchant House: Being the History of Alfred Booth and Company, 1863-1958, (London, 1959), pp. 15-106.

Booth's experience of leather manufacturing in the US and of trading with that country certainly led him to favour reciprocity, as he demonstrated in his first article in the National Review.¹ But even the failure of reciprocity was not critical to the success of Tariff Reform. A 10 per cent duty would help to:

... secure a continuance of progressive prosperity, and to lay deeper the foundations, and to strengthen the structure of the national life. The benefits looked for thus lie more in the future than in the present but there would probably be more employment from the first, and the employment would be more regular,

The interests of the mass of people and of the poorest, not the least, are found in regularity of employment more than in cheapness of food, and at the present time in the extension of social expenditure rather than in retrenchment.²

Booth's hesitant approval of such an "extension of social expenditure" contrasts oddly with his pronounced belief in individualism,³ but his concern with the aged poor and the poverty series had led him to endorse cautiously a limited socialism "of a definable and restricted character".⁴ It may have been the restricted scope of Tariff Reform which Booth found appealing. Gilbert's view, that Booth was influenced by Chamberlain's "connexion between tariffs and pensions",⁵ is too narrow: if it had been so Beatrice Webb's surprise at Booth's conversion would have been less understandable.⁶ An additional factor, it is likely, was the incompleteness and lack of positive conclusions of the industry series of the London studies.⁷ Tariff Reform may well, to Booth, have represented one of the most simple and attractive ways in which the unfortunate relationship between unemployment, underemployment and poverty, a nettle he shrank from grasping in the industry series, perhaps on account of his own convictions that individualism and classical employment theory were best not tampered with,⁸ could be ameliorated.

It should be mentioned, in the absence of any clear evidence, that Hewins claimed to have been instrumental in converting Booth to Tariff Reform.⁹

HENRY J. BOSTOCK (d. 1923) Attendance 12. Director of Edwin Bostock and Co. Ltd., boot and shoe manufacturers, employing 720 at Stafford and 373 at Stone in 1904.

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1. Booth suffered from the widespread optimism among Tariff Reformers that low British duties would effect a reduction in foreign tariffs. See C. Booth, "Fiscal Reform", National Review, XLII, 1903-4, pp. 691-2; also C. Booth, "Trade and Tariffs", National Review, XLIX, 1907, especially p. 548.
 2. C. Booth, "Fiscal Reform", loc. cit., p. 699.
 3. T.S. and M.B. Simey, op. cit., p. 64 and passim.
 4. Ibid., p. 108.
 5. B.B. Gilbert, The Evolution of National Insurance in Great Britain, (London, 1966), p. 199.
 6. B. Webb, Our Partnership, (London, 1948), p. 279.
 7. T.S. and M.B. Simey, op. cit., p. 201, citing a review in Economic Journal, VII, 1897, p. 387.
 8. T.S. and M.B. Simey, op. cit., ch. 10.
 9. See above, p. 86.

The firm was relatively large, well-established, and had been a pioneer in the introduction of lasting machinery in the late 1880s.¹ Until around 1900 the firm confined itself almost wholly to export markets, especially in Australia and South America, but foreign tariffs caused heavy losses and a retreat into the home market. Bostock's views were well known in the trade² and the Shoe and Leather Record, lamenting the seduction of a member of such an efficient and progressive firm to Tariff Reform, commented:

The fact that they were able to almost immediately command a big business in the keenly competed home market is the best possible evidence that Messrs. Bostock, at any rate, needed no protection.³

Bostock's heterodox views on the fiscal issue may well have been hardened by a visit to the US in 1902.⁴

Edwin Bostock and Co. Ltd. had become a public company in 1898. In 1919 the firm was acquired by Lotus Ltd.⁵ On his death in 1923 Henry was chairman of Lotus and two smaller footwear manufacturers.⁶

SAMUEL BAGSTER BOULTON (1830-1918, Bt. 1905) Attendance 65. Boulton had been instrumental in founding the firm of Burt, Boulton and Haywood, chemical manufacturers and timber importers of London, Paris, Riga, Bilbao, etc., in the mid-nineteenth century. By 1904 it was a private limited company with Boulton as chairman and managing director. He was also at that time president of the Tar Distillers' Association of the United Kingdom. By 1913 (and perhaps before) he was also chairman of the British Australian Timber Co. Ltd. and the Dominion Tar and Chemical Co. Ltd. He was president of the West Ham Chamber of Commerce (1893-1902), vice president of London Chamber of Commerce (1893-1898), and a member of council of the latter thereafter. In 1888-1889 he successfully conducted, on behalf of the London Chamber and under the auspices of the Foreign Office, a series of negotiations with the French Customs Administration concerning grievances suffered by British traders. In 1902 he supported G.T. Denison, Sir Guilford Molesworth and E.E. Williams in attacking free trade in the London Chamber. Nevertheless, his evidence before the Tariff Commission's abortive enquiry into the chemical industry shows that Boulton did not advocate protection for his own products, either to safeguard against foreign imports or for purposes of retaliation. Not only had Boulton tar distilling plants in Belgium, France and Spain, but the use of tar-distilled products as inputs in the manufacture of dyestuffs, india-rubber, antiseptics and explosives ensured that virtually all foreign countries placed them on the free list. In common with other chemical manufacturers, however, he felt that the international patents system operated to Britain's disadvantage.

Since the 1880s Boulton had been active in promoting the application of

1. R.A. Church, "The Effect of the American Export Invasion on the British Boot and Shoe Industry, 1885-1914", Journal of Economic History, XXVIII, 1968, p. 233.
2. Both the Boot and Shoe Trades Journal and the Shoe and Leather Record, the two principal trade journals, adopted a Free Trade editorial policy.
3. Shoe and Leather Record, 1 January 1904, pp. 3-4.
4. R.A. Church, loc. cit., p. 239 n.
5. W.S. Wareham (ed.), Register of Defunct and Other Companies Removed from the Stock Exchange Official Yearbook, (London, 1963 edn.), p. 64.
6. Who was Who, II, 1916-1928.

scientific method to the chemical industry and in encouraging technical education, and wrote on such matters in the scientific journals, as well as contributing pieces on economic and social questions of more general interest to such reviews as the Nineteenth Century. By 1907 he felt that Britain no longer fell behind Germany in the scientific training and competence of its industrial chemists. At an early stage he had himself paid a German - only one of his staff of trained chemists - £1,000 per year.

Boulton had been instrumental in founding the London Labour Conciliation and Arbitration Board in 1889. As its first chairman, 1889-1913, he presided over the settlement of some 50 labour disputes. He was also president of the Federation of Working Mens' Social Clubs.¹

The large increase in demand for tar distillates that followed Perkin's discovery of alizarine had led Burt, Boulton and Haywood into the manufacture of intermediates and, eventually of dyestuffs. In 1876 the firm acquired Perkin's works, then owned by Brook, Simpson and Spiller, at Greenford Green. As members of the German-based Alizarin Convention, Burt, Boulton and Haywood were able to make the ailing works profitable. In 1882, when the convention raised prices, a syndicate organised by Lancashire calico-printers and Turkey-red dyers took control of Burt, Boulton and Haywood's dyestuffs factory, renaming it the British Alizarine Co. Ltd. From this date there seems to have been no connection between Burt, Boulton and Haywood and British Alizarine.²

RICHARD BURBIDGE (1847-1917, Bt. 1916) Attendance 91. Managing director of Harrod's Stores Ltd.; director of Hudson's Bay Co.; member of the Tariff Commission's General Purposes Committee and Treasurer after 1908,

Apprenticed at fourteen, Burbidge had 30 years of experience in several London retailing concerns, including the Army and Navy Stores, before being appointed as the second general manager of the limited company formed after Henry Harrod's retirement in 1890. Joining the firm in 1891 when it employed 2-300 and had a turnover of c.£½m p.a., Burbidge superintended its growth until the workforce approached 6,000 and turnover was £4m p.a. in 1913. After this he gradually turned control over to his son.

In 1904 employment was 3,000 and in 1905 turnover £2m. Burbidge, portrayed in the firm's official history as a man of "outstanding ability" who turned "a business employing two or three hundred people into a national institution",³ improved working conditions and reduced hours whilst at the same time pioneering new methods of store organisation and large-scale advertising. In the Boer War he established a reputation for army supply that flowered into a close relationship with the War Office in the Great War.⁴

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1. Who was Who, II, 1916-1928; H.H. Bassett (ed.), op. cit., pp. 47-48; G.T. Denison, The Struggle for Imperial Unity, (London, 1909), p. 321; draft evidence taken for intended Chemicals Report, proof copy, Witness A, paras. 164-171; T.C.P.
 2. L.F. Haber, The Chemical Industry during the Nineteenth Century, (Oxford, 1958), pp. 86, 164, 166, 229; L.F. Haber, The Chemical Industry, 1900-1930, (Oxford, 1971), pp. 14, 147, 149, 193, 270.
 3. Anon., A Story of British Achievement, 1849-1949, (London, 1949), pp. 26, 29.
 4. Ibid., especially pp. 26, 29-30, 36-37, 39, 42; Who was Who, II, 1916-1928; H.H. Bassett (ed.), op. cit., p. 61.

SIR VINCENT HENRY PENALVER CAILLARD (1856-1930, Bt., 1896) Attendance 69. Director of Vickers, Sons and Maxim Ltd.; director of Wolseley Tool and Motor Car Co. (and probably of other Vickers' subsidiaries); chairman of G.F. Milne's and Co. Ltd., tramway and railway carriage manufacturers of Birkenhead and Hadley; chairman of Daira Sanieh Co.; chairman of the London Committee of the National Bank of Egypt.

A distant relation of Disraeli and son of a county court judge, Caillard joined the Royal Engineers after Eton and the Royal Military Academy. Having served on the Montenegrin Frontier Commission, in intelligence at the War Office, and at staff headquarters in the Egyptian campaign he became, in 1883 when only 26 years old, president of the administrative council of the Ottoman Public Debt.¹ He was involved in the English hunt for railway concessions in Turkey. The Daira Sanieh debt, pledged on the Khedive's sugar cane lands in upper Egypt, was, under Caillard's control, managed through one of the most successful and constructive of the five international bodies supervising Egypt's economic and financial affairs.² The external debt was paid off in 1905.

Leaving public service in 1898, Caillard joined Vickers' board. Though still concerned with the Daira Sanieh loan in its last stages, and connected with the new National Bank of Egypt, Caillard's move can be regarded as an interest-shift towards home manufacturing. Though of considerable diplomatic skill and occasionally conducting negotiations with foreign governments, Caillard seems to have been valued by the firm more for his financial acumen. After Sigmund Loewe's death in 1903 he constituted the financial element in the "cabinet of all the talents" so admired by the latest historian of the company,³ and was made Financial Controller in 1906. Certainly this high opinion of Caillard was shared by Armstrongs, Vickers' chief rivals. Rendel thought it "no reflection on any of us [at Armstrongs] that we do not equal men like Caillard in financial adroitness".⁴

Vickers, the sixth largest British company in 1905, with a capitalisation of £7.4m, had several wholly owned subsidiaries including the Naval Construction Co. of Barrow and the Maxim Nordenfeld Co., as well as having a 50 per cent holding in Wm. Beardmore and Co., the Glasgow armour plate maker and warship builder which was the 35th largest British company in its own right.⁵ First entering into armaments in 1888, Vickers remained "predominantly a steel company with one foot in the defence sector" until the late 1890s,⁶ but thereafter the company developed its armaments capacity rapidly. It became the first British concern capable of supplying complete warships by itself, and well before the First World War was able to

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1. This council of seven members from various European bondholding countries administered the Turkish government monopolies of salt and tobacco, and taxes on stamps, spirits, fishing and silk. The arrangement "worked with surprisingly little conflict" with the Turkish government, and the salt and silk industries were developed by the council. See H. Feis, Europe: The World's Banker, 1870-1914, (New York, 1965 edn.), pp. 332-341, quon. p. 334.
 2. Ibid., pp. 384-397. For a less charitable view, which, however, rests more on the administration's redundancy than on its incompetence, see A. Milner, England in Egypt, (6th Edn., London, 1899), pp. 57-58.
 3. C. Trebilcock, The Vickers Brothers: Armaments and Enterprise, 1854-1914, (London, 1977), pp. 45, 51, and passim.
 4. Quoted in J.D. Scott, Vickers: A History, (London, 1962), p. 92.
 5. P.L. Payne, "The Emergence of the Large Scale Company in Great Britain, 1870-1914", Economic History Review, 2nd Series, XX, 1967, pp. 539-540.
 6. C. Trebilcock, op. cit., p. 37, and passim.

manufacture a more or less complete range of military and naval equipment from machine guns to battleships, and including such innovations as submarines, torpedoes and aircraft. In an industry where modern methods of interchangeability and standardisation were a necessity, Vickers gradually overhauled Armstrongs in innovation, capital investment, value of output and product range. Ordinary share dividends averaged 8.1 per cent (including bonuses) in 1888-1896 and 13.3 per cent in 1897-1914. Nevertheless the market was capricious and foreign sales (usually about one-third of total sales) seldom rose to offset reductions in British government purchases, especially marked in 1902-1903 and 1907-1910.¹ It might seem from the lull in government purchases after 1906² that the company had an economic interest more in the simple presence of a Unionist government than of a Tariff Reform government; Douglas Vickers thought Chamberlainism irrelevant to the business though Albert is known to have been a Tariff Reformer.³

Caillard was author of a well-received book on Tariff Reform⁴ and stood unsuccessfully as a Tariff Reform candidate at East Bradford in 1906. He was prominent in the establishment of the Federation of British Industries and was president in 1919.⁵

JOSEPH JOHN CANDLISH (1855-1913) Attendance 65. Chairman of Robert Candlish and Son Ltd., glass bottle manufacturers of Seaham Harbour, Co. Durham, employing a workforce of 487 early in 1904. By 1913 he was chairman of the British Association of Glass Bottle Manufacturers Ltd., and a director of several newspaper companies including the Daily Express, Evening News and Hampshire Telegraph, Northern Daily Mail, and Sunderland Echo.

In 1903 he had resigned his position as treasurer of the Northern Liberal Federation, on which occasion he "announced himself in favour of Tariff Reform, but still holds to his Liberal principles".⁶ He remained a member of the Reform Club to his death in 1913.⁷

HENRY CHAPLIN (1841-1923, 1st Visct. 1916) Attendance 56. Conservative MP for Mid-Lincolnshire (later Sleaford Division), 1868-1906; member of Richmond Commission, 1879-1882; member of Gold and Silver Commission, 1886-1888; president of Board of Agriculture, 1889-1892; member of Royal Commission on Agriculture, 1894-1897; president of Local Government Board, 1895-1900; member of Royal Commission on Food Supplies in Time of War, 1904-1905; Conservative MP for Wimbledon, 1907-1916.

Third son of a Lincolnshire cleric and landowner, Chaplin inherited 25,000 acres in 1862 and married the eldest daughter of the third Duke of Sutherland in 1876. He was intensely loyal to Disraeli and, from early in his parliamentary career, a stalwart champion of agriculture in the House. Prone to extravagant living, he lost control of his estate in 1897. From

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1. J.D. Scott, op. cit., Appendix C, pp. 389-390; C. Trebilcock, op. cit., pp. 11, 22.
 2. C. Trebilcock, op. cit., p. 11.
 3. See above, pp. 141, 200 and J.D. Scott, op. cit., p. 76.
 4. Imperial Fiscal Reform, (London, 1903).
 5. Caillard to Hurd, 23 January 1919; C-286, T.C.P.; S. Blank, Industry and Government in Britain: The Federation of British Industries in Politics, 1945-65, (Farnborough, 1973), p. 23.
 6. Sheffield Daily Telegraph, 18 December 1903, p. 8.
 7. Who was Who, I, 1897-1915; H.H. Bassett (ed.), op. cit., p. 68.

then until 1913 he and his children lived with his brother-in-law, the fourth Duke, at Stafford House, a frequent meeting place of the Tariff Reform League.¹

In 1881 Chaplin supported protectionist James Lowther in his election campaign in North Lincolnshire. By 1884 he had come out in favour of protection along the lines of the old shilling duty on corn, but he knew public opinion to be hostile and his subsequent advocacy of protection remained cautious. Seeking for acceptable alternatives he developed an interest in bimetallism, and sat on the Gold and Silver Commission. Feeling that the essential trouble with agriculture was the decline in prices, Chaplin saw the depreciation of the silver rupee as a bounty on Indian wheat exports to Britain. Later he was to urge acceptance of the Minority Report of the Gold and Silver Commission² that the government should seek to secure an international conference to discuss arrangements for broadening the world basis of the bimetallic standard. Though able to carry the Central Chamber of Agriculture against some protectionist opposition, Chaplin was unable to forge a hoped-for alliance with Lancashire cotton interests, and his scheme was rejected in the Commons in 1889.

In 1894 Chaplin still defended bimetallism, as the most practical way of reversing price decline, in a Lincolnshire Chamber now clamouring for protection. Though an active member, he thought the Royal Commission of 1894-1897 of little purpose: his position was that everyone knew the root cause of the problem to be the price decline, but that no one had the will to institute positive remedies.³ It was probably his influence which secured a supplementary report on the currency question, signed by nine other members. But, a convinced imperialist from his Disraelian days, Chaplin doubtless made the transition back from bimetallism to protection easily and pragmatically as Chamberlain's new movement grew, appearing to carry with it the hopes of success.

Gardiner's dismissal of Chaplin as a delightful but irrelevant hangover of the ancien regime,⁴ and Fletcher's portrayal of him as an obsessive representative of the old wheat interest,⁵ are both extremely doubtful. In Parliament and out, Chaplin supported all agricultural interests without great discrimination. What evidence we have suggests that he was popular with tenants and labourers. He well understood the transitional phase in which British agriculture was placed, and fought hard for regulation of livestock imports and against cattle disease. If he was lukewarm over smallholdings it was because he believed that the farming of the future lay in larger and not smaller units.⁶

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1. The fourth Duke was president of the League.
 2. As reprinted in R. Robey (ed.), The Monetary Problem: Gold and Silver, (New York, 1936), p. 237.
 3. See his similar position at the beginning of the Tariff Commission's enquiry, above, pp. 382-383.
 4. A.G. Gardiner, Prophets, Priests and Kings, (London, 1914 edn.), pp. 212-219.
 5. T.W. Fletcher, "The Great Depression of English Agriculture, 1873-1896", Economic History Review, 2nd Series, XIII, 1961-2, reprinted in P.J. Perry (ed.), British Agriculture, 1875-1914, (London, 1973), especially pp. 42-43
 6. See also, especially J. Hamilton, "Henry Chaplin and English Agriculture: 1875-1895", unpublished B.A. Thesis, University of Manchester, 1977, passim; also, Marchioness of Londonderry, Henry Chaplin: A Memoir, (London, 1926), passim; D.N.B.

JOHN ALEXANDER COCKBURN (1850-1929, KGMG cr. 1900) Attendance 39. Settling in South Australia when twenty-five, Cockburn was active in local politics and the local volunteer force until entering South Australian politics in the 1880s. His rise was rapid. In 1885-7 he was Minister of Education for Southern Australia, in 1889-90 Premier and Chief Secretary, and in 1893-8 Minister of Education and Agriculture. He was a determined advocate of Australian federation, his book on Australian Federation being published in 1901, and had wide-ranging interests in agriculture, education, agricultural education and workmen's insurance, attending many international conferences on these and other subjects as representative of South Australia or the Australian colonies as a whole. He probably returned to Britain in 1898, to become Agent-General for South Australia. Thereafter he was chairman of the Australasian Chamber of Commerce in London, member of council of the British Empire League, president of the National Association of Manual Training Teachers, 1902-19, chairman of Swanly Horticultural College, 1902-19, vice-chairman of council of the L.S.E., chairman of the Representative Managers of L.C.C. Elementary Schools, 1908-12, vice-president of the Royal Colonial Institute, and president of the Men's International Alliance for Women's Suffrage, as well as being associated with many other diverse bodies. Interested in workers' education and welfare, Cockburn looked to a tariff to increase employment and improve wages and conditions, but obviously was also interested in promoting imperial trade and represented South Australia at the International Commercial Congress held at Philadelphia in 1899.¹

JOHN HOWARD COLLS (d. 1910) Attendance 43. A director, or perhaps chairman, of Colls and Sons, builders and contractors of the London area. Early in 1904 the firm employed some 3,300 people. Given the volatile nature of the industry it is difficult to judge how representative this figure is. Modern evidence suggests that the residential building cycle, though in downswing, was still fairly high after the peak of 1898-9.² One contemporary scholar, however, using information from the Royal Commission on the Poor Laws, characterised 1904 as a year of "distress" and high unemployment.³ As the downswing continued, the firm was at some time to amalgamate with Trollope and Sons, another London concern that had experienced rapid growth over the previous years.⁴ In 1910, and probably from the date of the amalgamation, Colls was joint chairman of both concerns. He was sometime president of the Institute of Builders. Given that, directly, building stood to gain little from protection,⁵ it might be conjectured that Colls provides a clear case of party allegiance determining fiscal views rather than vice-versa.⁶

JOSEPH GROSE COLMER (1856-1937) Attendance 21. Colmer entered the Canadian civil service in 1880 and was secretary to the Canadian High Commissioner in London from 1881 to 1903.

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1. Who was Who, III, 1929-1940; G.T. Denison, op. cit., p. 299; J.A. Cockburn to Ed. Times, 14 June 1905.
 2. J. Parry Lewis, Building Cycles and Britain's Growth, (London, 1965), Appendix 4, p. 317.
 3. A.D. Webb, "The Building Trade", in S. Webb, and A. Freeman (ed.), Seasonal Trades, (London, 1912), p. 322.
 4. M. Bowley, The British Building Industry, (Cambridge, 1966), p. 339.
 5. Indeed, L.G. Chiozza Money thought it would be "severely hit" by Chamberlain's fiscal proposals. See Money's Fiscal Dictionary, (London, 1910), p. 63.
 6. See also Who was Who, I, 1897-1915.

Honorary secretary of the Canada Club from 1896 to 1922, Colmer took joint first place, with a Free Trader, in the Statist's £1,000 competition of 1896 for an essay on commercial federation of the Empire. Subsequently he published an article in the Economic Journal discussing Chamberlain's then current proposal for an imperial Zollverein.¹ He joined with Chamberlain in seeing the imposition of moderate import duties on certain foreign foodstuffs and raw materials by Britain as necessary to the scheme, as a quid pro quo to the colonies for the loss of revenue entailed in their giving a preference to British manufactures, these frequently being a high proportion of total imports of manufactures. But moderate tariffs, carefully implemented, would not raise prices, would not cut off Britain from non-Empire trade, would not invoke retaliation, and would not restrict Britain's exports by restricting her imports. Thus, in the selection of goods, in the moderacy of the tariff proposals, in the patient and empirical working out of a detailed scheme, and in the policy of compromise, Colmer's hopes were similar to those of those Tariff Reformers of 1903-4 who looked for a scientifically-determined tariff which would overcome theoretical objections.²

Colmer probably left the full-time employment of the Canadian civil service in 1903 to join the London stockbrokers, Coates, Son and Co. In 1913 he was chairman of the Western Canada Investment Co.³

WILLIAM COOPER (dates unknown) Attendance 44. Wholesale dead-meat salesman; chairman of the Cattle and Meat Trades Section of London Chamber of Commerce; sometime tenant farmer (retired).

Cooper began business as a dead-meat salesman at Newgate Market in 1866, and later, probably in 1868,⁴ moved to the new Central Markets at Smithfield, where he still carried on business in 1904. He dealt almost entirely in British produce, especially Scotch beef and mutton.⁵ His evidence before the Agricultural Committee showed concern for the British farmer experiencing the onslaught of competition from (usually inferior) foreign and colonial meat. He favoured an equalisation of import duties on live- and dead-meats to prevent discrimination against either one.⁶

JOHN ARTHUR CORAH (dates unknown) Attendance 52. Partner in Cooper, Corah and Sons, hosiery manufacturers of Leicester, employing 1,700 in 1904, three-quarters of them women.

Corah's grandfather established the firm in 1815, as a hosiery merchant buying in Leicester and selling in Birmingham. A move to larger premises

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1. Chamberlain's speech on this issue, in March 1896, had been delivered at the Canada Club. It is evident that, even in 1896, Colmer was prepared to go beyond the Zollverein proposal towards the full-blown preferential scheme that Chamberlain then saw as unacceptable.
 2. J.G. Colmer, "An Imperial Customs Union", Economic Journal, VI, 1896, pp. 553-566.
 3. See also, Who was Who, III, 1929-1940; H.H. Bassett (ed.), op. cit., p. 85.
 4. R. Perren, The Meat Trade in Britain, 1840-1914, (London, 1978), pp. 101-103.
 5. Cooper had also had 30 years' experience as a tenant farmer of the Earl of Aberdeen. Presumably this was at least partly concurrent with the operation of his London business.
 6. Agricultural Report, paras. 1093-1103.

in 1824 allowed the firm to start manufacturing, though the merchant business continued. Corah's father was one of the three founders' sons made a partner in 1830. By the 1850s the firm, in the hands of the second generation, was distributing goods all over the Midlands and North of England, and had three "manufactories" in Leicester.¹ There is some disagreement over the progressiveness of the firm's manufacturing methods before the opening of St. Margaret's Works in 1866. Wells cites Corah's as an example of a firm "reluctant to change" to factory production,² yet it does appear that manufacturing facilities at the Granby St. warehouse around 1845-50 included a steam engine to drive the knitting frames.³

The steam-driven St. Margaret's Works was opened in 1866. By 1873 the firm had diversified its already large product range to include, as well as many hosiery and underwear products, football and yachting jerseys, cardigan jackets and bathing suits. By 1886 1,000 were employed and the works had been twice extended. There were a further nine major extensions between 1886 and 1914. During this period branch warehouses were opened at Newcastle, Cardiff, Leeds, Glasgow, Liverpool and Manchester.⁴

In his evidence Corah spoke strongly of German competition based on cheap labour and long hours. Imports of cotton and cashmere hosiery undersold British goods by around 7½ per cent, and Corah advocated duties of 10-20 per cent to protect British labour and capital. He was favourably impressed by the firm's experience in Canada under unilateral preference.⁵

JOHN WILLIAM DENNIS (1865-1949) Attendance 85. After eight years in the civil service (1883-1891), Dennis joined the family firm of W. Dennis and Sons. This was a partnership farming in Lincolnshire, and seems to have been more consciously market-orientated and run as a business than was the general case in British agriculture. The firm may have already diversified into distribution and marketing, but it was probably the influence of John Dennis, who opened the Covent Garden branch, which led to greater concentration on merchanting and brokerage in potatoes, fruit and vegetables. Whether farming expanded at the same time as brokerage is unknown, but in 1904 the partnership managed some 4,000 acres at Kirton in Lincolnshire.

Dennis was an active and well-informed participant in Tariff Commission affairs. In 1907-8 he was Mayor of the City of Westminster. In the War he was voluntary Potato Controller in the Ministry of Food, and in 1918-22 was MP for the Deritend Division of Birmingham.⁶

CHARLES ECKERSLEY Attendance 14. Formerly head of the firm of Caleb Wright and Co., fine cotton spinners of Barnfield Mills, Tyldesley in Lancashire, and associated with the industry since 1866; director of the Societe Cotonniere de l'Hellennes, of Lille, since 1894; director of the Fine Cotton Spinners' and Doublers' Association since 1898.

1. K. Jopp, Corah of Leicester, 1815-1965, (priv. pub., n.d.), p. 11.
2. F.A. Wells, The British Hosiery and Knitwear Industry, (2nd edn., Newton Abbot, 1972), p. 121.
3. K. Jopp, op. cit., p. 11.
4. These were to be closed down in 1927-36 as part of the agreement with Marks and Spencer.
5. Hosiery Report, paras. 2387-2401.
6. Agricultural Report, paras. 3, 548; Who was Who, IV, 1941-1950.

Formed in May 1898, the FCSDA was a defensive combination of 31 firms, with 26 directors and an original capital of £4m. In 1903 total spindleage was 2,873,000 in England and 220,000 in France, but shortly afterwards French spindleage was nearly doubled by the purchase of a controlling interest in the Association's main French rival. By March 1905 there were some 47 spinning companies in the Association in addition to a few subsidiary concerns such as the Bradford Colliery Co., bought in 1900 to insulate the Association from rising coal prices. In 1905 the FCSDA was the seventh largest British industrial company, with 33 directors and a capital of £7.29m.¹ According to the leading historian of the late nineteenth century British cotton industry, the Association was "the most successful combine within the cotton industry" at this time.² It lived up to expectations in its first six years in yielding ordinary dividends of 8.17 per cent compared with a forecast of 8.5 per cent based on the historical (pre-1898) performance of member firms. Though some degree of monopoly in spinning Sea Island cotton was possessed, there was still competition from producers of Egyptian cotton, and the monopsonistic power of the Association was not strong enough to escape the cotton shortage of 1903-5. Dividends were maintained at 8 per cent in 1904 only by placing nothing to reserve, and they were cut to 4 per cent in 1905. Thereafter, however, demand improved considerably in the cotton trade as a whole, and the Association's results reflected this.

Eckersley, an old man in ill health, was perhaps unduly disheartened by the bad years up to c. 1903-5. But he was always a cautious, and in the early years perhaps a reluctant, member of the Commission. Though loyal, he constantly stressed his inability to speak for the trade as a whole. But he felt keenly the 'injustice' of one-sided free trade, and had wider experience than most in his trade of foreign production and the effects of foreign tariffs, the latter alone being the reason for his acquiring French manufacturing interests in the 1890s. He was also less than completely satisfied with the effects of combination on industrial efficiency, an attitude which presumably reflects his own rather pessimistic assessment of the results of the FCSDA.³

FRANCIS ELGAR (1845-1909) Attendance 32. Apprenticed at fourteen, Elgar was an outstanding naval architect who worked his way up from humble beginnings. After twenty years' experience in the shipbuilding department of the Royal Navy, as general manager of Earle's Shipbuilding and Engineering Co., Hull, and in private practice as a consultant naval architect in London and Japan,⁴ he was appointed H.M. Director of Dockyards in 1886. From 1892 to 1907 he was naval architect and managing director of the Fairfield Shipbuilding and Engineering Co., of Glasgow, and was credited with the successful oversight not only of large additions to capacity and innovations in ship types, but also with a general improvement of the concern's efficiency. Fairfields were, of course, a large and important Clydeside firm, building both naval and merchant ships, and were early innovators in such fields as

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1. P.L. Payne, "The Emergence of the Large-Scale Company in Great Britain, 1870-1914", Economic History Review, 2nd Series, XX, 1967, Table 1, p. 539.
 2. D.A. Farnie, "John Rylands of Manchester", Bulletin of the John Rylands University Library of Manchester, LVI, 1973, p. 123.
 3. Eckersley to Hewins, 16 May 1904; C-124, T.C.P.; Cotton Report, paras. 350-391, especially 350, 369, 373, 376-380; H.W. Macrosty, The Trust Movement in British Industry, (London, 1907), pp. 124, 137-141.
 4. By the 1880s he was considered a leading expert on merchant ship stability and was appointed Professor of Naval Architecture in Glasgow University in 1883.

steam turbines and torpedo boats. In 1904 they employed 6,000 people. In 1905 the company, in association with Cammell Laird and John Brown, attempted to integrate backwards into armaments through the establishment of the Coventry Ordnance Works. That the Works was the only armaments firm to drive any substantial wedge into the special relationship between Vickers and Armstrongs and the government was probably due to the powerful financial backing of the three parent firms. In 1908, after retiring, Elgar was persuaded to become chairman of Cammell Laird and Co., and soon after he also accepted the chair at Fairfields.

Elgar's evidence before the Tariff Commission was non-committal. It may be that, a Unionist on other grounds, he did not want to emphasise the strength of the Free Trade argument for shipbuilding. He may even have been one of the Free Traders that Hewins later claimed sat on the Commission, though his attendance record was perhaps rather too good for that. He made little impression on Commission business. It may be significant that he married the daughter of J. Howard Colls, another Commission member.¹

CHARLES ALFRED ELLIOTT (1835-1911, KCSI, cr. 1887) Attendance 14. Joining the Indian Civil Service in 1856, Elliott was involved in work on settlement which brought him into close contact with the needs of the Indian population. In 1872-1875 he was secretary to the Governor of the North West Provinces, in 1877-1878 was Famine Commissioner in Mysore, in 1878-1880 was secretary to the Royal Commission on Indian Famines, and in 1880-1885 was Chief Commissioner of Assam. In 1886-1886 he was president of an unpopular finance committee reporting on possible local government economies and according to his biographer in the Dictionary of National Biography he took pains to minimise the effects of such economies. His most important post was as Lieutenant Governor of Bengal, 1891-1895.

Elliott retired in 1895. A prominent lay churchman, he was subsequently a member of the London School Board for Tower Hamlets in 1897-1900, chairman of the Finance Committee of the London School Board, 1897-1904, a member of the Education Committee of L.C.C. (1904-1906) and chairman of Toynbee Hall. He was not a prominent member of the Commission, and seems to have made no protest as to the peripheral position of India in Chamberlain's proposals.²

LEWIS EVANS (1853-1930) Attendance 94. Director of John Dickinson and Co., paper manufacturers and stationers, employing some 2,680 (plus 174 overseas?)³ in 1904; director of North Wales Paper Co.; member of council of Paper Makers' Association.

The son of a marriage between the daughter and the nephew of the founder of the paper making concern of John Dickinson and Co., Lewis Evans became a partner in 1881. After his father died in 1885, Lewis became a director of the new limited company, formed in 1886 with a capital of £½m. In 1889 his role was formalised as one of the two general managers of the company. The first five or six years of the new limited company were difficult,

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1. DNB; Engineering Report, paras. 497-505; C. Trebilcock, The Vickers Brothers: Armaments and Enterprise 1854-1914, (London, 1977), pp. 41, 93-95.
 2. DNB; Who was Who, I, 1897-1915.
 3. The figure of 174 is slightly ambiguous and could refer to the North Wales concern. See "Members of the Tariff Commission"; B-272, T.C.P.

perhaps because of initial overcapitalisation, but the period 1894-7 saw Lewis pushing schemes of expansion through a somewhat reluctant board of directors. The two largest mills of the firm were those at Apsley and (by c. 1900) at Croxley. After the Boer War, Apsley expanded steadily, employing 1,492 in 1904, 1,763 in 1907, 1,962 in 1911 and 2,542 in 1914. The Croxley mill, however, did less well in this period, making losses in 1906-9 and in 1913. Curiously, the directors seem to have discriminated against Croxley, starving it of funds for expansion in spite of buoyant demand, and only in 1914 did they enter into "an agreement on the sale of notepaper ... between Croxley and Apsley to avoid wasteful competition".¹ Surprisingly, the official history of the firm gives little quantitative evidence on overall growth, and tends to conceal what was obviously a large and reasonably steady expansion in the years 1892-1914. In 1881 the most important mill, Apsley, employed 471; by 1914 this had risen more than fivefold. This period saw the opening of many UK branch offices and warehouses, and the erection or purchase of some small mills outside Hertfordshire, such as those in Belfast and Manchester.

Export business developed from the 1870s. In 1880 the firm opened its first overseas branch in Calcutta, following the failure of an agency dating from 1872. In 1888 a clerk fluent in French and Italian was employed, and links were established with Australia. A New York office was established in 1891, offices and stockrooms in Sydney in 1893, offices at Cape Town and Johannesburg in 1894-5. However, in spite of an export drive after the Boer War the export trade remained relatively small for some time - in 1903 it was only some £60,000 p.a., and only the Indian market seems to have shown really satisfactory results. Though Evans was concerned to secure a protective duty on imported paper,² he was also anxious to expand sales to the Empire in the face of German and US competition. He thought the unilateral preference given by South Africa in August 1903 of little value because of its small size which was cancelled out by foreign advantages in freight rates.³ Experience of Australian and New Zealand trade was similar even though the preference was bigger.⁴ By 1911 his assessment of the state of trade and the threat from export rivals was rather more cheerful.⁵

Evans's father was the founder of the Paper Makers' Association and the discoverer of the fossil Archaeopteryx, and his brother was the famous archaeologist. For many years Lewis himself was chairman of the Paper Makers, and seems to have used that position to muffle Free Trade support in the industry, not entirely successfully. Active in West Hertfordshire local politics, he was also High Sheriff of the county in 1914. At least from 1904 to 1913 he was chairman of the Machinery Users' Association, and in 1913 was a director of the Ford Paper Works of Sunderland. In the First World War he was connected with the activities of the Unionist Business Committee.⁶

GEORGE FLETT (1855-1910) Attendance 16. Managing director of Dick, Kerr and Co. Ltd., employing some 3,850 in 1904. Founded in 1883, the firm

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1. J. Evans, The Endless Web: John Dickinson and Co. Ltd., 1804-1954, (London, 1955), p. 177.
 2. Evans to Hewins, 8 and 9 January 1904; C-107, T.C.P.
 3. The preference was one quarter of the 10 per cent duty on stationery. See "South African Trade - Paper", typescript in *ibid*.
 4. John Dickinson and Co. Ltd. to Hewins, 30 January 1905; *ibid*.
 5. Evans to Hewins, 3 April 1911; *ibid*.
 6. See also J. Evans, op. cit., passim; Who was Who, III, 1929-1940; H.H. Bassett (ed.), op. cit., p. 128.

carried on a wide range of engineering activities at home and abroad, but principally constructed and/or supplied the equipment for steam, cable and even horse tramway systems, often retaining an interest in the finished tramway company. After dabbling in electrification themselves in the 1890s, the directors of Dick, Kerr and Co. were prime-movers in the establishment of the English Electric Manufacturing Co. at Preston in 1900. Interlocking directorships between these two and a third firm, the Electric Railway and Tramway Carriage Works, also established at Preston in 1898, enabled the 'group' to supply electric tramways as a composite package. Contracts in which Dick, Kerr and Co. constructed the permanent way and overhead system, EEMCo. supplied the generators, balancers, boosters, switchboards, feeder cables, motors and controllers, and ERTCW provided the rolling stock, were common both at home and abroad. Both EEMCo. and ERTCW were run on modern lines using American managers and foremen, reflecting the dominance of the US in the industry, and were much lauded in the British trade press.¹

In 1903 EEMCo. was merged into Dick, Kerr and Co. and in the following decade the firm began to diversify into alternating current machinery, cranes and hoists, and electric lamps, in addition to carrying on the more traditional business of the old company. Diversification probably saved them from the worst of the ebb of the tramway boom of 1898-1906. Likewise, ERTCW was fortunate in the bankruptcy of its two most disruptive competitors, which, guided by Flett, it acquired from the receiver in 1905 and with them reformed as the United Electric Car Co. But profits were falling in both concerns down to c. 1910-11, and even after a partial recovery were less than half the 1906 level in 1914. But the reduced profits of this period compared well with the losses of several competitors, including some US subsidiaries like British Westinghouse.

Like his associate John Kerr, Flett was a typical member of the indigenous electrical engineering industry in requiring protection and government assistance to erode the lead stolen by German and US firms acting in a more favourable government environment. The trade press frequently advocated tariffs, combination and co-operation. Furthermore, Dick, Kerr and Co. was typical of British firms in its reliance on relatively undeveloped overseas markets, especially the Empire.² There were long-standing connections with India, South Africa, Australia, Canada, Hong Kong, Singapore and parts of Latin America, and still, after 1900, it was the conscious policy of the board to extend its trade with the Empire.

By his death in 1910 Flett was a director of the Metropolitan Amalgamated Railway Carriage and Wagon Co., the Patent Shaft and Axeltree Co., the Projectile Co., the British Aluminium Co., the Rio de Janeiro Tramway, Light and Power Co., the Mexican Light and Power Co., the Monterey Light and Power Co., and the British Engineering Co. (Egypt).³

Though Dick, Kerr and Co. were substantial contributors to the funds, Flett did not give evidence before the Commission and was not a prominent member in other respects.

1. Of particular note was Prof. S.H. Short, technical director of EEMCo., who was not only responsible for factory layout, production systems and even day-to-day running of the company, but also held the patents of many of its best-selling products, including his well-known 'Type 25A' motor.
2. I.C.R. Byatt, "Electrical Products", in D.H. Aldcroft (ed.), The Development of British Industry and Foreign Competition, 1875-1914, (London, 1968), p. 268.
3. See, generally, J.F. Wilson, "The Electrical Engineering Industry in Britain, 1880-1914: with special reference to the Firm of the English Electric Manufacturing Company", unpublished BA thesis, University of Manchester, 1977, passim.

SIR CHARLES JOHN FOLLETT (1838-1921, Kt. cr. 1902) Attendance 71. Solicitor to H.M. Customs since 1878, Follett retired to the West Country in 1903, where he was active in Tariff Reform politics, and there is an indication in a letter to Hewins that he may have been president of the Devonshire branch of the TRL.¹ Occasionally, he also contributed to the fiscal debate in the national press.

Follett had a relative in the Foreign Office who supplied information to assist the Commission's study of most-favoured-nation practice overseas,² and he also produced a memorandum himself, which, though not itself published, provided a framework for later work by Rosenbaum.³ In two other areas his views were less representative of the mainstream of Commission policy and thought. In stressing the necessity of drawbacks and warehousing in bond to a scheme of scientific protection,⁴ he entered a field that Chamberlain and others preferred to leave unmentioned.⁵ Furthermore, though Follett's advocacy of a bounty on wheat was not carried to the point of embarrassing the Commission,⁶ he did object vehemently to the belief of the majority of the Agricultural Committee, voiced in an early draft of the Agricultural Report, that no expansion of wheat growing was possible without a large rise in wheat prices. His view was that a wheat duty would not increase prices if home production was left free.⁷

THOMAS GALLAHER (1839-1927) Attendance 20. Founder chairman and principal shareholder of Gallaher Ltd., employing 200(?)⁸ in 1904; chairman of the Belfast Steamship Co.

The son of a farmer, Gallaher set up as a tobacco manufacturer in Londonderry in the 1850s and transferred operations to Belfast in 1867. Until around 1885 he concentrated on hard and pipe tobaccos, and even when he embarked upon cigarette production he refused for many years to adopt mechanisation. In 1889 he opened a factory at Clerkenwell, and in 1896 the firm was incorporated as a private limited liability company with a capital of £1m. In 1897 the company occupied a large new factory in York St., Belfast, and in that year employed 16 travellers, third only in the UK to W.D. & H.O. Wills and Lambert & Butler. However, at this time Gallaher's business was still concentrated in smoking tobaccos and in the Irish market. In 1898 he became first chairman of the new National Association of Tobacco Manufacturers, from which Wills, the largest UK producer, remained aloof. In 1901, goaded by the fear that American James B. Duke intended to open a factory in Belfast, Gallaher introduced Park Drive, his first machine-made brand. Sales grew steadily.

The period 1900-25 was one of intense rivalry in the industry, beginning with the formation of the Imperial Tobacco Co., led by Wills, to counter the

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1. Follett to Hewins, 6 February 1909; C-633, T.C.P.
 2. Follett to Hewins, 12 November 1904; *ibid.*
 3. C. Follett, "The Most Favoured Nation Clause"; typescript dated 23 November [1904] in *ibid.*
 4. Follett to Hewins, 15 March 1904; *ibid.* Also, "Memorandum by Sir Charles Follett, C.B., on Drawbacks and Warehousing and Manufacture in Bond", Mm. No. 2, 14 March 1904.
 5. Follett noted in 1905 that the Commission had still to consider his proposals.
 6. Follett to Hewins, 30 March 1904; C-633, T.C.P.
 7. Follett to Hewins, 5 November 1906; C-633, T.C.P.
 8. This figure, given in "Members of the Tariff Commission", *loc. cit.*, is almost certainly a misprint.

threat from Duke's American Tobacco Co., and at its close seeing Imperial Tobacco at the peak of its market dominance.¹ Gallaher was one of the principal thorns in the side of the giants, and valued his independence highly. Fearful of the ability of the two combinations, now operating under a market-sharing agreement, to corner the US tobacco crop, he greatly encouraged Irish production and actually bought the entire Irish crop in 1907-8.

Gallagher was interested in developing export markets and gold medals at the American World Fair and the New Zealand Exhibition, as well as the approval of Edward VII, helped overseas sales of quality lines. But he complained of high US tariffs preventing any substantial imports of machine-made cigarettes. Perhaps more directly relevant to his support for Tariff Reform was his outspoken opinion, criticised in the House of Commons, that the British revenue duty on leaf² was too high. Thus he must have welcomed Chamberlain's scheme of reductions in revenue duties to compensate for the imposition of food duties. He was a vice-president of the TRL.³

VICARY GIBBS (1853-1932) Attendance 18. A partner in Messrs. Antony Gibbs and Sons, bankers and merchants, and the brother of Lord Aldenham, Gibbs was called to the bar in 1880 and was Conservative MP for the St. Albans Division of Hertfordshire, 1892-1904. He had written on the currency question in the reviews, a subject which, possibly because of experience in the Latin American trade, seems to have been a family interest.⁴

Based on the export merchant business of Antony Gibbs dating from the 1780s, the firm of Antony Gibbs and Son was founded in 1808, dealing largely with Spain. Trade in wool and cloth had by then expanded into a general merchant trade. By the 1830s the main orientation of the firm was towards South America, several branch houses having been opened there in the 1820s as a result of connections developed through the firm's house in Cadiz. The years 1843-1875 saw the rise of the firm's great guano trade, and in 1865 it began to manufacture sodium nitrate. Over the next sixty years, "either as holders of virgin grounds, as manufacturers on their own account, as agents for manufacturing concerns, as export merchants, or in other capacities", Antony Gibbs and Sons gave nitrate business a prominent place in their activities.⁵ The huge variety of products in the firm's export-import trade did not diminish, however, and it also possessed large industrial, land and mining interests in South America.

Vicary Gibbs joined the firm in 1881, the year it entered into trade with Australia and New Zealand by taking over Gibbs, Bright and Co. of Liverpool, a similar and associated firm founded by the uncle of the original

1. In 1904 Wills alone supplied 48 per cent of the British market, and by 1920-5 their share had risen to around 60 per cent. Gallaher did not live to see the recovery of his company's market share.
2. The duty, falling until 1900, was raised from 2s 8d per lb to 3s in the Boer War, and to 3s 8d in the budget of 1909.
3. See M. Corina, Trust in Tobacco: The Anglo-American Struggle for Power, (London, 1975), especially pp. 52, 75, 79, 105-107, 111-113, 122; B.W.E. Alford, W.D. & H.O. Wills and the Development of the U.K. Tobacco Industry, 1786-1965, (London, 1973), pp. 201-204, 214-215; H.H. Bassett (ed.), op. cit., p. 151.
4. See, e.g., H.H. Gibbs and H.R. Grenfell (ed.), The Bimetallic Controversy, (London, 1886).
5. J.A. Gibbs, The History of Antony and Dorothea Gibbs, (London, 1922), p. 388.

Antony Gibbs and holding important interests in Australian shipping, mining and manufacturing.¹ Working at the Liverpool branch in 1881-3 and in Australia in 1883-4, he was made a partner in 1882. By 1904 the firm had branches at Valparaiso, Iquique, Melbourne, Sydney, Brisbane, Adelaide and Newcastle N.S.W. In the years 1904-22 fourteen more branches were opened in South America, three in Australia and one in New York. D.C.M. Platt counts Antony Gibbs and Sons in a group of four second only in importance to the "great mercantile houses of the nineteenth century", Jardine Matheson, Butterfield & Swire, Guthrie and Rallie Bros.² Total employment at home and overseas in 1922 was over 650.

In spite of high Latin American tariffs, the area was in many respects the classic 'neutral' market, and British firms, especially Gibbs and Sons, had long-standing advantages. On this account, Vicary's sympathy with Tariff Reform and Imperial Preference is at first sight surprising. It may be, however, that the firm regarded the Australian market as possessing greater potential for expansion.³ And it may be that the family's strong Conservative leaning, and Vicary's own position as a Conservative MP, was the determining factor in an otherwise evenly balanced matter.⁴

ALFRED GILBEY (1859-1927) Attendance 113. Director of W. and A. Gilbey Ltd., employing 1,200 in 1906; High Sheriff of Buckinghamshire, 1906.

W. and A. Gilbey started as a retail wine merchant in Oxford St. in 1857, concentrating on South African wines until the treaty with France in 1860, then specialising in selling clarets at low prices. This pioneering of the trade in low-priced wines led Gladstone to describe the firm as the "openers of the wine trade ... outside and above the rank of ordinary commercial houses".⁵ As business grew and the firm increased its market through local 'agencies', usually grocers who were granted a district monopoly of Gilbey's products, the London buyers began to enter direct negotiations with French growers, thus bypassing intermediaries. In 1875 a Bordeaux vineyard was purchased and re-equipped.

1880, the year in which Alfred Gilbey was admitted as a partner, saw the beginning of the long decline of British consumption of French wines, Gilbeys diversified their own production into spirits, acquiring three malt distilleries in 1887, 1895 and 1904, though it was not until 1905 that the firm was persuaded by fashion to blend malt and grain whiskey. There was also a large export trade, especially to the Antipodes and the Americas. Ninety per cent of the Australian trade in dry gin was in Gilbeys's hands,⁶ supplied from the firm's Camden Town distillery.

In 1906-7 the firm had 3,850 agents in the UK. There were large

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1. Through connections with this firm Antony Gibbs and Sons had been engaged in the Liverpool cotton trade in the period 1820-1850. See D.M. Williams, "Liverpool Merchants and the Cotton Trade, 1800-1850", in J.R. Harris (ed.), Liverpool and Merseyside, (London, 1969), p. 191.
 2. D.C.M. Platt, Latin America and British Trade, 1806-1914, (London, 1972), p. 139.
 3. For indirect evidence in support of this, see *ibid.*, p. 138.
 4. See, generally, J.A. Gibbs, *op. cit.*, *passim*; D.C.M. Platt, *op. cit.*, pp. 26, 47, 51, 138-139, 147, 295; H.H. Bassett (ed.), *op. cit.*, p. 156.
 5. Quoted in Sir Herbert Maxwell, Half-A-Century of Successful Trade: W. & A. Gilbey, 1857-1907, (priv. pub., London, 1907), p. 32.
 6. Alfred Gilbey often complained of the effects of Australian tariffs on the business. See Gilbey to Hewins, 25 January 1904; W. and A. Gilbey Ltd. to Hewins, 4 November 1907; C-203, T.C.P.

bonded and duty-paid warehouses in London, and offices and storage facilities in Edinburgh, Glasgow, Dublin, Portugal, Spain and France. Total capital invested in the business was some £2.5m.¹

Gilbey had contested South Bucks. as a Liberal in 1886. He was an active speaker and correspondent in the fiscal debate. By 1913 he was a director of Barclay's Bank.

SIR WILLIAM JOSHUA GOULDING (1856-1925, Br. cr. 1904) Attendance 23. Chairman of W. and H.M. Goulding Ltd., manufacturers of chemical manures and chemicals in Dublin; chairman of the Great Southern and Western Railway of Ireland; High Sheriff of Dublin in 1906 and of Co. Kildare in 1907.

Though heavily involved with the Irish branch of the Tariff Reform League and though helpful in organising the Agricultural Committee's trip to Dublin, Goulding's attendance at Commission meetings was sparse but for Agricultural Committee business. Though pressed by Hewins, he did not give evidence before the Agricultural Committee, and surviving records suggest that he did not do so in the case of the stillborn report on the chemical industry either.

By 1913 he was deputy chairman of the Fishguard and Rosslare Railways and Harbours Co., and a member of the Dublin board of the Northern Assurance Co. In 1916 he was chairman of the Property Losses Committee (Ireland). By his death in 1925 he was chairman of the Irish Railway Clearing House and a director of the National Bank Ltd., and had been a senator for Southern Ireland.²

WILLIAM HENRY GRENFELL MP, 1st BARON DESBOROUGH, cr. 1905 (1855-1945) Attendance 72. Conservative MP for Wycombe Division of Buckinghamshire, 1900-5; chairman of Thames Conservancy Board; Owner of 12,000 acres.

Grenfell had been MP for Salisbury in 1880 and 1885, and for Hereford in 1892, resigning his seat to become private secretary to Sir William Harcourt when at the Exchequer. He was High Sheriff of Buckinghamshire in 1890 and Mayor of Maidenhead in 1895-7.

As a 'whole hogger' Grenfell was used by Hewins to keep Balfour acquainted with the Commission's work. He saw Tariff Reform as the only viable alternative to the policies of the new Liberal administration: "One will have to fight for Tariff Reform v. Socialism and should think one might as well do it sooner as later", he wrote after the budget of 1909.³ Nevertheless, he did not expect Tariff Reform to transform the agricultural situation. Declining to increase his Commission subscription in 1911 he remarked, "these manufacturers who are going to reap all the benefit [from Tariff Reform] ought to pay up a bit - the time for coming on landowners has gone by".⁴ The effects of the revival of agricultural prices were lessened by increased taxation and the introduction of death duties by the Liberals. "The [Home] Farm pays its way now", admitted Grenfell in 1913, "but there is

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1. Sir H. Maxwell, op. cit., passim.
 2. H.H. Bassett (ed.), op. cit., p. 163; Who was Who, II, 1916-1928; Goulding to Ponsonby, 11 and 15 July 1905; Goulding to Hewins, 1 December 1911; C-137, T.C.P.
 3. Desborough to Hewins, 9 April 1909; C-198, T.C.P.
 4. Desborough to Caillard, 23 April 1911; ibid.

no income to live on".¹

Sometime chairman of Buckinghamshire Chamber of Agriculture, Grenfell was vice-president of the Central and Associated Chambers in 1906 and president in 1907. But his experience was not exclusively agricultural. There was a substantial urban-industrial element in the Wycombe electorate, and in 1904-5 Grenfell had been surprised by the Liberal and non-conformist opposition to Tariff Reform in the constituency, especially amongst the chairmakers who were hard hit by foreign competition. Subsequently he was to be president of London Chamber of Commerce, and in 1914 he accepted the presidency of the British Imperial Council of Commerce, a body formed on the outbreak of war to maintain links between the chambers of commerce and boards of trade of Empire countries and to encourage Empire trade.

Like the Gibbs, the Grenfells had a family interest in the currency question, though one perhaps more detached. Grenfell's uncle was chairman of the General Council of the British Bimetallic League,² and he himself contributed articles on the subject to the reviews. Wishing to keep Tariff Reform and bimetalism divorced from each other as far as was possible, he was fearful that increases in gold output since 1896 would lead to an inflation that "will be attributed to Tariffs, when we get them, and make them unpopular".³ Grenfell himself does not appear to have been closely connected with the famous merchant banking and acceptance house of Morgan Grenfell and Co., but the close family connection should obviously be borne in mind when considering family interest. The house of Grenfell provided three directors of the Bank of England between 1830 and 1914, including H.R. Grenfell, the bimetalist mentioned above, who was Governor in 1881-1883.⁴

FREDERICK LEVERTON HARRIS MP (1864-1926) Attendance 57. Conservative member for Tynemouth, 1900-6; for Stepney, 1907-10; for East Worcestershire, 1914-18; member of Harris and Dixon, a London shipping firm; director of the National Discount Co. Ltd.;⁵ director of the Indian Collieries Syndicate Ltd., of London; director of the Metropolitan Electric Supply Co. Ltd.

The family firm of Harris and Dixon were London shipowners, established under another name in 1797. They are known to have had trading links with the Near East. Little is known of Leverton's business career, other than that he entered the firm in 1882, became a director (probably when the firm became a limited liability company) and amassed a "considerable fortune".⁶ How close was his involvement with the day-to-day running of the firm whilst he was in the House of Commons is unclear.

In 1914 Leverton entered the Trade Division of the Admiralty. Soon

1. Desborough to Hewins, 28 April 1913; *ibid.*
2. R. Barclay, The Disturbance in the Standard of Value, (London, 2nd Edn., 1896), p. iv. H.R. Grenfell was Governor of Bank of England from 1881.
3. Desborough to Hewins, 7 November 1906; C-198, T.C.P. See also, generally, Grenfell to Hewins, 21 May 1904 and 7 November 1904; circular letter from Desborough to secretaries of chambers of commerce, 25 September 1914; *ibid.*; H. Pelling, Social Geography of British Elections, 1885-1910, (London, 1967), p. 74.
4. R.J. Truhtil, British Banks and the London Money Market, (London, 1936), pp. 38, 143-144.
5. Founded in 1856, this was the oldest of the three public companies which, together with about twenty partnerships, made up the London discount market in 1913. See R.S. Sayers, Gilletts in the London Money Market, 1867-1967, (London, 1968), pp. 3, 4-5, 110.
6. DNB.

he was head of the Department of Restriction of Enemy Supplies at the Foreign Office, and a member of the Privy Council. In 1916-18 he was parliamentary secretary to the Minister of Blockades. The American Ambassador in London described him as the little known man "who really makes the blockade ... This gentle, resolute, quiet man sits guardian at all the gates of Germany."¹

Harris was a close personal friend of Austen Chamberlain.²

JOHN MITCHELL HARRIS (1856-1927) Attendance 42. Managing director of Charles and Thomas Harris and Co., bacon curers of Calne, employing 246 in 1904; managing director of the West of England Bacon Co., of Redruth, employing 28 in 1904.

Most of Harris's output was for the home trade: he found that tariffs kept his exports to foreign countries small, though the colonial trade was good where tariffs were not excessive. British imports had risen ninefold between 1866-70 and 1901-3, US and Danish produce being prominent. The bacon trade had "suffered more heavily than any other industry from foreign competition".³

At Glasgow Chamberlain proposed to exclude bacon from duty because it was the basic meatstuff of the poor. Harris, worried about increasing foreign penetration into the British market and about a discriminatory system in which bacon was exempt whilst other meats were taxed, immediately corresponded with Chamberlain and obtained his assurance that the outline scheme was still open to consideration. This probably secured Harris a place on the Commission. In his own words, "I decided that though temporarily opposed to some of Mr. Chamberlain's published proposals, there would be nothing inconsistent in accepting the invitation, seeing that on broad lines I was in sympathy with Fiscal Reform".⁴ Urging that bacon had been replaced by cheap frozen meats as the staple meat of the poorer classes, he convinced a favourably-disposed Agricultural Committee of the validity of his case, and in due course Chamberlain accepted the change.⁵

WILLIAM HARRISON (1861-1940) Attendance 19. Chairman of Harrison, McGregor and Co. Ltd., of Leigh, Lancashire, makers of harvesting and food-processing machinery.⁶ In mowers, self-rakes, reapers and binders, the firm experienced strong competition from US and Canadian rivals, both at home and abroad. Production of reapers and binders, perhaps in the whole range of agricultural engineering the most crucial area of the applicability of the 'American system', has been shown by Saul to have been the scene of Britain's greatest

1. Walter Hines Page, quoted in ibid.
2. See also, Kilburn, Brown and Co. to Harris, 5 April 1905; C-295, T.C.P.; H.H. Bassett (ed.), op. cit., p. 180; Who was Who, II, 1916-1928; A. Chamberlain, Politics From Inside: An Epistolary Chronicle, 1906-1914, (London, 1936), p. 502.
3. Agricultural Report, para. 1104.
4. Ibid., para. 1111.
5. See also Who was Who, II, 1916-1928.
6. There was virtually no foreign competition in food-processing machinery in the British market, though internal competition was keen. Such equipment was produced in the slack season for agricultural machinery.

failure.¹ In 1900 British output of harvesting machinery was less than 10 per cent of that of McCormick's alone. Harrison, McGregor and Co. were apparently one of only two British firms to manufacture self-binders.² Though the scale of the firm's activities was tiny compared with giants like International Harvester,³ Harrison's evidence nevertheless suggests a well-run firm employing modern methods of standardisation and with a healthy commitment to overseas markets: sales had risen steadily from 2,357 harvesting machines in 1886 to 9,227 in 1906 and the firm had a branch house in France. But Harrison painted a uniform picture of Britain's poor third place in the markets of the world - in Europe, Australasia and South America - and he regretted the British industry's ability to secure only 50-60 per cent of the home market. Though admitting the willingness of American manufacturers to adopt designs to local conditions and to pursue aggressive sales methods, he thought the significant factor to be the larger scale and lower unit costs achieved by protection of the home market.⁴ Influenced by the formation of International Harvester and his own experience of unit cost reductions as output was increased, Harrison desired a rise in the share of the UK market held by British firms, and in this he mirrored that approach to large scale and 'continuous running' typical to the Commission and given such emphasis in its deliberations right from the early days of the enquiry into iron and steel.⁵ Thus a 10 per cent duty, allowing his firm an estimated output of 12-15,000 machines per year, would result in "lower prices for both the home trade and for the trade in the neutral markets".⁶

Harrison was president of the Agricultural Engineers' Association and sometime vice-president of the Royal Agricultural Society.⁷

SIR ALEXANDER HENDERSON MP, 1st BARON FARINGDON, cr. 1916 (1850-1934, Bt. 1902). Liberal Unionist MP for West Staffordshire, 1898-1906, a constituency in which some 25 per cent of the electorate were miners, and

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1. S.B. Saul, "The Market and the Development of the Mechanical Engineering Industries in Britain, 1860-1914", Economic History Review, 2nd Series, XX, 1967, reprinted in S.B. Saul (ed.), Technological Change: The United States and Britain in the 19th Century, (London, 1970), pp. 154-155; S.B. Saul, "The Engineering Industry", in D.H. Aldcroft, The Development of British Industry and Foreign Competition, 1875-1914, (London, 1968), pp. 210-212.
 2. The other being Hornsby and Sons.
 3. International Harvester produced an annual average of 91,000 binders alone in 1902-11. See C. McCormick, The Century of the Reaper, (Boston, 1931), p. 121.
 4. Engineering Report, paras. 641, 647, 649.
 5. See above, ch. 5. There can be no doubt of the intuitive appeal of this argument when related to agricultural engineering. Even Saul, who holds no sympathy for the protectionist case in the early 1900s, regards American mass production methods as "in themselves a reflection of favourable home market conditions". See his "Engineering Industry", loc. cit., p. 211.
 6. Engineering Report, para. 650. Throughout his evidence Harrison gave the impression of an industry experiencing intense competition, and, consequently, of one in which very marginal price reductions would have considerable effect. A 10 per cent duty would have raised the price of an imported binder from about £20 to about £22, and Harrison saw this as allowing a £1-2 reduction in selling price of the home-produced binder within one or two years.
 7. See, generally, Engineering Report, paras. 638-651; Who was Who, III, 1929-1940.

the rural vote contained a "considerable arable element".¹ The seat was lost to the Liberals in 1906 and regained by the Unionists in 1910, though not by Henderson. Subsequently he was MP for St. George's Hanover Square, 1913-1916.

Elected a member of the London Stock Exchange in 1872, Henderson was a partner (one newspaper styled him as "Head") of the "great stockbroking firm" of Greenwood and Co.,² chairman of the Great Central Railway, and a trustee of the Central Produce market of Buenos Aires. From 1888 to 1902 he had been a director of the Manchester Ship Canal Co. Ltd., providing the critical link between Manchester and Barings in the raising of preference share capital for the enterprise.³ In 1913 he was chairman of the Humber Commercial Railway and Dock Co. and a director of the Sheffield and South Yorkshire Navigation Co.

Henderson was a member of the Anti-Socialist Union, and sometime member of its council. Formed in 1908, the organisation was composed predominantly of Conservatives. Though there were therefore many Tariff Reformers in its ranks, Tariff Reform was never an official objective of the A.S.U., it being intended as a "non-party" movement to unite all anti-socialist interests and opinions.⁴ As far as is known, Henderson was the only Tariff Commission member who was a member of the A.S.U. In 1921 he was a member of the Geddes Committee, appointed by the cabinet to cut some £100m. from the supply services.⁵

SIR ROBERT GEORGE WYNDHAM HERBERT (1831-1905) Attendance 100. Educated at Eton and Balliol and called to the Bar in 1858, Herbert went almost immediately to Queensland, where he acquired large landed interests and became a member of the colony's legislative council and its first premier. Returning to England in 1867 he served briefly in the Board of Trade and the Colonial Office, before being made Permanent Under-Secretary of State for the Colonies in 1871. Retiring from the Colonial Office in 1892, he was Agent-General for Tasmania in 1893-6. In 1899 he returned to the Colonial Office at Chamberlain's request but his stay was for only a few months: "More tactful than decisive in temperament and now sixty-eight, he was not suited ... to the ... pressure and complexity in office work".⁶

Known widely for his charm and tact, and related to the Earl of Caernarvon, Herbert was, like his successor Sir Robert Meade, "socially superior to the other Colonial Office civil servants".⁷ But he was also noted for his wide knowledge of colonial affairs: Chamberlain said of him in the Commons that he was "the only person living who knows really intimately the whole of this [South African] question".⁸ In 1894 he was made chairman of the executive committee of the British Empire League, an appointment demanded by the Duke of Devonshire before he would himself accept the

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1. H. Pelling, *op. cit.*, p. 195.
 2. Sheffield Daily Telegraph, 18 December 1903, p. 8.
 3. I am indebted to my colleague, Douglas Farnie, for this information.
 4. K.D. Brown, "The Anti-Socialist Union, 1908-49", in K.D. Brown (ed.), Essays in Anti-Labour History, (London, 1974), p. 246.
 5. P.K. Clyne, "Eric Geddes and the 'Experiment' with Businessmen in Government, 1915-1922", in *ibid.*, p. 99. See also, generally, Who was Who, III, 1929-1940; H.H. Bassett (ed.), *op. cit.*, p. 190.
 6. R.V. Kubicek, The Administration of Imperialism: Joseph Chamberlain at the Colonial Office, (Durham N.C., 1969), p. 40.
 7. *Ibid.*, p. 38; see also DNB.
 8. Quoted in Sir Edward Clarke, The Story of My Life, (London, 1923), p. 347.

presidency. Herbert was still chairman in 1900 and probably took an active part up to his death in 1905.¹

A faithful Commission member, Herbert described his "policy" in Who's Who as "Free Trade via Protection".² There is some evidence that his chairing of the Commission was less than perfect, but his attendance was assiduous.

SIR ALFRED HICKMAN MP (1830-1910, Bt. 1903) Attendance 18. Chairman of Alfred Hickman Ltd., employing in 1904 1,463 in coal mining at Haunchwood Collieries, Nuneaton, and 3,019 at iron and steel works in Belston; ex-president of the British Iron Trade Association; member of council of the Iron and Steel Institute and the Mining Association of Great Britain.

Described as "one of the great iron and coal magnates of England",³ Hickman came from an iron-producing district not noted for its progressive response to late nineteenth century conditions. Inheriting control of the family iron business from his father, he was "a latecomer into the heavy steel industry", purchasing Bessemer plant only in 1883 upon the voluntary liquidation of the Mersey Steel and Iron Co. and the Phoenix Ironworks.⁴ Nevertheless, there are indications that Hickman was one of the more progressive Staffordshire ironmasters. Amongst steel men, he was one of the relatively few enthusiastic supporters of technical education, and he installed mechanical coal-cutting machinery into his mines around the turn of the century in an (unsuccessful) attempt to achieve American productivity levels.⁵

Hickman was Conservative MP for Wolverhampton West, 1885-6 and 1892-1906. The constituency had such a large middle class new villa element that the Liberals had not contested it in 1885, and though Hickman lost the seat in 1906 he retained 49.2 per cent of the poll, making his defeat the most marginal in the Black Country. The seat reverted to the Conservatives in 1910.⁶

Although Hickman claimed to be a 'true free trader' in the sense that he believed the iron trade did not want protection "if they could have general free trade in return",⁷ he was certainly prepared to use his influence as an MP to maintain Britain's artificial advantages in the Empire. In criticising Indian Secretary George Hamilton's defence of the purchase of German and US locomotives by some Indian railways around the turn of the century, he was straightforward enough to state "explicitly ... his personal interest - the [British] locomotive firms were important consumers of steel".⁸

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1. G.T. Denison, The Struggle for Imperial Unity, (London, 1909), pp. 212, 272, 299.
 2. Who was Who, I, 1897-1915.
 3. Sheffield Daily Telegraph, 18 December 1903, p. 8.
 4. C. Erickson, op. cit., p. 148.
 5. R.H. Heindel, The American Impact on Great Britain, (Philadelphia, 1940), p. 217. In 1913 only 7.7 per cent of Britain's coal was cut by machine. See A.J. Taylor, "The Coal Industry", in D.H. Aldcroft (ed.), op. cit., p. 57.
 6. H. Pelling, op. cit., pp. 184, 202-203.
 7. See above, p. 207.
 8. F. Lehmann, "Great Britain and the Supply of Railway Locomotives of India: A Case Study of 'Economic Imperialism'", Indian Economic and Social History Review, II, 1965, p. 300, 300 n.

SIR ALFRED LEWIS JONES (1845-1909, KCMG cr. 1901) Attendance 12. Senior partner of Elder, Dempster and Co.; chairman of the British Bank of West Africa; proprietor of Elders Navigation Collieries Ltd.; in effective control, through Elder, Dempster, of the African Steam Ship Co. and the British and African Steam Navigation Co., the Interinsular Steam Ship Co. (Canary Is.) and many wholly- and partly-owned subsidiaries of Elder, Dempster.

For 18 years a never-well-paid clerk with Fletcher and Parr, Liverpool agents of the African Steam Ship Co., Jones formed a company of his own in 1878. When this expanded its activities to include chartering steamers, ASSCo and the British and African Steam Navigation Co. took fright, and the agents of the latter, Elder, Dempster and Co., offered him a junior partnership. Shortly afterwards Elder, Dempster assumed managerial responsibility for BASNCo.¹ In 1884, in manoeuvres still shrouded in mystery,² Jones became senior partner in Elder, Dempster. He endeavoured to maintain good relations with ASSCo, now the chief rivals of BASNCo and Elder, Dempster, and in 1891 Elder, Dempster became the firm's managing agents as they had earlier for BASNCo.

In 1895 Jones arranged a conference system to regulate competition in the West African trade, and made it effective shortly afterwards by agreements with the most important merchant groups, the Royal Niger Co. and the African Association. From then until his death he had an effective monopoly in West African shipping. He acquired ancillary services on the West African coast and established the British Bank of West Africa, more important for its assistance to his other enterprises than for its profit record. In 1901 he formed the Liverpool West African Syndicate Ltd. to hold concessions in African mines, quarries, factories and railways. He was almost sole owner of two steam-coal mines in Glamorgan, and operated cartage, oil storage and ship's chandler businesses in Liverpool. But such activities were always complementary to his main interest: in 1905 Jones controlled 95 ships totalling 265,405 tons, and in 1909 101 ships of 301,361 tons.

Jones' support of late nineteenth century imperialism certainly attracted criticism, though it was often "impossible to separate his altruism from his self-interest".³ His positive role in developing the economy of the Canary Is. seems to have been welcomed by the local business community, and it appears that Jones was prepared to make heavy losses on the West Indian trade when persuaded by a Colonial Secretary for whom he had high regard. He was also criticised for the high profits that the deferred rebate under the conference allowed, and the monopoly of the West African coal and cement trade enjoyed by Elder, Dempster. But it is Davies's opinion that Jones attempted to minimise the potential abuse of his monopoly position and that he did by and large retain the goodwill of the Liverpool West African merchants.⁴ He was president of Liverpool Chamber of Commerce when he joined the Tariff Commission, and was founder of the Liverpool School of Tropical Medicine. In 1902 he was founder, and first president, of the British Cotton Growing Association, which sought to encourage cotton growing within the Empire to reduce Britain's dependence on American sources of supply.⁵

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1. It is suggested by Davies that Jones may have been responsible for this. See P.N. Davies, Alfred Jones: Shipping Entrepreneur Par Excellence, (London, 1978), p. 31.
 2. Ibid., pp. 35-38.
 3. Ibid., p. 104.
 4. Ibid., ch. 6.
 5. See, generally, ibid., passim; P.N. Davies, The Trade Makers: Elder Dempster in West Africa, 1852-1972, (London, 1973), chs. 3-6; P.N. Davies, "Sir Alfred Jones and the Development of the West African Trade", M.A. Thesis, University of Liverpool, 1964; A.H. Milne, Sir Alfred Lewis Jones, (Liverpool, 1914), passim; DNB.

ARTHUR KEEN (1835-1915) Attendance 8. Chairman of Guest, Keen and Nettlefold Ltd., employing 17,715 in 1904; director of Bolckow, Vaughan and Co., employing 14,700 in 1904; chairman of the London, City and Midland Bank.

Little is known of Keen's early career, other than that he was the son of a farmer and made his own way in business.¹ By 1899 he was chairman of the Patent Nut and Bolt Co., a firm founded in 1853 and having works in Birmingham making nuts and bolts and in West Bromwich making railway fastenings. Though the firm owned blast furnaces, a forge and a foundry at Cwmbran, it had no steel-making capacity. This led to the amalgamation, in 1900, with the historic Guest interests of South Wales - the Dowlais Iron Co., and Guest and Co. of Cardiff. Guest, Keen and Co. had an original capital of £2.53m, of which £1m represented PNB. All the voting stock was held by Lord Wimborne² and his family and the PNB shareholders. In 1902 the concern acquired Nettlefolds, the leading UK wood-screw makers and a competitor in some of PNB's products, and Crawshay Bros, of Cyfarthfa. Issued capital was raised to £4.53m, making GKN the fifteenth largest UK company, dwarfed in metals and engineering only by Vickers and Armstrong Whitworth.³

Keen himself saw the amalgamation as having been of great benefit in enabling the company to hold its own in the period of stiff competition in small manufactures between 1898 and 1904. The company tended to stay aloof from price-fixing associations,⁴ an attitude perhaps feasible only because of its competitive efficiency, and maintained more because the associations were unwilling to meet GKN's conditions of entry than because of any matter of principle. It is noteworthy that, after a bold invasion of the German screw market, Keen was satisfied with the consequent international agreement between screw manufacturers drafted in 1905. The company owned foreign ore mines and, probably because of Keen's frequent visits to American manufacturers,⁵ was quick to innovate new methods. Steel output may have slightly exceeded 450,000 tons in 1904, making the firm probably the biggest of those combines of British heavy steelmakers carried through in 1898-1904. According to Carr and Taplin, "Much of Guest, Keen and Nettlefold's success must be attributed to the initiative, commercial foresight and managerial ability of Arthur Keen himself".⁶

Bolckow, Vaughan and Co. was one of the great innovators of basic Bessemer in Britain, laying down its first four 15-ton basic converters at Eston in 1880. Though basic Bessemer was abandoned in favour of basic open hearth in 1911 because of the common British problem of technical control, the company had in the meantime grown through internal expansion, judicious integration and diversification, and dominance of local mineral rights. Though some subsidiaries were acquired in the 1890s and 1900s, expansion was largely internally generated and in the early twentieth century the company had an enviable profit record.⁷

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1. C. Erickson, op. cit., p. 18.
 2. Son of Sir John Josiah Guest.
 3. P.L. Payne, loc. cit., Table 1, p. 539.
 4. There is some disagreement over whether GKN participated in the association seeking to control steel rails. See D.L. Burn, The Economic History of Steelmaking, 1867-1939, (Cambridge, 1940), p. 342. cf. J.C. Carr and W. Taplin, History of the British Steel Industry, (Oxford, 1962), p. 268.
 5. R.H. Heindel, op. cit., p. 215.
 6. J.C. Carr and W. Taplin, History of the British Steel Industry, (Oxford, 1962), p. 268.
 7. See, generally, ibid., pp. 97, 191, 215-216, 259, 266-268, 291; and D.L. Burn, The Economic History of Steelmaking, 1867-1939, (Cambridge, 1940), pp. 224, 229, 310, 342.

JAMES JOHNSTONE KESWICK (dates unknown) Attendance 20. Retired(?) partner in Jardine, Matheson and Co., China merchants; chairman of the Rio Tinto Co.; director of Bengal Iron and Steel Co. and East India Coal Co.

Established in 1819 and rising quickly to a pre-eminent position amongst Far Eastern trading and shipping companies, Jardine, Matheson's manifold interests were spread throughout the Orient, often through a network of shipping, insurance, mining and trading subsidiaries,¹ but it appears that China always lay at the centre of its interests. The leading opium trader in the 1840s, the company was by the 1860s and 1870s moving out of opium and, indeed, moving out of trading on its own account to a substantial extent, concentrating instead on commission business and on managing agencies and the provision of shipping, insurance, banking and harbour facilities. As it became obvious that Japanese-style westernisation was unlikely in China, and that concessions in Chinese railways, manufacturing industry and military contracts depended on close co-operation with a reluctant and procrastinating bureaucracy, the firm sought to improve its relations with Chinese officials by contracting for loans, either alone or in consortia. The firm's role has been stated to have been "closer to current concepts of technical and financial aid for economic development than to late nineteenth-century concepts of economic imperialism",² but the firm's perennial problem was that offers of such assistance were frequently rejected by a late Ch'ing government ever seeking 'self-strengthening' without westernisation.

Little is known of Keswick's precise internal role within the firm, except that he was head of the Shanghai branch in the 1880s and of the Hong Kong branch later, at which time he was also a member of the legislative council of Hong Kong. He was frequently involved in important negotiations on loans and railway concessions with the Chinese government. By 1904 he appears to have ceased in active management of the company, probably having retired.

IVAN LEVINSTEIN (1845-1916) Attendance 20. Managing director of Levinstein Ltd., of Blackley, Manchester; vice-president of the Society of Dyers and Colourists; past-president of Manchester Chamber of Commerce (resigned 1904); past-president of the Society of Chemical Industry; director of the Ammonia-Soda Co. (after 1908).

An immigrant German Jew, Levinstein started manufacturing dyestuffs on a small scale in 1864, specialising in aniline dyes and making some of his own intermediates. In 1885 he exhibited 106 dyes and intermediates, and he had a reputation for scientific ability perhaps unparalleled in the British industry. In 1887 manufacture was transferred to the Delauney works, later to be the main plant of ICI's dyestuffs division. Shortly afterwards, in an attempt to raise capital, he sold the major interest in his firm to the German giants Bayer and AGFA, keeping only one third of the £150,000 capital himself. Given that all the major shareholders and virtually all the scientific staff were German, and that in consequence I. Levinstein and Co. Ltd. possessed agreements for the use of German patents on direct cotton dyes, the firm has been described as an "outpost" of the German dye industry

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1. G.C. Allen and A.G. Donnithorne, Western Enterprise in Far Eastern Economic Development: China and Japan, (London, 1954), pp. 35-36. F.E. Hyde, Far Eastern Trade, 1860-1914, (London, 1973), p. 130.
 2. E. Le Fevour, Western Enterprise in Late Ch'ing China: A Selective Survey of Jardine, Matheson & Company's Operations, 1842-1895, (Cambridge, Mass., 1968), p. 4.

in this period.¹ The arrangement never worked well, perhaps on account of Levinstein's abrasive personality and his tendency to put back virtually all the profits into the business, and Levinstein bought out the German interests in 1895-1897. Short of capital and ploughing back at as high a rate as possible, the new firm of Levinstein Ltd. paid no share dividend in the years 1900-1914 and twice, in 1905 and 1910, secured the consent of debenture holders to default on interest.

Nevertheless the firm had a sound scientific-technological base with a wide product range and was generally recognised as technically efficient. By 1900 it had 20 chemists and was one of the two largest dyestuffs manufacturers in the UK, making all of its intermediates itself. Levinstein's aggressive business spirit even extended to two "semi-piratical forays" into alkali to "discomfit" Brunner Mond, and it would appear that Brunner Mond made at least one attempt to recruit him onto their board.² By 1914 Levinstein Ltd. had an annual output of 700 tons of intermediates, some 5,000 tons of dyes, and a product range of over 150 colours. Levinstein then valued the firm at £300,000.

Levinstein was a ceaseless campaigner for the improvement of British scientific education and, for a time, a governor of Owen's College in Manchester. His own scientific abilities were considerable and his firm was scientifically more independent than other British dye-makers. Nevertheless he was accused of underpaying his chemists and being unable to keep staff.³

A harsh critic of the 1883 Patents Act, unduly favourable to foreign patent holders who did not manufacture the patented product in Britain or grant licences to British manufacturers, Levinstein spent much time and money in the courts and out on patent law reform. It was largely due to his persistence that Lloyd George's act of 1907 was passed. This led to retaliation by German firms which had previously purchased Levinstein's intermediates, and by 1914 the firm was still operating well below capacity.

About 1914 Levinstein handed control to his equally abrasive son, Herbert. Production of intermediates increased tenfold in the War. In 1917 the company was valued at £1.7m and produced nearly 70 per cent of British aniline dyes output. In 1918, at Government instigation, it was merged with British Dyes Ltd. into the British Dyestuffs Corporation, subsequently one of the four constituents of the ICI merger of 1926.⁴

SIR WILLIAM THOMAS LEWIS Bt., 1st BARON MERTHYR, cr. 1911 (1837-1914), Bt. 1896) Attendance 6. Colliery proprietor and chairman of various colliery companies in South Wales; president of the Mining Association of Great Britain, 1881; sometime president of the Institution of Mining

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1. W.J. Reader, Imperial Chemical Industries: A History, vol. I, The Forerunners, 1870-1926, (London, 1970), p. 261.
 2. Ibid., p. 261. Levinstein was chairman and principal shareholder of Murgatroyd and Co., ammonia-soda producers, in the early 1890s, and on the board of the Ammonia-Soda Co. after 1908. Neither had good relations with Brunner Mond and both were taken over by them. See ibid., pp. 111, 234.
 3. Ibid., p. 261.
 4. See, generally, ibid., pp. 111, 234, 261-263, 276-280; L.F. Haber, The Chemical Industry during the Nineteenth Century, (Oxford, 1958), pp. 166-168, 190, 199-200; L.F. Haber, The Chemical Industry, 1900-1930, (Oxford, 1971), pp. 148, 186, 190, 192.

Engineers; sometime president of the South Wales Institute of Engineers; president (1908) and vice-president (1904) of the Iron and Steel Institute; member of council of the Institute of Mechanical Engineers; chairman of the Mellingriffith Tinsplate Co. and director of other Welsh iron and steel firms.

The son of an engineer, Lewis worked his way up from assistant engineer until, in 1881, he was given complete control of the Marquess of Bute's estates in South Wales. He undertook the expansion and streamlining of Cardiff docks to meet the great rise of the steam coal trade, and was made managing director of the Bute Dock Co. when it was formed in 1887. His proprietary interest in the South Wales coal industry came through marriage, and his technical competence in mining led to his serving on several Royal Commissions in the 1870s and 1880s. Later he was drawn into the iron and steel industry, being much concerned with the modernisation of the industry in South Wales and the introduction of basic Bessemer. He can perhaps justifiably be regarded as the dominant industrial force in late-nineteenth-century South Wales.

A large employer of labour, Lewis was closely involved in labour relations, and was the architect of the sliding scale introduced by the Monmouthshire and South Wales Coal Association in 1875. For 18 years he was chairman of the committee which administered this scale. Subsequently he sat on the Royal Commissions on Labour (1891-4) and Trade Combinations and Trade Disputes (1903-6), and was much involved in Taff Vale and its aftermath.

Though supporters credited Lewis with doing much to improve labour relations, education and social welfare in the South Wales coalfield,¹ labour leaders such as Keir Hardie were of very different opinion, and shareholders of colliery companies too sometimes resented his autocracy and his dominance of the Monmouthshire and South Wales Coal Owners' Association.² Labour historians prefer the second alternative, seeing Lewis as an "unrelenting enemy of trade unionism",³ and his selection for the 1903-6 Commission as "provocative" to labour.⁴ Lewis also had connections with Collison's National Free Labour Association, was one of the initiators of the Free Labour Protection Association of 1897, and was a member of the Liberty and Property Defence League.⁵

Lewis contested Merthyr Tydfil as Conservative candidate in 1880. He seldom attended Tariff Commission meetings.

ROBERT LITTLEJOHN (d. 1920) Attendance 71. Little is known of Littlejohn except that he was general manager of the African Banking Corporation from 1891 to 1900, and a director thereafter.⁶ As the board met in London 1900 probably was the year in which Littlejohn returned to England.

The ABC was established in South Africa in 1891, taking over much of

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1. DNB: C. Wilkins, The History of the Iron, Steel, Tinsplate and Other Trades of Wales, (Merthyr Tydfil, 1903), dedication on p. iii.
 2. R.P. Arnot, South Wales Miners: 1898-1914, (London, 1967), pp. 48-49, 63, 175.
 3. H.A. Clegg, A. Fox and A.F. Thompson, A History of British Trade Unions since 1889, vol. I, 1889-1910, (Oxford, 1964), p. 171.
 4. Ibid., p. 324.
 5. Ibid., pp. 171, 173; N. Seldon, "Laissez Faire as Dogma: The LPDL, 1884-1914", in K.D. Brown (ed.), Essays in Anti-Labour History, (London, 1974), pp. 223 n., 224 n.
 6. Who was Who, II, 1916-1928.

the staff, premises and business of the Cape of Good Hope Bank, the largest local bank in Cape Town and district, which failed in 1890 with liabilities of over £2m. The Corporation also established a branch at Lagos at the request of Elder, Dempster, and received the monopoly of importing newly-minted silver into British West Africa.¹ But, reluctant to commit itself too heavily to West Africa when it was in serious rivalry with the Standard Bank in South Africa, the Corporation sold the Lagos branch to Alfred Jones' new Bank of British West Africa in 1893.²

Meanwhile the ABC was expanding its activities in South Africa. It absorbed the Western Province Bank, the Kaffrarian Bank and the Worcester Commercial Bank in 1891-2. Though "well-conducted and successful",³ the ABC always stood in the shadow of its larger rival, the Standard Bank, and in the depression after World War I the two were amalgamated. At this time the ABC's deposits stood at about £7.5m.

CHARLES LYLE (1851-1929) Attendance 27. Chairman of Abram Lyle and Sons Ltd., sugar refiners of Mincing Lane, E.C., employing 803 in 1904; connected with the Lyle Shipping Co. Ltd., shipowners of Greenock.

Lyle's father, a shipowner, had been a partner in the Glebe Sugar Refining Co. of Greenock since 1865. At some time Charles and a brother became partners. In 1880 the Lyles sold their interest in Glebe to the other partners and in 1882 Abram Lyle and Sons was founded. Five of Abram's six sons were involved in the business, and by 1880 Abram had effectively handed management over to them. In 1881-2 a new refinery was built on the Thames, Charles moving to London to supervise construction and installation of machinery. Trouble with the new factory and a huge continental beet sugar crop nearly led to crisis when the Bank of Scotland pressed for payment of a loan obtained to finance expansion, but the crisis was weathered and from "then on the business forged ahead, and Lyle's Golden Syrup became a household word".⁴ By 1900 all six brothers had moved to London, presumably leaving non-family managers to run the Lyle Shipping Co. in Greenock.

Charles became chairman in 1904, replacing an elder brother, and retired in 1909, being succeeded by a younger brother. For unknown reasons he returned out of retirement in the years 1916-1926. The merger with Henry Tate and Co. Ltd. took place in 1921, and Charles Lyle's son was chairman from 1923-1938 and president thereafter.

Charles' evidence before the Commission testified to the long decline of the British sugar refining industry under the onslaught of foreign tariffs and bounties. Though he was optimistic that the new Sugar Convention, though imperfect, would help revival, he felt the improvement of trade in the early 1900s was due more to natural market conditions. He wanted protection of the home refining industry and encouragement of both West

1. J.A. Henry, The First Hundred Years of the Standard Bank, (London, 1963), pp. 111-112; P.N. Davies, Alfred Jones, *op. cit.*, pp. 9, 56.
2. This probably led to W.T. Newlyn and D.C. Rowan's mistaken view that the ABC was "short-lived". See Money and Banking in British Colonial Africa, (Oxford, 1954), p. 35. For the story of the takeover see R. Fry, Bankers in West Africa: The Story of the Bank of British West Africa Ltd., (London, 1976), pp. 19-22.
3. J.A. Henry, *op. cit.*, p. 233.
4. G. Fairrie, The Sugar Refining Families of Great Britain, (privately printed, London and Liverpool, 1951), pp. 4, 8, 11-16, 27.

Indian cane sugar- and British beet sugar-growing.¹ But Chamberlain's promise to make compensating reductions in revenue duties left 'official' Tariff Reform policy in the years after 1903 uncertain. In 1910 Lyle wrote to Hewins of the disaffection amongst sugar refiners being caused by the public speeches of Chaplin and Walter Long, in which the original Chamberlain plan of abolition of sugar duties was being resurrected.² His fears were not quietened. In 1911 he wrote "... I am not at all pleased with the attitude the Unionist Party has taken on the question of Food Taxes. If we are to have protection at all it must be accorded to all trades without distinction; if matters are to be arranged otherwise than I, for one, am a Free Trader".³

A. WHITE MACONOCHIE MP (1855-1926) Attendance 26. Managing director of Maconochie Bros. Ltd.; chairman of Maconochie's Solderless Tinning Syndicate Ltd.; Liberal Unionist MP for East Aberdeenshire, 1900-1906.

By 1900 Maconochie Bros., "one of the largest" meat packing and preserving firms in the UK,⁴ had canneries at Fraserburgh and Milwall, and subsequently branches were opened in Lowestoft and Stornaway. Maconochie's Solderless Tinning Syndicate Ltd., which changed its name to the Solderless Tin Co. Ltd. in January 1905, was presumably a subsidiary to the meat packing business. Its voluntary liquidation in November 1907 may reflect a situation where it was no longer felt necessary to carry on the two activities separately.⁵

Maconochie's surprising election victory in 1900, given the strong Liberal tradition of the Scottish county constituencies, has been put down to the fact that the Liberal candidate was a pro-Boer,⁶ and Maconochie was defeated in 1906. Thereafter he contested the Partick Division of Lanarkshire as a Conservative in 1910 and 1911, and the Wednesbury Division of Staffordshire in 1918.⁷

HENRY D. MARSHALL (d. 1906) Attendance 18. Managing director of Marshall, Sons and Co. Ltd., Britannia Works, Gainsborough; director of British Engineers' Alliance Ltd.; director of J. and H. Gwynne (Engineers) Ltd.; director of Shireoaks Colliery Co.;⁸ member of council, Institution of Mechanical Engineers, Agricultural Engineers' Association, Royal Agricultural Society.

Founded in 1856, Marshall's was by 1914 "one of the giants of British engineering",⁹ employing 550 in 1870, 2,000 in 1892 and 5,000 in

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1. Sugar Report, paras. 115-125.
 2. Lyle to Hewins, 11 January 1910; C-1154, T.C.P.
 3. Lyle to Burbidge, 23 June 1911; *ibid.*
 4. Sheffield Daily Telegraph, 18 December 1903, p. 8.
 5. See Register of Defunct and Other Companies Removed from the Stock Exchange Official Yearbook, (London, 1963 edn.), p. 447; B. Semmel, Imperialism and Social Reform, (London, 1960), p. 102.
 6. H. Pelling, op. cit., p. 394.
 7. Who was Who, II, 1916-1928.
 8. Sheffield Daily Telegraph, 30 December 1903, p. 8.
 9. S.B. Saul, "The Engineering Industry", loc. cit., p. 207.

1913. By the latter date it employed approximately twice as many men on agricultural machinery as did Ransome's of Ipswich or Ruston's of Lincoln. The firm manufactured a relatively narrow range of agricultural machinery, concentrating on portable steam engines, traction engines and threshing machines, making it one of "several large firms in the eastern counties [which] achieved striking success both at home and overseas in those lines most in keeping with British engineering traditions".¹

Saul counts Marshall's as belonging to a group of progressive firms using modern methods and machine tools along lines of standardised manufacture. Certainly, as early as 1885 the firm used milling machines and twist drills extensively.² Whether the firm's overseas sales methods were as well-ordered and effective as those of Ransome's is uncertain,³ but the firm had large and well-established export markets in Europe (especially Russia) and the colonies. In spite of the fact that the company did not manufacture reapers and binders, competition from International Harvester was being felt increasingly in overseas markets, though foreign competition in the home market was negligible. One motive for the firm's support of Imperial Preference may well have been the hope of preventing the rise of indigenous industry in colonies such as Australia: nevertheless it admitted that such development was in its infancy.⁴

Marshall did not attend meetings after July 1904 and died in 1906.

WILLIAM H. MITCHELL (1853-1929) Attendance 26. Director of William Fison and Co. Ltd., worsted spinners and manufacturers, of Burley in Wharfedale, Yorkshire; Senior vice-president of Bradford Chamber of Commerce (1904); member of Executive Committee of the Association of Chambers of Commerce of the United Kingdom (1904) and vice-president, 1907 and 1911; chairman of Bradford Piece Dyeing Board; member of Royal Commission on Shipping Rings, 1906-9.

Mitchell's evidence before the Commission stressed the damage done to the British worsted industry by foreign tariffs, and he advocated duties of 10-20 per cent, arguing that increased output would prevent prices from rising.⁵ Though active in local Tariff Reform

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1. S.B. Saul, "The Market and the Development of the Mechanical Engineering Industries ...", loc. cit., p. 152.
 2. Ibid., pp. 153-154.
 3. For Ransome's, see R. Munting, "Ransomes in Russia: An English Agricultural Engineering Company's Trade with Russia to 1917", Economic History Review, 2nd Series, XXXI, 1978, pp. 257-269.
 4. Engineering Report, paras. 1225-1228. In the case of Victoria, 60 per cent of the market for farm machinery was supplied by Australian producers in the early twentieth century. The more complicated appliances were, however, generally imported. See I.W. McLean, "Anglo-American Engineering Competition, 1870-1914: Some Third-Market Evidence", Economic History Review, 2nd Series, XXIX, 1976, pp. 453-4.
 5. Woollen and Worsted Report, paras. 1597-1625, especially 1619-1623.

politics,¹ he had little to do with the Commission after the completion of the Woollen and Worsted Report.²

ALFRED MOSELY (1855-1917) Attendance 122.

Little is known of Mosely's business life, except that he began it as a diamond digger in Kimberley, and thereafter settled in London. In 1904 he still carried on the business of a diamond merchant.³ He is best remembered, however, for his organising and financing of unofficial 'commissions' to investigate US industrial and educational conditions.

Mosely's industrial commission, perhaps the most important of the delegations of 'tariff-trippers' which went abroad early in the new century,⁴ was inspired by his own observation, made when travelling abroad, that "America is forging ahead at a pace hardly realised by either British employer or workman".⁵ It has been suggested that Mosely was more impressed by the 'American system', and particularly the merits of piece rates and 'scientific management', than were the 23 representatives of labour who accompanied him, and that organised labour "would have preferred an inquiry into distribution rather than production".⁶ This perhaps exaggerates the differences of opinion between Mosely and his fellow-travellers: certainly the reports of the delegates coincide frequently with that of Mosely himself, especially on the shortcomings of British management.⁷ As the Economist noted, the Report's recommendations were rather vague, but perhaps at the centre of them was the desire to promote better employer-employee relations, to improve management and to inject a new co-operative spirit into employers.⁸ There was also a plea for improved elementary and technical education, foreshadowing the later visit of the Education Commission. Mosely's high opinion of US education made him reluctant to accept Hewins's dismissal of technical education in the 'reduction' process.⁹

SIR ANDREW NOBLE (1831-1915, Bt. 1902) Attendance 6. Chairman of Sir W.G. Armstrong, Whitworth and Co. Ltd., employing 22,395 in 1904; sometime president of the Employers' Federation of Engineering Associations.

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1. D. Lee, "The Tariff Reform Campaign, 1903-1906: The Political Debate in Leeds and Bradford", (undergraduate BA thesis, University of Manchester, 1977), pp. 18-21.
 2. See also Who was Who, III, 1929-1940.
 3. Sheffield Daily Telegraph, 18 December 1903, p. 8.
 4. R.H. Heindel, op. cit., p. 213.
 5. Mosely Industrial Commission, Reports of the Delegates, (Manchester 1903), p. 5.
 6. R.H. Heindel, op. cit., pp. 213-214.
 7. E.g., Mosely Industrial Commission, op. cit., pp. 13-20 cf. 5-12.
 8. Economist, 25 April 1903, pp. 733-735.
 9. See below, p. 212.

Noble, a man of considerable scientific ability, became a partner of Sir W.G. Armstrong in 1861, by which date he had already had considerable experience on government committees on arms and ordnance whilst serving as an artillery officer: "Already he was beginning to display that mixture of scientific acumen and boundless energy that within a few years was to make him one of the world's greatest authorities on artillery".¹ Soon after the merging of the Elswick Ordnance Works and the Elswick Engine Works into Sir W.G. Armstrong and Co. in 1864, the firm was building warships as well as Armstrong's renowned rifled artillery and hydraulic equipment. It went public in 1875 with a nominal capital of £2m.

The purchase of Sir Joseph Whitworth and Co. Ltd. in 1897 perhaps saw Armstrong Whitworth at its maximum dominance in the British arms industry. In 1897-1914 90 per cent of the firm's output was from the armaments branch. Noble had become effective head long before Armstrong died in 1900, but it was only after that date that the boardroom feud between the Noble family and the Rendel family, originating in the 1880s, seems to have become really bitter. A hard worker himself, Noble was said to find delegation difficult and expert advice unwelcome. The main criticisms were in Noble's handling of financial and commercial affairs rather than technical: "in engineering and shipbuilding Elswick stood [in 1903] as high as ever".²

Both historians of Vickers regard Armstrongs after 1903 as technically and commercially sluggish. In a sense, the firm may be poorly served by studies which chart the progress of its main rival. Much of the evidence seems to stem from the anti-Noble faction on Armstrong's board, and it must be remembered that the origin of discontent may have been jealousy.³ But it does appear that it became almost the expectation at Elswick to be bested by Vickers, and that more and more Armstrongs entered into "a co-operative style of operations" with a young rival which "got very much the best of the bargain" in the market-sharing agreements of 1906-13.⁴ It may be that in his determination to demonstrate the entrepreneurial vigour of Vickers in the years before 1914 Trebilcock has exaggerated the deficiencies of a rival "too old and too rich".⁵ According to Irving, Armstrongs' financial record until 1907 was "unequivocally good", ordinary dividends after 1897 falling below 15 per cent only in the years 1908-10.⁶ Furthermore the firm's reluctance to diversify away from armaments, hydraulic engineering and shipbuilding into newer lines such as automobiles were financially rational because of the higher returns on the traditional lines.⁷ This is not to deny, however,

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1. D. Dougan, The Great Gunmaker: The Story of Lord Armstrong, (Newcastle, 1970), p. 92.
 2. J.D. Scott, op. cit., p. 94.
 3. Over Armstrong's choice of Noble to manage the Ordnance Department in the 1880s. The Rendels, family friends of Armstrong, felt from that date that they were being pushed out of management of the company.
 4. C. Trebilcock, op. cit., pp. 95-96.
 5. Internal Vickers' memorandum, quoted in ibid., p. 31.
 6. R.J. Irving, New Industries for Old? Some Investment Decisions of Sir W.G. Armstrong, Whitworth & Co. Ltd., 1900-1914, Business History, XVII, 1975, pp. 151-153.
 7. Ibid., passim.

that boardroom weaknesses, and at times financial irregularities¹ were present in the company, and that the irascible Noble was in no small part responsible for their perpetuation.

Noble ceased active participation in Elswick in 1911.² He was only a very occasional attender of Tariff Commission meetings.³

CHARLES ALGERNON PARSONS (1854-1931, KCB cr, 1911) Attendance 18. Proprietor of C.A. Parsons and Co., of Heaton, Newcastle-on-Tyne, employing 880 in 1904; managing director of Parsons' Marine Steam Turbine Co. Ltd., employing 300 in 1904; director (earlier managing director) of Newcastle and District Electric Co. Ltd., Cambridge Electric Supply Co. Ltd., and Scarborough Electric Supply Co. Ltd.

The youngest of six sons of the third Earl of Rosse, Parsons was brought up in a family that had the inclination and means for private scientific experiment. Inclined more to the practical than the speculative, he joined Armstrong's Elswick works as a 'premium apprentice' after studying mathematics at Cambridge in 1877. In 1884 he left Elswick to become a junior partner in Clarke, Chapman and Co. of Gateshead. In 1884 he produced the world's first turbo-generator. By 1887 his turbo-generator lighting sets were being installed in warships for several navies and were being adapted for land-based use: some 100 were in service.⁴

The partnership was dissolved in 1889 and C.A. Parsons and Co. established, a small works on a two-acre site and with a staff of 48. Much of the firm's early work was in building turbo-alternators for town electricity supply, early contracts being for the Newcastle and District Electric Lighting Co., the Metropolitan Electric Supply Co. and the Cambridge Supply Co. Perhaps one of the firm's most prestigious advertisements was the supply of two 1,000 kw turbo-alternators to Elberfeld Corporation, in 1900 "the largest and most efficient prime-movers existing".⁵ But demand was greater than the firm could meet, and rather than expand it granted licences.⁶ By the outbreak of war Parsons' turbo-alternators with a capacity of 11,000 kw were common, and a 25,000 kw machine had been installed in a Chicago power station. The early years of C.A. Parsons and Co. were successful in spite of the fact that Parsons was deprived of his own patents for axial-flow turbines between 1889 and 1894, and had to

1. Ibid., pp. 162-163.
2. According to Trebilcock, this followed the "commercial equivalent of a palace revolution" (op. cit., p. 147). It seems to have been due to the executive directors drawing large sums in salaries and commissions without the knowledge of the board and in apparent contravention of the Articles of Association: see Irving, loc. cit., pp. 162-163.
3. See also DNB; Who was Who, I, 1897-1915.
4. R.H. Parsons, The Early Days of the Power Station Industry, (Cambridge, 1939), p. 171.
5. R. Appleyard, Charles Parsons, (London, 1933), p. 51.
6. The Westinghouse Machine Co. was granted the licence for US installations in 1895, and Brown, Boveri and Co. that for Europe in 1901.

develop the radial-flow turbine to compete with his earlier designs, the rights to which were held by Clarke, Chapman and Co.

In 1894 the Marine Steam Turbine Co. was formed with Parsons as managing director. On the success of the famous Turbinia, this company sold all its assets, including the ship and Parsons' marine patents, to the Parsons Marine Steam Turbine Co. Ltd., established in 1897 with a nominal capital of £500,000. At the same time C.A. Parsons and Co. was made into a private limited company.

The success of the Turbinia led directly to the installation of turbines in small naval vessels, and eventually to turbine-propulsion in large ships such as Dreadnought, Mauretania and Lusitania. From 1905 on the turbine was adopted by the Admiralty for the main engines of all its ships. As earlier in power station equipment, Parsons Marine was by 1903 granting licences to leading UK engineering and shipbuilding firms.

By 1931 the Heaton works occupied 20 acres and employed over 2,000. It is far from clear how profitable the business was in the pre-1914 period, however. Certainly, Parsons seems to have been relatively uninterested in maximising either firm's profits or his own income from the various concerns in which he participated, as is shown by his involvement with the Marine Steam Turbine Co. Ltd. of 1894-1897.¹

Parsons also had subsidiary interests in the production of optical lenses and mirrors, produced at the Heaton Works.²

SIR WALTER PEACE (1840-1917, KCMG cr. 1897) Attendance 42, Peace went to Natal in 1863, where he carried on business as an import merchant and shipper until 1879. Having taken an active interest in public affairs there, he became on his return to England the Natal Government Emigration Agent and agent for the Natal Harbour Board. In 1893-1904 he was Agent-General for the Natal Government in London.

When in Natal Peace was Belgian consul (1870-1879) and Portuguese vice-consul (1870-1878). His interest in improving UK trade intelligence is reflected in his selection as one of the original members of the Advisory Committee of the Board of Trade.³

CYRIL ARTHUR PEARSON (1866-1921, Bt, 1916) Attendance 45. Proprietor of the Daily Express, Standard (after 1904) and other newspapers; chairman of the TRL, July 1903 to March 1905; vice-president of the TRL.

Joining the staff of George Newnes' Tit-Bits in 1884, Pearson rose

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1. R. Appleyard, op. cit., pp. 87-88.
 2. See, generally, R.H. Parsons, op. cit., ch. 10; R. Appleyard, op. cit., passim; Who was Who, III, 1929-1940.
 3. Who was Who, II, 1916-1928.

meteorically to become manager. In 1890, by which time he was also manager of the Review of Reviews, he left Newnes to start Pearson's Weekly, financed by £3,000 from a partner. Six years later the partnership was converted into a limited company with a capital of £400,000. The Daily Express, Pearson's answer to Harmsworth's Daily Mail, first appeared in 1900. Though the paper was generally pro-Unionist, its intended appeal was patriotism and Empire rather than party. In securing E.E. Williams to write protectionist articles in the Express as early as 1900, Pearson anticipated in a general way Chamberlain's crusade, and it was really Tariff Reform that first committed the paper heavily to partisanship in a political issue. Indeed, it has been suggested that Tariff Reform was the only political issue upon which Pearson had strong feelings,¹ and he was one of the main organising forces behind the creation of the TRL.

After 1904 Pearson left the running of the Express to others, though for several years he supervised policy. Late in 1904 he bought the Standard and Evening Standard, previously the supporter of the Unionist Free Traders and "... a powerful enemy in our ranks and very much more harmful than an open foe ... It has still a great hold among the sober thinking classes and particularly among businessmen, for its commercial intelligence has always been looked upon as the very best".² In the first decade of the twentieth century Pearson also controlled the Birmingham Daily Gazette, Birmingham Evening Dispatch, St. James' Gazette, Leicester Evening News, North Mail, Midland Express and Newcastle Weekly Leader. In 1907 he attempted to gain control of the Times.

It is suggested by his biographer that the impatient and impetuous Pearson tired of the losing battle for Tariff Reform after 1906,³ though as late as 1910 Pearson claimed that he was spending large amounts on Tariff Reform and his newspapers remained staunch advocates until he sold his interests in them.⁴ But there were times when the Pearson press started wayward campaigns of their own, advocating departures from 'official' Tariff Reform policy, to the embarrassment of the Commission and the League. After the 1910 elections, as Pearson's glaucoma developed and his work for the blind increased, he rather lost touch with the Commission.

Chamberlain called Pearson "the greatest hustler" he had ever known.⁵ At the same time his capacity for the intricate was limited, and his biographer in the DNB thought him unfitted to guide public opinion.⁶ Rather, he "was a man of action. Abstract propositions left him cold".⁷

SIR WESTBY BROOK PERCEVAL (1854-1928, KCMG cr. 1894) Attendance 34. Born in Tasmania and educated in New Zealand, Perceval was called to the Bar in 1878 and practised law in Christchurch. He represented Christchurch in the New Zealand parliament from 1887 to 1891. Coming to London in 1891, he was Agent-General for New Zealand until 1896 and for Tasmania from then until 1898. He published on farming and forestry in New Zealand.⁸

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1. S. Dark, Life of Sir Arthur Pearson, (London, n.d. [1922?]), pp. 13-14, 95.
 2. Pearson to Chamberlain, 12 October 1904; quoted in ibid., p. 114.
 3. S. Dark, op. cit., pp. 14, 125-126.
 4. Pearson to Burbidge, 11 January 1910; C-176, T.C.P. Pearson sold his interests in the Standard in 1910 and the Express in 1912.
 5. Quoted in DNB.
 6. DNB.
 7. S. Dark, op. cit., p. 6.
 8. Who was Who, II, 1916-1928.

CHARLES JAMES PHILLIPS (1852-1930) Attendance 84. Deputy chairman of Watney, Combe, Reid and Co. Ltd., employing 1,430 in 1904.

The Mortlake Brewery, said to have been founded in 1487, came into the hands of the Phillips family around 1846. A succession of scarce-remembered partnerships ended with a take-over by Watney and Co. Ltd. in 1889. Charles Phillips and a brother were appointed directors, Charles later becoming managing director, 1890-1898. In 1898 Watney and Co. amalgamated with two other long-established London breweries, Combe and Co. Ltd. and Reid's Brewery Co. Ltd., under the chairmanship of Cosmo Bonsor of Combe's. Charles Phillips became managing director of the new company from 1898 to 1902, and deputy chairman from then until 1925.¹ Output was increasingly concentrated at the Mortlake brewery. In 1905 the firm was, by capitalisation, the second largest UK company, with an authorised capital of £15m,² but this was written down in 1906 and not restored to the 1905 value until 1925. Forced after 1880 to enter a competitive race to secure licensed houses by purchase, Watneys, like other brewery companies, experienced poor financial results in the years before 1914. In 1906 and 1907 the firm declared a poor 3 per cent dividend, and then nothing until 1917. But this concealed large-scale purchasing not only of the freeholds or leaseholds of individual public houses, but also of many smaller breweries along with their own tied houses,³ a policy which was to hold the company in good stead once the First World War had transformed the situation in the brewing industry. And, in spite of poor dividends the firm was in this period "quietly extending their influence outside London"⁴ with the purchase of breweries in Hastings (1911) and Sevenoaks (1912), agencies in Middlesex, Surrey, Essex, Kent and Sussex, and with the expansion of bottled-beer capacity. In the few years before 1914 output hit a fairly steady plateau of about 1m barrels per year.

JOSEPH RANK (1854-1943) Attendance 38. Founder and Governing Director of Joseph Rank Ltd., flour-millers, employing 326 in 1904.

Born into a family of farmers turned millers and inheriting only £500 under his father's will, Rank was able through a succession of makeshift arrangements to accumulate enough capital to build his first steam-powered roller mill in Hull in 1885 and his first large mill in 1890-1. The Clarence Mills, among the first in the UK to use a triple-expansion engine, were, according to the firm's history, "without a doubt the finest corn mills in the country",⁵ and along with Rank's two smaller mills they put him amongst the largest millers in Britain. By the late 1890s there were three mills on the Clarence St. site, with an output of 100 sacks per hour. In 1899 Joseph Rank Ltd. was formed with a capital of £700,000. Soon afterwards agencies were established in London and Cardiff in an attempt to compete with direct flour imports from America and Austria-Hungary, and plans were laid to build mills on the Victoria Dock in London and at Barry Docks in Cardiff. In 1905 Rank moved to London, now headquarters of the company. He was sole director until 1907, when his son and a third

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1. Who was Who, III, 1929-1940.
 2. P.L. Payne, loc. cit., p. 539.
 3. See W.P. Serocold (ed.), The Story of Watneys, (priv. pub., 1949), pp. 14-15, 19, 25-28, for detailed information on acquisitions in the period 1888-1911.
 4. H. Janes, The Red Barrel: A History of Watney Mann, (London, 1963), p. 153.
 5. H. Janes, The Master Millers: The Story of the House of Rank, (London, n.d. but c. 1955), p. 34.

director were added. The first decade of the twentieth century was one of rapid growth. Mills were opened at Birkenhead in 1913, and by 1914 capital stood at £1.6m. The company prospered in the World War in spite of a government policy of zoning which favoured inland mills at the expense of port mills.

The backcloth to Rank's expansion was a large increase in competition from roller mills in Hungary and America, which were not only technically efficient but were suspected of dumping.¹ This competition could be met only by astute buying, innovations in blending foreign, colonial and British flours, and milling several grades simultaneously in the roller process, all methods pioneered by Rank, though not by him alone.

Rank had much of the mid-Victorian Liberal about him: he was by nature an individualist and was even fearful that the Tariff Reform he supported would encourage trustification. At the same time his Spencerian belief in ruthless efficiency and the concentration of British output in the hands of the port millers² led to a cold attitude towards the constant suggestions for national agreements on output and prices, yet characteristically his Methodist's concern for "the miller as a man" led to his advocacy of a benevolent society for distressed millers.³ But, like many millers threatened by imports which frequently left surpluses of home-milled flour on the market, he was constantly annoyed at the inability to export because of foreign tariffs, and he looked also to the day when the Empire would be self-sufficient in wheat: "no wheats mix better with our home grown wheats than those of Canada, India, and Australia", he reminded the millers' trade association in 1904.⁴

ROBERT HENRY STURROCH READE (d. 1913) Attendance 23. Chairman and managing director of York Street Flax Spinning Co. Ltd., Belfast, employing 4,385 in 1904; director of Belfast and Northern Counties Railway Co.; member of the Northern Counties of Ireland Committee of the Midland Railway; president of Linen Merchants' Association, 1876; president of Flax Spinners' Association, 1888-1894; president of Flax Supply Association, 1893-5; president of Belfast Chamber of Commerce, 1893-5, and vice-president in 1904; member of council of the Department of Agriculture and Technical Instruction of Ireland (by 1913).

The York Street mill, a large concern capitalised at £650,000 in 1913, was situated in Belfast, the most progressive centre of linen manufacture in the UK after 1850. Ireland possessed some 81 per cent of total spindles and 62 per cent of looms in the UK industry on the eve of the First World War.⁵ Reade was a prominent Ulster Unionist, being chairman of the South Antrim Unionist Association and a member of the standing committee of the Ulster Unionist Council.⁶

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1. R.G. Burnett, Through the Mill: The Life of Joseph Rank, (London, 1945), p. 52.
 2. See, generally, H.W. Macrosty, "The Grainmilling Industry: A Study in Organisation", Economic Journal, XIII, 1903, pp. 324-334 and pp. 536-543.
 3. R.G. Burnett, op. cit., pp. 129-131.
 4. Rank, before the National Association of British and Irish Millers, 16 June 1904, quoted in ibid., p. 135. See also pp. 131-132.
 5. A.E. Musson, The Growth of British Industry, (London, 1978), p. 210.
 6. See H.H. Bassett (ed.), op. cit., p. 338; Who was Who, I, 1897-1915; Sheffield Daily Telegraph, 19 December 1903, p. 9.

SIR GEORGE LISLE RYDER (d. 1905) Attendance 3. Ryder entered the Treasury in 1852 and was made principal clerk in 1882. He was made Auditor of the Civil List in 1894 and chairman of the Board of Customs in 1899.¹ When he retired in December 1903, it appears that he had already given Chamberlain covert assistance in the First Campaign,² and there is slight evidence that Austen Chamberlain, then at the Exchequer, had been involved in recruiting him for the Commission.³

It appears that some customs officials, including Ryder and Sir Thomas Pittar,⁴ had been waging war against Treasury orthodoxy for some time.⁵ In July 1903 they advocated broadening the basis of taxation and raising £13m additional revenue by retaining Boer War emergency taxes and taxing foreign imports of food and drink at 2 per cent and 4 per cent respectively, with a half-rate for colonial goods. Only if emergency taxes had to be repealed need a 7 per cent duty on manufactures be contemplated.⁶ A slightly later paper proposed an alternative method by which compensating reductions in existing revenue taxes would lower the domestic price of food and at the same time offer the possibility of reciprocity and retaliation. The suggestion of 7 per cent on manufactures was repeated, this time with the possibility of a 14-21 per cent fighting tariff, though it was hoped that the latter could be kept in reserve and not used.⁷

When Ryder joined the Commission he submitted a lengthy memorandum to Hewins on its methods and objects, which interpreted Chamberlain's intention to exclude examination of colonial preference to mean that the Commission was "appointed to work out the 'retaliation' or 'reciprocity' branch of the scheme, by devising a system of import duties on foreign manufactured goods which will carry out the policy of Mr. Balfour's 'Economic Notes'".⁸ On finding that he was alone in taking this narrow view of the Commission's purpose, he urged that consideration of food duties should at least be deferred since the government "already possesses more information about them than we are likely to obtain".⁹ Shortly after this Ryder, still unhappy that the Commission regarded taxation of food within its province, and by now also concerned that much of its work might simply duplicate existing government research and that its questionnaires sought information on drawbacks and warehousing in bond that British firms could not possibly supply,¹⁰ went on a continental holiday. When he returned the Iron and Steel Report was in proof, but he declared himself unable to "commit myself to recommending those different Tariffs for Iron and Steel goods without much more explanation than is given in the Report".¹¹ Shortly afterwards he tendered his resignation.

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1. Times (obituary), 1 July 1905.
 2. J. Amery, Life of Joseph Chamberlain, VI, Joseph Chamberlain and the Tariff Reform Campaign, (London, 1969), p. 455.
 3. Sandars to Balfour, 17 December 1903; Add. Mss. 49761, Balfour Papers.
 4. Principal of the Board of Customs Statistical Office and editor of the official returns, 1889-1900, and Ryder's successor. See Who was Who, II, 1916-1928.
 5. G.L. Ryder, "Notes on the arguments in Treasury letter of 9 June 1899, against Tariff discrimination in favour of British colonies", dated 19 February 1902; copy in Add. Mss. 49780, Balfour Papers.
 6. G.L.R[yder], J.A.K., T.J.P[ittar], "Mr. Chamberlain's Scheme of Preferential and Protective Duties", 4 July 1903; copy in *ibid.*
 7. Supplement to above dated 13 July 1903; copy in *ibid.*
 8. G.L. Ryder, "Mr. Chamberlain's Tariff Commission of 1904; Its Objects, and Methods of Procedure", p. 1; typescript in C-322, T.C.P.
 9. Ryder to Hewins, 17 January 1904; *ibid.*
 10. Ryder to Hewins, 27 February 1904 and 19 March 1904; *ibid.*
 11. Ryder to Hewins, 15 July 1904; *ibid.*

SIR CECIL CLEMENTI SMITH (1840-1916) Attendance 28. Educated at Cambridge and entering the colonial civil service by competitive examination, Smith went to Hong Kong in 1862 and served in several civil service offices. In 1878 he was promoted to Colonial Secretary of the Straits Settlements. After a short spell as Lieutenant-Governor and Colonial Secretary of Ceylon he returned to the Straits Settlements in 1887 as Governor. In 1889 he was appointed HM High Commissioner and Consul-General for Borneo and Sarawak. He retired in 1893.

A member of the advisory committee of the Imperial Institute, Smith was to serve as head of the British delegations to the International Opium Commissions at Shanghai in 1909 and at the Hague in 1911.¹ He had little impact on Tariff Commission business.

SIR CHARLES TENNANT (1823-1906, Bt. 1885) Attendance 0. Head of Charles Tennant, Sons and Co. Ltd., chemical manufacturers, and of a multitude of subsidiary companies; president of United Alkali Co. Ltd.; chairman of Union Bank of Scotland; chairman or director of many gold mining, explosives, insurance, railway and even oil companies.²

Tennant's grandfather had started to manufacture bleaching powder in 1788 and had introduced the Leblanc process to his St. Rollox works in 1818. By the 1830s St. Rollox was the largest chemical plant in Europe, works had been established in Lancashire and on Tyneside, and the Tennant empire had spread into railways and shipping. Charles was made a partner in the London and Glasgow branches of C. Tennant and Co. in 1843, as well as in Tennant, Clow and Co. (later Tennants Lancashire Ltd.). He succeeded his father as head of the firm in 1878.

Long before this he had greatly increased the range of business interests of the family. In the 1840s he speculated in railways and Australian land, laying the basis of a personal fortune, and later acquired interests in marine engineering and Trinidad cocoa and sugar estates. By now adept in company formation, he organised a group of British alkali-makers into the Tharsis Sulphur and Copper Co. Ltd. (1866) to take over the working of what were to be for the next 40 years the most profitable copper mines in the world.³ It was the development of the cyanide process of extraction at Tharsis⁴ which so helped Charles' gold-mining interests to overcome what were often uncertain beginnings: the Mysore Gold Mining Co. and the Goldfields of Mysore Ltd., both formed by Charles in the 1880s, paid dividends of more than 100 per cent in 1896-1905, and brought him around £2m, putting "the crown upon his fortunes".⁵ Charles was also a director of Nobel's Explosives Ltd., and was made chairman of the reconstructed company in 1900.

Acknowledged by objective scholars to have been "one of the earliest and most skilled of experts in the handling of company business" and "able

1. Who was Who, II, 1916-1938.
2. See also the list of companies of which Tennant was chairman (14), deputy chairman (2), or director (11), in N. Crathorne, Tennant's Stalk: The Story of the Tennants of the Glen, (London, 1973), p. 234.
3. For the full history of Tharsis see S.G. Checkland, The Mines of Tharsis, (London, 1967), especially pt. II.
4. The patent for this process was bought by another of Charles' companies, the Cassel Gold Extraction Co., in 1887.
5. N. Crathorne, op. cit., p. 141.

to think and act on the new scale" demanded by the late nineteenth century, Tennant was a pioneer in "bringing together the industrial and commercial north of Britain and the finance of the City of London".¹ By his old age he was perhaps losing this adroitness.² In the struggle between Leblanc and Solvay Charles was looked upon as leader of the fight against Brunner Mond. With a large capital tied up in the old method and with an assured supply of sulphur from Tharsis, he became "both the master and the captive of the Leblanc process".³ The last ditch of defence against Solvay came in 1891 with the formation of some 50 Leblanc concerns into the United Alkali Co. Ever since Charles had assumed control of St. Rollox its alkali had been declining, and employment had been halved to 600.⁴

In 1879-1885 Tennant held two Scottish seats as a Gladstonian Liberal, but was defeated in 1886 by a Liberal Unionist. His impact in the Commons was as slight as that on the Tariff Commission - in seven years he only made one speech and asked two questions. Angered by Harcourt's death duties and experiencing a growing sentiment for Empire in the Boer War, his conversion to protection greatly embarrassed his daughter Margot who had married Asquith in 1894.

FRANCIS TONSLEY (dates unknown) Attendance 14. President of the National Association of Master Bakers and Confectioners.

SIR JOHN TURNEY (1839-1927, Kt. cr. 1889) Attendance 1. Chairman and managing director of Turney Bros. Ltd., leather manufacturers of Trent Bridge, Nottingham, employing 675 in 1904; chairman of Burrough's Adding and Registering Machine Co. Ltd.; director of Raleigh Cycle Co. Ltd.; chairman of Hall's Glue and Bone Works Ltd.

Turney had wide business interests in the Nottingham area. He had been three times Mayor of Nottingham in the late 1880s. In 1913 he was chairman of the Clifton Colliery Co., Digby Collieries Co., Murray Bros. Ltd., Thomas Evans and Son Ltd., Walsall Glue Co. Ltd. and the South London Cleaning Co. Ltd., and deputy chairman of the local board of the Alliance Assurance Co. He was also chairman of two committees of Nottingham Corporation.

The family firm of leather manufacturers had been turned into a limited company in 1889, initial capital being £120,000. It is possible from their long-standing acquaintance that it was Charles Booth who persuaded Turney

1. S.G. Checkland, op. cit., pp. 100-102.
2. Ibid., p. 101.
3. N. Crathorne, op. cit., p. 142.
4. On the battle between Leblanc and Solvay and the United Alkali Co. see H.W. Macrosty, Trust Movement ..., op. cit., pp. 187-194, which charts the dismal financial results of the combination; L.F. Haber, Chemical Industry in the Nineteenth Century, op. cit., chs. 7, 9, 10, especially pp. 180-5, which takes a rather more charitable view; P.H. Lindert and K. Trace, "Yardsticks for Victorian Entrepreneurs", in D.N. McCloskey (ed.), Essays on a Mature Economy: Britain after 1840, (London, 1971), pp. 239-274, which subjects Solvay and Leblanc to econometric profitability testing, to the latter's detriment, and has so far not been seriously challenged by economic historians.

to join the Commission.¹ Turney attended only one early meeting and does not appear to have contributed to Commission funds.²

SAMUEL JAMES WARING, 1st BARON WARING, cr. 1922 (1860-1940, Bt. 1919)
Attendance 18. Chairman of Waring and Gillow Ltd., furniture manufacturers.

Waring and Sons, founded by the Tariff Commissioner himself, was established at the comparatively late date of 1893. Within ten years the firm had acquired several other concerns, including Gillow and Co. of London (in 1897), Collinson and Lock, and, around 1902, Hampton and Sons Ltd.

Waring and Gillow were probably well-insulated from the trade cycle due to their large business in high quality furniture and their contract work in interior furnishing and design. Untypically, 1902 was a good year for the firm and net profits had risen from £77,155 in 1900 to £101,927 in 1902 despite an increase in reserves of £40,000. Contracts completed in 1902 included the royal apartments at Windsor Castle, two royal trains and one for a High Commissioner, the Wyndham Theatre, the Hyde Park Hotel and the Kaiser's yacht. Contracts were in progress in "nearly every country in Europe, also in Egypt, Algiers, Cape Colony, Natal, the Transvaal and Orange River Colonies, India and the Argentine Republic",³ and contracts in hand, amounting to about £1m, included the biggest hotel in South Africa, Manchester's Midland Hotel and Walsingham House in Piccadilly. 1903 promised to be an even better year than 1902.

Given such boom conditions the firm was in the process of extending its factories in Liverpool and London, its showrooms in Manchester, its galleries and workshops in Paris, and was opening new premises in Oxford St.

The effect of Tariff Reform on Waring's business would have been hard to measure. Certain items produced, such as chairs, were subject to heavy foreign competition but competition in many lines of furniture was still largely domestic, and largely confined to lesser quality lines which were not Warings' stock-in-trade. Furthermore, free imports must have assisted the contracting side of the business, which required purchase of a wide range of goods from asbestos to marble and from woodworking lathes to Turkish carpets. Waring saw continental tariffs as a barrier to his expansion in that they encouraged copying of his designs, and this had been a consideration in the establishment of the works in France. In 1905 the firm was considering further overseas works in Germany, Switzerland and the US.⁴ Waring was chairman of the Kent branch of the TRL.⁵

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1. A.H. John, op. cit., pp. 28, 36, 39. In the mid 1860s Turneys were perhaps Alfred and Charles Booth's most important client.
 2. See, generally, Who was Who, II, 1916-1928; H.H. Bassett (ed.), op. cit., pp. 415-416; Sheffield Daily Telegraph, 21 December 1903, p. 8. For the economic background to the leather industry in this period see R.A. Church, "The British Leather Industry and Foreign Competition, 1870-1914", Economic History Review, 2nd Series, XXIV, 1971, pp. 543-570.
 3. Report of A.G.M. of Waring and Gillow Ltd., Economist, 4 April 1903, p. 617.
 4. "Waring and Gillow Ltd: Questions as to the Classification of Industries Affecting the Building and Furnishing Trades" (typescript); "Draft Questions to Witnesses" (printed copy with Waring's answers written in); C-216, T.C.P.
 5. Waring to Hewins, 8 November 1906; ibid.

During the War Waring was heavily involved in production of aeroplanes, engines and war equipment. He was prominent in the organisation of aristocratic charities, mostly for the sick.¹

WILLIAM BRIDGES WEBB (1849-1913) Attendance 16. Head of the firm of Dewar and Webb, London grain merchants; chairman of the Baltic Mercantile and Shipping Exchange Ltd.

Webb had entered into partnership with James Dewar in 1870, and became a member of the Baltic Exchange in 1872, when corn merchants were still predominant upon it. In 1891 he was made a member of the Baltic Committee, and in c. 1893 elected chairman. By 1895 a large proportion of the membership was interested in the shipping trade, and probably a majority had some direct interests in shipping operations. In 1900 the Baltic merged with the London Shipping Exchange and the City of London Exchange Syndicate to form the Baltic Mercantile and Shipping Exchange Ltd.²

One trade journal described Webb as "As smart a business man as one can find in this great city of business men [London]".³ Austen Chamberlain thought Webb a "good Tariff Reformer", and welcomed his arrangements whereby prominent imperial statesmen could speak on the "good non-party platform" of the Baltic.⁴

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1. See Who was Who, III, 1929-1940; H.H. Bassett (ed.), op. cit., p. 428.
 2. H. Barty-King, The Baltic Exchange: The History of a Unique Market, (London, 1977), pp. 190, 212, 228, 232, 278, 280, 282, 314.
 3. The Miller, quoted in ibid., p. 282.
 4. A. Chamberlain, Politics from Inside: An Epistolary Chronicle, 1906-1914, (London, 1936), p. 84.

(b) New Members - Appointed March 1911,¹

HUGO HIRST, 1st BARON HIRST, cr. 1934 (1863-1943) Attendance 9. Chairman and managing director of the General Electric Co. Ltd., and chairman or director of its subsidiaries in France, Australia, India, South Africa, China, Spain, Belgium, and Argentina; chairman of Aron Electricity Meter Ltd.; Osram Lamp Works Ltd.; Peel Connor Telephone Works Ltd.; Robertson Electric Lamps Ltd.; Steel Conduit Co. Ltd.; director of Travancore Minerals Co. Ltd.; Uitenhage Electric Light and Power Co. Ltd.; Madeira Electric Lighting Co. Ltd.; member of the Trade and Industrial Committee of the Royal Colonial Institute.²

JOHN HUNTER (dates unknown) Attendance 2. Joint managing director of Sir William Arrol and Co. Ltd., shipbuilders, bridge-builders and engineers of Glasgow; director of Clyde Shipbuilding and Engineering Co.; North West Rivet, Bolt and Nut Factory; Iron Trades' Employers Insurance Association.³

R.B. THOMAS (dates unknown) Attendance 7. Member of the firm of Richard Thomas and Co. Ltd., tinsplate manufacturers. Thomas's father, himself the son of a London tinsplate and metal merchant, purchased tinsplate works at Lydbrook and Lydney in Gloucestershire in the 1870s. Richard Thomas and Co. Ltd. was registered in 1884 with a capital of £50,000, and the Mellingriffith Works at Whitchurch were acquired in 1888. Richard Thomas was the prime-mover behind amalgamation in the tinsplate trade, the company steadily acquiring and re-organising smaller businesses in the 1890s and 1900s.⁴

CHRISTOPHER HATTON TURNOR (1873-1940) Attendance 8. Landowner; publicist and spokesman for agriculture and the rural community generally. Author of Land Problems and National Welfare (London, 1911); Our Food Supply, (London, 1916); The Land and the Empire, (London, 1917).⁵

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1. Maximum attendance possible = 17.
 2. H.H. Bassett (ed.), op. cit., p. 198.
 3. Ibid., p. 213.
 4. J.C. Carr and W. Taplin, op. cit., pp. 118, 269.
 5. Who was Who, III, 1929-1940.

APPENDIX 2Committee Members(a) Committees composed entirely of Tariff Commission membersGENERAL PURPOSES (EXECUTIVE) COMMITTEE¹

Charles Booth
 Sir Vincent Caillard
 F. Leverton Harris
 Sir Alexander Henderson
 Sir Robert Herbert
 Sir Alfred Jones
 Alfred Mosely
 Arthur Pearson

SPECIAL COMMITTEE ON FOREIGN TARIFFS²

Henry Birchenough
 Charles Booth
 Sir Vincent Caillard
 F. Leverton Harris
 William Harrison
 Sir Alexander Henderson
 Sir Robert Herbert
 Sir Alfred Jones
 Ivan Levinstein
 Alfred Mosely
 Arthur Pearson

IRON AND STEEL COMMITTEE³

Charles Allen
 Sir Alfred Hickman
 Arthur Keen
 Sir William Lewis

1. Iron and Steel Report, para. 1.
 2. T.C.M.(P), 3-4 February 1904; T.C.P.
 3. Iron and Steel Report, para. 1.

(b) Committees which included non-members of the Tariff CommissionTEXTILE COMMITTEE(i) Tariff Commission Members

Frederick Baynes
 Charles Booth
 Henry Birchenough
 Sir Vincent Caillard
 John Corah
 Charles Eckersley
 F. Leverton Harris
 Sir Alexander Henderson
 Sir Robert Herbert
 Sir Alfred Jones
 Ivan Levinstein
 William Mitchell
 Alfred Mosely
 Arthur Pearson
 R.H. Reade

(ii) Non-Members of the Commission

JOHN B. DON (Attendance 10)¹ of Don Brothers, Buist and Co., flax and jute spinners and weavers of Dundee, a firm established for over a century. Don, in his evidence, painted a dismal picture of the decline of the Dundee industry in foreign markets under the rise of indigenous industry promoted by tariffs in Europe and elsewhere. He thought protection and colonial preference "the only chance of salvation we have".²

J.H. KAYE (Attendance 22) of Kaye and Stewart, worsted manufacturers of Broadfield Mills, Huddersfield. Kaye was unaffected by foreign competition in the home market. Rather, smarting from the effects of foreign tariffs such as Dingley on his exports, he looked to British duties on goods other than his own to lead to a reciprocal lowering of foreign tariffs.³

G. MARCHETTI (Attendance 4) of John Crossley and Sons Ltd., carpet manufacturers of Dean Clough Mills, Halifax.

JONATHAN PEATE (Attendance 7) of J., J.L. and C. Peate, woollen cloth manufacturers of Nunroyd Mills, Guiseley. The firm employed about 500 people and Peate had been connected with it for 40 years. Though producing for colonial and neutral markets, the firm had in recent years been forced more and more into the home market, though even here there was strong foreign competition, most seriously from Germany.⁴

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1. Attendance records for Textile Committee members are probably incomplete.
 2. Flax, Hemp and Jute Report, para. 3912.
 3. Woollen and Worsted Report, paras. 1740-1752.
 4. Ibid., paras. 1642-1651.

A.J. SANDERSON (Attendance 41) of P. and R. Sanderson, manufacturers of tweeds and worsted and flannel suitings at Galashiels. Sanderson's fancy trade, especially with Germany and Canada, was doing quite well at the time of the enquiry, though the plain goods trade was hit harder and US and French tariffs had had a serious effect on trade. Fashion rendered many of the lines in which he was interested partially or largely immune from foreign competition. Sanderson foresaw a reciprocal lowering of duties as the main benefit to be gained from Tariff Reform.¹

MICHAEL TOMKINSON (Attendance 4) of Tomkinson and Adam, carpet manufacturers of Kidderminster, and chairman of the Axminster Carpet Manufacturers' Association of Great Britain.

AGRICULTURAL COMMITTEE

(i) Tariff Commission Members

Henry Chaplin
 William Cooper
 John Dennis
 William Grenfell (Lord Desborough)
 Sir William Goulding
 J. Mitchell Harris
 Charles Phillips

(ii) Non-Members of the Commission²

R. BARTER (Attendance 0)³ Dairy farmer and stock breeder of County Cork; president of County Cork Agricultural Society, 1898-1900; chairman of the agricultural section at Cork Exhibition.

JAMES BIGGAR (Attendance 1) Tenant farmer of Dalbeattie, farming 800 acres, 480 in arable and 320 in grass and meadow;⁴ exporter of Galloway cattle; president of the Galloway Cattle Sales Association; chairman of the Galloway Cattle Society; vice-president of the Scottish Chamber of Agriculture; governor of the West of Scotland Agricultural College; gave evidence before the Royal Commission on Agriculture, 1894-7 and several departmental committees on agricultural schools, cattle diseases and seed-testing, etc.

PETER BLUNDELL (Attendance 9) Tenant farmer of 33 years' experience in Lancashire; member of council of Royal Lancashire Agricultural Society; breeder and exporter of shire-horses; chairman of Fylde R.D.C.; Poor Law Guardian.

1. Ibid., paras. 1818-1829.
 2. Sources, unless otherwise specified, are Agricultural Report, paras. 1-7, and T.C.M.(P), 24-25 February 1904; T.C.P.
 3. Maximum attendance possible = 50.
 4. Agricultural Report, para. 519.

THOMAS BROWN (Attendance 8) Managing director of West Norfolk Farmers' Manure and Chemical Co. of King's Lynn since 1882; director of King's Lynn Dock and Railway Co.; chairman of King's Lynn Conservancy Board; alderman, Norfolk County Council.

WILLIAM FRANKISH (Attendance 7) Retired farmer of 2,000 acres in North Lincolnshire, 400 grass and the rest arable;¹ former chairman of the Lincolnshire Farmers' Co., manufacturers of manure and cattle cake; former chairman of William Foster and Co., agricultural engineers; member of council of Royal Agricultural Society; vice-chairman of Lincolnshire Chamber of Agriculture.²

J.M. FRASER (Attendance 6) Chairman and managing director of Macdonald, Fraser and Co. Ltd., livestock salesmen and auctioneers, having had 40 years' experience with the firm; large landowner.

P.R. GRAY (Attendance 7) Farmer of 232 acres in County Kildare, growing largely barley.³

R.W. HUDSON (Attendance 9) Farmer of 2,600 acres in Buckinghamshire and Berkshire; breeder of Aberdeen Angus cattle and a founder of the English Aberdeen Angus Society; breeder of shire-horses and Berkshire pigs; claimed to be one of the largest beef and mutton producers in the South of England.⁴

G. MALCOLM (Attendance 1) Factor on the large Inverness-shire estate of Sir John Stirling Maxwell; agricultural correspondent of the Board of Agriculture.

A.H.H. MATTHEWS (Attendance 36) Secretary of the Central Chamber of Agriculture; for seven years Organising Secretary of the National Agricultural Union; formerly a dairy farmer in Surrey and a mixed farmer in Kent.

F. NEAME (Attendance 11) Farmer of 1,977 acres in East Kent, growing hops, for which he was nominated to give evidence by the Conference of Hop Growers, on 408 acres;⁵ agent for Earl Sondes' Kent and Norfolk estates and other estates in Kent; breeder of Romney Marsh sheep.

ROUSE ORLEBAR (Attendance 27) Landowner in Bedfordshire and Northamptonshire; chairman of the Farmers' Club; member of council of the Central Chamber of Agriculture; president of Bedfordshire Chamber of Agriculture.

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1. Ibid., para. 863.
 2. Autobiographical details; 1304, T.C.P.
 3. Agricultural Report, paras. 584-589.
 4. Autobiographical details, C-608, T.C.P.
 5. Agricultural Report, para. 1054.

CECIL PARKER (Attendance 3) Resident agent for the Duke of Westminster's Cheshire estates; late resident agent for the Earl of Ilchester's estate in Wiltshire, Somerset, Dorset and Devon, 1876-81; member of council of Royal Agricultural Society since 1881; chairman of Holywell Halkyn Mining and Tunnel Co. Ltd.; Walkers, Parker and Co. Ltd., lead spelters and manufacturers;¹ declined to give evidence because "Our farm is not run on commercial lines".²

OWEN PRICE (Attendance 0) Landowner and tenant farmer of 1,500 acres as well as extensive sheepwalks in Wales; owner of 3,000 sheep; Hereford cattle breeder; land valuer of 30 years' experience; member of Brecon County Council; vice-chairman of Brecon Board of Guardians.

J. STRATTON (Attendance 24) Tenant of over 6,000 acres in Hampshire and Wiltshire; Hampshire representative on the Central Chamber of Agriculture for over 20 years; from a family who farmed some 30,000 acres altogether.³

C.D. WISE (Attendance 14) Agent for the Toddington estates in Gloucestershire, including management of 1,000 acres of fruit farms with an annual output of around 2,000 tons in 1906, since 1885; member of council of the Fruit Growers' Federation; cider manufacturer.⁴

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1. C-657, T.C.P.
 2. Parker to Hewins, 14 December 1905; C-325, T.C.P.
 3. Stratton to Hewins, 11 (?) February 1904; C-536, T.C.P.
 4. Agricultural Report, paras. 984-992.

APPENDIX 3Tariff Commission: Attendances 1903-1921

	<u>Commission and Textile Committee</u>	<u>Agricultural Committee</u>	<u>Total</u>	<u>Last Date of Attendance</u>
Herbert (Chmn)	88	12	100	2. 3.05.
Pearson (V. Chmn)	43	2	45	14. 7.14.
Allen	40	1	41	25. 6.08.
Baynes	35	1	36	6. 4.11.
Birchenough	30	-	30	7.11.05.
Booth	33	3	36	24.11.10.
Bostock	12	-	12	7.11.05.
Boulton	61	4	65	11. 5.11.
Burbidge	82	9	91	14. 7.14.
Caillard	66	3	69	4. 8.21.
Candlish	63	2	65	6. 6.12.
Chaplin	16	40	56	25. 3.20.
Cockburn	38	1	39	14. 2.21.
Colls	42	1	43	20.12.09.
Colmer	21	-	21	11. 5.11.
Cooper	32	12	44	3. 5.06.
Corah	49	3	52	6. 6.12.
Dennis	54	31	85	7.11.17. (AC:21. 2.21.)
Eckersley	14	-	14	3. 5.06.
Elgar	31	1	32	25. 6.08.
Elliott	14	-	14	7.11.05.
Evans	92	2	94	7.11.17.
Flett	16	-	16	28. 5.08.
Follett	64	7	71	2. 2.21.
Gallaher	13	7	20	10.11.05.
Gibbs	18	-	18	3. 5.06.
Gilbey	107	6	113	14. 2.21.
Goulding	12	11	23	8. 4.05. (AC:28. 7.05.)
Grenfell	48	24	72	2. 2.21.
F.L. Harris	54	3	57	6. 6.12. (Ac:15. 4.13.)
J.M. Harris	25	17	42	7.11.17.
Harrison	19	-	19	28. 5.08.
Henderson				
Hickman	18	-	18	11. 7.04.
Jones	12	-	12	28. 4.04.
Keen	8	-	8	28. 6.04.
Keswick	20	-	20	12. 3.13.
Levinstein	20	-	20	24.11.10.
Lewis	5	1	6	25. 6.08.
Littlejohn	68	3	71	14. 7.14.
Lyle	25	2	27	7.11.17.
Maconochie	26	-	26	28. 5.08.
Marshall	18	-	18	21. 7.04.

	<u>Commission and Textile Committee</u>	<u>Agricultural Committee</u>	<u>Total</u>	<u>Last Date of Attendance</u>
Mitchell	26	-	26	11.12.05.
Mosely	106	16	122	14. 7.14.
Noble	6	-	6	28. 5.08.
Parsons	18	-	18	7.11.17.
Peace	39	3	42	26.10.11.
Perceval	33	1	34	20. 1.21.
Phillips	46	38	84	20. 1.21.
Rank	35	3	38	26.10.11.
				(AC:12, 6.13.)
Reade	15	8	23	25. 6.08.
Ryder	3	-	3	21. 1.04.
Smith	27	1	28	26.10.11.
Tennant	-	-	-	-
Tonsley	14	-	14	3. 5.06.
Turney	1	-	1	15. 1.04.
Waring	17	1	18	7.11.17.
Webb	15	1	16	11. 5.11.

Note: AC = Agricultural Committee. Last date of attendance of the Agricultural Committee is shown only when that date is later than last date of attendance of Commission and Textile Committee meetings.

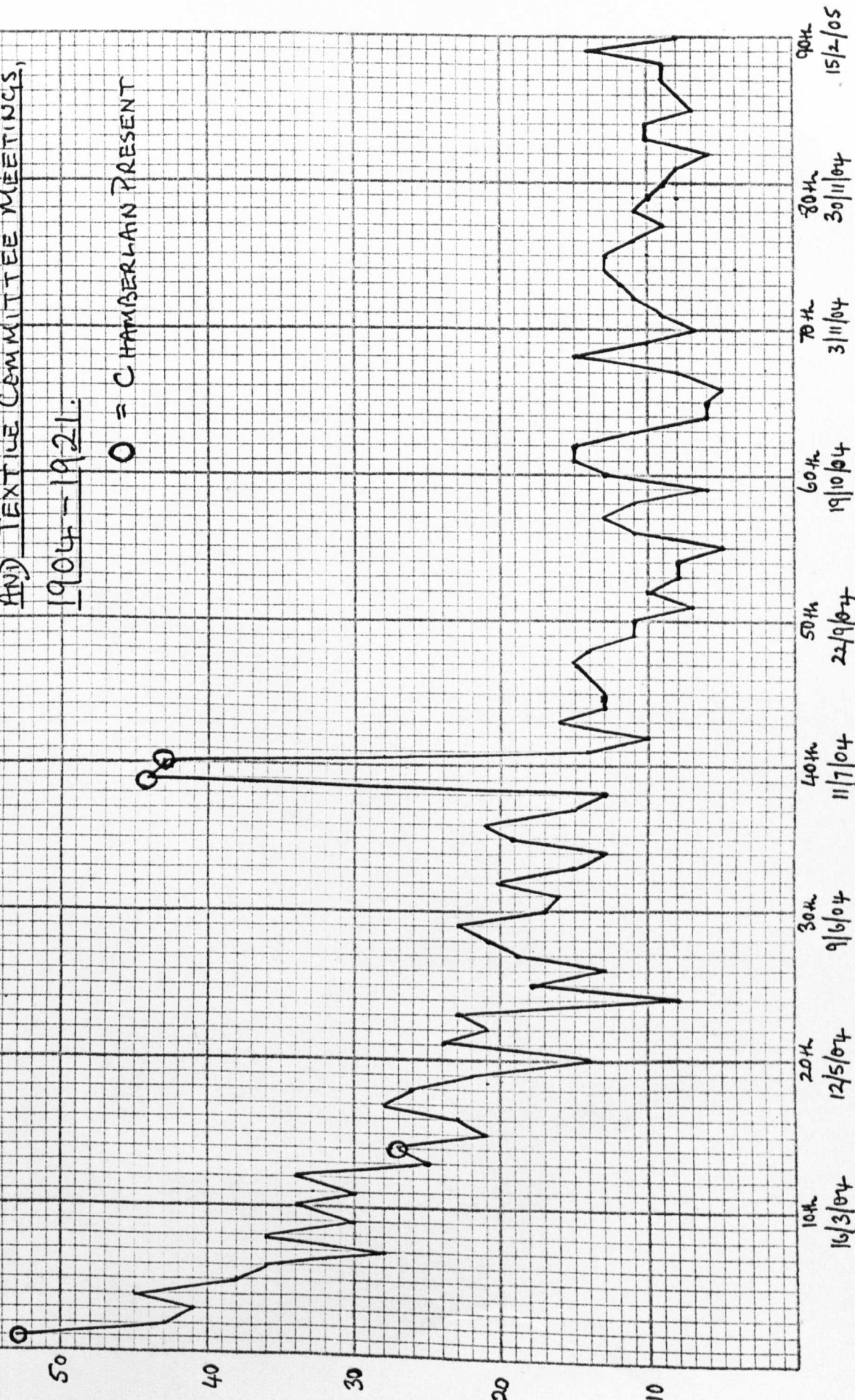
Sources: "Tariff Commission: Attendance Book" and "Agricultural Committee: Attendance Book"; T.C.P.

APPENDIX 4

ATTENDANCE AT TARIFF COMMISSION
AND TEXTILE COMMITTEE MEETINGS,
1904-1921.

O = CHAMBERLAN PRESENT

-81-



APPENDIX 4 (continued)



100# (9/11/05)
110# (25/6/08)
120# (9/5/12)
132nd. (4/8/21)

APPENDIX 5Forms of Inquiry (printed and dispatched)¹(A) Form No. 1 (Issued to all Manufacturers)

- I State the nature of your trade or trades, and whether your sales are for the (a) home, (b) foreign and/or (c) the colonial markets.
- II What was the weekly average number of persons employed by you during 1903, distinguishing, if possible, men from women and children?
- III What are the principal articles that you manufacture for the home trade in respect to which you experience foreign competition?
- IV Are any articles similar to those manufactured by you imported into this country below your cost price? If so, please state particulars as far as you can.
- V Have you any information leading you to conclude that such imported articles are placed upon the British market at or below the normal cost of production in the country of origin? If so, please state particulars as far as you can.
- VI Is your trade subject to adverse competition from foreign countries in consequence of any difference in the rates of wages, in the hours of labour, or in other respects? If so, please give such particulars as you can.
- VII Has your export trade suffered in recent years by the operations of the tariff of any country? If so, please state your experience.
- VIII What amount of reduction of the tariff of any country would enable you to compete successfully within that country with commodities made therein similar to those you manufacture?
- IX What is your experience in respect of foreign competition in the Colonies in your trade?
- X Do you suffer any disadvantages from the operations of the Patent Laws or Registration Laws in other countries? If so, please state particulars.
- XI Please state whether you would be willing to furnish to the Commission any further detailed information, and, if so, on what subjects?

1. Instructions, explanations and pleasantries have been omitted.

(B) Form No. 2 (Issued to Merchants)

1. What are the principal goods in which you deal?
2. If you are an importer, please state the principal goods you import, and from what Countries?
3. If you are an exporter, please state the principal goods you export, and to what countries?
4. What is the approximate percentage, by value, of your total turnover for the year 1903, which is
 - (a) Imported by you and sold in the United Kingdom?
 - (b) Imported by you and subsequently sent abroad?
 - (c) Obtained by you in the United Kingdom and sold there?
 - (d) Obtained by you in the United Kingdom and sent abroad?
5. If these proportions show considerable variations in recent years, please give details and explanations.
6. What proportion, if any, of your total exports is directed to British Possessions, and if this part of your trade is increasing or diminishing, please give details and explanations.
7. What proportion, if any, of your total imports comes from British Possessions, and if this part of your trade is increasing or diminishing, please give details and explanations.
8. Is the proportion of foreign-made goods to British-made goods in any branch of your trade increasing or diminishing? If so, please say to what extent, and give reasons for the change, if you can.
9. Please give any instances of loss or partial loss of any foreign markets through the operation of Foreign Tariffs and Regulations.
10. What general conclusions have you arrived at as to the effect of the Customs Regulations and Tariffs of the foreign countries with which your principal trade is carried on?
11. What is your experience of the effect of Preferential Tariffs -
 - (a) colonial, (b) other?
12. What is your practical business experience as to the working and value of the most-favoured-nation clause in regard to your industry?
13. Has the growth of combinations in the United States, Germany, and other foreign countries affected your business either at home or abroad, and, if so, in what manner?
14. Is it within your experience that foreign traders are injuring your trade by disposing of their goods in any of your markets at a less price than they obtain for similar goods in their home markets? If so, please give particulars as far as you can.
15. Please give any information you have showing the effect on your trade of the differentiation in foreign countries of railway rates and shipping charges on goods exported to the United Kingdom, or other countries.
16. Has there been any change in recent years in the proportion of your exports of semi-manufactured to fully-manufactured goods, and to what reasons do you attribute any change that has occurred?

(C) Form No. 4 (Issued to Iron and Steel Manufacturers)

1. What was the approximate percentage of your total annual sales during each of the following five years for the (a) home, (b) foreign and/or (c) colonial markets respectively?
2. If you have no objection, please state the value of your total annual sales for the last year or for each of the following five years. (The Commission considers this question of great importance with a view to estimating the relation between the production for the home and export trades. Manufacturers are reminded that the fact that they have furnished this information will be considered as strictly confidential, and no use will be made of it which will enable Commissioners or others to trace its source).
3. Give particulars of the principal supplies of the materials, raw and partly manufactured, required in your industry, and state from what countries they are derived.
4. State if any of the above-mentioned materials, now imported from foreign countries, were formerly obtained in the United Kingdom, and, if so, what has caused the change?
5. What were the total payments in 1903 by your firm on account of (a) wages, (b) local rates, (c) coal, other fuel and motive power?
6. If you can do so, please give definite information as to the burden of local rates upon businesses similar to your own in competing foreign countries as compared with the local rates current in your district?
7. What minimum duties, if any, on the articles imported, similar to those you manufacture, do you suggest as sufficient to safeguard the interests of your trade?
8. If such duties were imposed what, in your opinion, would be the effect (a) upon prices in the Home Markets, (b) in securing greater continuity and security in the Home Trade, (c) in promoting economies of production, (d) in increasing employment, and (e) in increasing wages?
9. Taking 1903, as an example, can you give any statistics as to the loss of employment in your establishment due to the importation of goods you could have manufactured?
10. Do you think that the importation of iron and steel manufactures below cost requires remedial measures, and, if so, of what character should such measures be?
11. Have the Iron and Steel trades of Germany, the United States and Belgium and other foreign countries made any inroads on any markets, hitherto largely supplied from the United Kingdom, in any branch of business in which you are engaged? Give such particulars as you can.
12. To what extent do you think that the recent developments of combinations in foreign countries give them an advantage in economising in the production of the class of goods produced by you, and in the expansion of their export trades? Please give such particulars as you can.
13. Please give any information you have showing the effect on your trade of the differentiation of railway rates and shipping charges by foreign countries on goods exported to the United Kingdom or other countries.
14. What is your experience with regard to the effect of Colonial or other Preferential Tariffs?
15. Please state whether you would be willing to furnish to the Commission any further detailed information, and, if so, on what subjects.

APPENDIX 6

Draft Questionnaire to Bankers and Financiers
(Reconstructed from T.C.M.(VT), 17 May 1906, pp. 18-28)

1. Can you give any idea of the amount of British investments in any foreign country or countries?¹
Are these investments increasing or diminishing?
Can you offer any explanation of the material variation in the amounts from year to year?
Can you give any information as to the annual return on these investments?
2. Can you give similar information on foreign investments in Great Britain?
3. How do you account for the fact that the excess of imports in regard to Great Britain is an exceptional phenomenon and does not occur to the same extent in any other country?
4. Has there been any considerable transference of British investments from foreign countries to municipal undertakings at home?²
5. Would preference be likely to have any effect in diverting investments from foreign countries to the Colonies; and if so what would be the nature of the changes that would be likely to take place?
6. To what extent do you think London as the Clearing House of the World would be affected
 - (a) by the greater relative growth of industry and trade of foreign countries?
 - (b) by the alteration of particular branches of trade, such as the change in the character of the India trade and the substitution of direct for indirect dealings between the Colonies and foreign countries?
7. How far, and in what manner, would any change in our fiscal system affect the position of London as a banking centre?
8. Has there been any change in the relative position and importance of London as a banking centre in recent years?
9. What are the causes and the effects of the extension of foreign banks in London?
10. Are the deposit and current account balances held in British banks increasing or decreasing?³

1. In discussion, changes were made to attempt a crude distinction between direct and portfolio investment, but the final wording was left to the administrative staff.
2. As was, apparently, claimed by Felix Schuster in an address to the Institute of Bankers.
3. Question number (and position) and the form of the wording of this question have been largely supplied by the present writer.

APPENDIX 7Difficulty with Dumping: An Exchange occurring during the
Discussion of the Textile Committee on 15 December 1904

- Secretary: ... When you come to dumping I find the evidence occupies a different position with regard to different textiles. I do not think it can be said that on the evidence we have the dumping [is] to any extent established with reference to the cotton industry.
- Levinstein: Except the highly manufactured goods such as velveteens.
- Secretary: I do not think it can be said that [it] is established there. It might be.
- Levinstein: We could establish a case without any doubt if we got the velveteen people before you.
- Baynes: We get an increased competition in neutral markets both in Argentina and in China.
- Secretary: ... Increased competition is not necessarily dumping.
- Leverton Harris: I understand dumping to be dumping in this country.
- Chairman: Dumping in neutral markets - selling at a loss.
- Secretary: Selling below cost.
- Kaye: Below the cost of production in this country.
- Reade: Selling below the cost of production in their own country.
- Secretary: The whole matter of dumping is very difficult; but a good general rule I think is selling below the normal cost of production in the country of origin.
- ...
- Tomlinson: Do you not think you will open up a difficult argument if you say below the cost of production in this country? Why not say below their selling price?
- Levinstein: Your definition is scarcely correct. You would never sell under. You might sell at cost price. If a man sends over from foreign parts, and sells at our cost price, he would ruin our trade. I should say that dumping is if goods are sold at our cost price not under our cost price.
- Kaye: If sold here at less than what he sells the goods at in his own country. I think you cannot hit on anything more. You cannot tell what it has cost him.

Levinstein: At our cost price.

Kaye: If they sell in England at a less price than they sell in Germany it is dumping.

Eckersley: Distinctly.

Chairman: I think we must give some paragraph shewing the different forms in which things come into this country at lower rates.

Leverton Harris: I should be careful to avoid any definition of the word "dumping".

Chairman: I think so.

Secretary: We have so far avoided giving any definition of "dumping".

Kaye: I do not see why we should not say straight out that dumping is the foreigner selling at a less price than he sells for in his own country.

Secretary: That that is one form of dumping.

Birchenough: Any amount of English trade is dumping.

Tomlinson: To revert to the question of designs ...

Source: Textile Committee Minutes (VT), 15 December 1904, pp. 42-47; T.C.P.

BIBLIOGRAPHY1. PRIVATE PAPERS

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Joseph Chamberlain Papers (University of Birmingham Library)

Hewins Papers (University of Sheffield Library)

Tariff Commission Papers (British Library of Political and Economic Science, London)

Brief Note on the General Types of Material in the Tariff Commission Papers Found Most Useful for this Study

Tariff Commission Minutes (Printed)

Tariff Commission Minutes (Verbatim Typescript)

Agricultural Committee Minutes (Printed)

Agricultural Committee Minutes (Verbatim Typescript)

Textile Committee Minutes (Verbatim Typescript)

Tariff Commission Attendance Book

Agricultural Committee Attendance Book

Income and Expenditure Accounts

Cash Books

Subscription and Donation Books (1910-1921)

Weekly Staff Wages Book

Correspondence Files (with Commission members, Committee members, Unionist politicians, Tariff Reform League branches, business firms, government departments, etc., and some internal correspondence. In all files incoming and outgoing letters have been preserved)

Forms of Inquiry (questionnaires)

Replies to Forms of Inquiry

Evidence of Witnesses (Verbatim Typescript)

Draft Product Classifications for Various Industries

Draft Reports

Draft Memoranda

Published Reports

Published Memoranda

2. NEWSPAPERS, PERIODICALS AND JOURNALS¹American Economic ReviewBoot and Shoe Trades JournalDaily ExpressDaily MailEcho (London)Economic JournalEconomistFree TraderIronworkers' JournalJournal of the Royal Statistical SocietyLeeds MercuryManchester GuardianMorning PostNineteenth CenturyNational ReviewQuarterly Journal of EconomicsQuarterly ReviewSheffield Daily TelegraphSheffield IllustratedShoe and Leather RecordSouth Yorkshire Notes and QueriesStandardStar (London)Textile MercuryTextile RecorderTimesTransactions of the Manchester Statistical SocietyWestern MercuryWestminster Gazette

1. Learned journals have been listed in this bibliography when used as contemporary sources, but not when secondary articles are cited in section 11 below.

3. BRITISH GOVERNMENT PUBLICATIONS AND REPORTS

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League of Nations, Economic Intelligence Service, The Network of World Trade, (Geneva, 1942), Series II. A.3.

5. TARIFF COMMISSION PUBLICATIONS

(i) Reports¹

Report of the Tariff Commission, vol. 1, The Iron and Steel Trades, (London, 1904).

Report of the Tariff Commission, vol. 2, The Textile Trades, part 1, The Cotton Industry, (London, 1905)

Report of the Tariff Commission, vol. 2, The Textile Trades, part 2, Evidence on the Woollen Industry, (London, 1905)

Report of the Tariff Commission, vol. 2, The Textile Trades, part 3, Evidence on the Hosiery Industry, (London, 1905).

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Report of the Tariff Commission, vol. 2, The Textile Trades, part 5, Evidence on the Carpet Industry, (London, 1905) Not consulted.

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1. Reports on the chemicals, hardware and paper industries, all mentioned as being in the course of preparation in Tariff Commission correspondence, were not published. It has not proved possible to locate copies of the 'popular' or abbreviated reports, which are not included in this list.

(ii) Memoranda (1904-1913)¹

- Mm. 1 "Memorandum on German Kartells in the Iron and Steel Industries", 10pp., 10 March 1904.
- Mm. 2 "Memorandum by Sir Charles Follett, C.B., on Drawbacks and Warehousing and Manufacture in Bond", 4pp., 14 March 1904.
- Mm. 3 "Memorandum on the Iron and Steel Trades", 8pp., n.d. but early 1904.
- Mm. 4 "Statistical Memorandum on the Iron and Steel Industry in the United Kingdom", 13pp., 1 March 1904.
- Mm. 5 "Summary of Evidence Contained in Answers to Form of Inquiry No. 1 Issued to Manufacturers", 22pp., 14 March 1904.
- Mm. 6 "Foreign Tariffs", 6pp., 15 March 1904.
- Mm. 7 "Memorandum on the Report of the United States Industrial Commission on the Iron and Steel Industries", 6pp., 15 March 1904.
- Mm. 8 "Iron and Steel: Abstract of the 'Latest Developments in the American Iron Industry' by L. Glier", 28pp., 9 April 1904.
- Mm. 9 "Memorandum on the Evidence Respecting the Iron and Steel Trades", 3pp., 16 March 1904.
- Mm. 10 "Memorandum on the Cotton Industry", 3pp., 30 March 1904.
- Mm. 11 "Statistical Memorandum on the Cotton Industry of the United Kingdom", 3pp., 30 March 1904.
- Mm. 12 "The Operation of Iron Duties in Germany, 1879-1900, based on 'Die Deutschen Eisenzolle' by F. Kestner", 16pp., 9 April 1904.
- Mm. 13 "Statistical Memorandum on the Iron and Steel Industry of the United Kingdom, Part II", 23pp., 11 April 1904.
- Mm. 14 "Memorandum on the Work of the Agricultural Committee", 4pp., 23 April 1904.
- Mm. 15 "The Agricultural Committee: Statistical Memorandum on the Agricultural Industry of the United Kingdom", 15pp., 23 April 1904.
- Mm. 16 "The Agricultural Committee: Statistical Memorandum on Some Points Bearing on the Effect of Mr, Chamberlain's Proposals", 3pp., 23 April 1904.
- Mm. 17 "Memorandum on the Wuppertal Textile Industry: Based upon the German of Elizabeth Gotteiner, 1903", 4pp., 4 May 1904.

1. Some of the early memoranda, up to Mm. 20, were not published, though most were still put into print for internal circulation. Memoranda published after 1914 were not used in the present study.

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ADDENDUM

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The English Cotton Industry and the World Market,
1815-1896, (Oxford, 1979).